

Economic and Financial.

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Geneva, June 2nd, 1930.

LEAGUE OF NATIONS

GREECE

**Twenty-sixth Quarterly Report
of the Refugee Settlement Commission**

Athens, May 27th, 1930.

FINANCIAL SITUATION

A. SITUATION ON MARCH 31ST, 1930.

<i>Liabilities.</i>	£	s.	d.
Proceeds of the 7% 1924 Loan	9,970,016	6	9
Proceeds of the 6% 1928 Loan	499,759	17	0
Proceeds of the 4% 1929 Loan	2,500,715	7	10
Receipts (interest, tithe, etc.)	773,575	12	0
Bonds deposited by refugees in provisional account as security for their debts	336,605	0	0
Various liabilities	201,053	17	7
Various per-contra accounts	374,422	13	11
	£14,656,148	15	1
 <i>Assets.</i>			
Balances available	933,075	14	11
Bonds deposited	336,605	0	0
Recoverable advances	5,584	14	0
 Expenditure:			
	£	s.	d.
Agricultural Establishment	10,397,196	12	10
Urban Settlement	1,880,192	15	0
Arts and Crafts	10,627	13	0
Carpet industry	100,000	0	0
Central Administration	218,658	12	10
Furniture and fittings	24,838	19	2
Service for the compensation of agricultural refugees	11,337	12	8
	12,642,852	5	6
Sums applied to the ordinary service of the 7% 1924 Loan . . .	218,833	17	5
Sums applied to the extraordinary amortisation of the 7% 1924 Loan .	144,774	9	4
Various per-contra accounts	374,422	13	11
	£14,656,148	15	1

(Note. — For the purposes of the present balance-sheet, the conversion of drachmæ is made on the basis of the average of our conversions of pounds sterling to drachmæ since the constitution of the Commission up to March 31st, 1930, *i.e.*, 350,841. It should be noted that this average varies from quarter to quarter, which explains the variations of the figures in the quarterly balance-sheet. Thus, at the date of the drafting of the balance-sheet, as at December 31st, 1929, the average was 346,532. Naturally, these variations only occur in the drachmæ accounts.)

The following notes facilitate the reading of this balance-sheet:

LIABILITIES.		£	s.	d.
<i>Receipts</i>		773,575	12	0
The analysis of this chapter is as follows:				
	£	s.	d.	
Interest on balances	339,958	6	1	
Caution money forfeited	9,074	17	4	
Various receipts	96,745	2	0	
Tithe collected from agricultural refugees settled on lands belonging to the R. S. C.	218,833	17	5	
Share of the R. S. C. in payments by refugees (25 per cent of capital repayments and 100 per cent of the payments of interest)	108,963	9	2	
	<u>£773,575</u>	<u>12</u>	<u>0</u>	
<i>Bonds deposited by refugees, etc.</i>		336,605	0	0
	£	s.	d.	
Payments by urban refugees	109,246	5	0	
Payments by agricultural refugees	227,358	15	0	
	<u>£336,605</u>	<u>0</u>	<u>0</u>	
<i>Various liabilities</i>		201,053	17	7
Share of the International Financial Commission 75 per cent of repayments of capital by refugees (£143,568 1s. 3d.) and 100 per cent of the proceeds of sales to non-refugees (£1,206 8s. 1d.)	£	s.	d.	
	144,774	9	4	
Rents to be refunded	3,198	19	7	
Caution money and sundry creditors	53,080	8	8	
	<u>£201,053</u>	<u>17</u>	<u>7</u>	
ASSETS.				
<i>Balances available</i>		933,075	14	11
By balances available, we mean the sums which still remain at our disposal at banks and at the Head Office in sterling, dollars and drachmæ. Naturally, these do not refer to balances available in the budgetary meaning of the word. With the exception of a sum of £141,020 representing a special reserve of £100,000, and an amount for unforeseen expenses of £41,020, all available balances are engaged in order to meet the various credits opened.				
<i>Bonds deposited by refugees, etc.</i>		336,605	0	0
	£	s.	d.	
Bonds of the 6% 1923 Loan for compensation to immigrants from Bulgaria (69,899,500 drachmæ)	174,748	15	0	
Bonds of the 8% 1926 and 1928 Loan for compensation to exchangeable refugees from Turkey (62,695,000 drachmæ)	156,737	10	0	
Bonds of the 8% 1927 Loan for compensation to refugees from Turkey of Hellenic nationality (2,047,500 drachmæ)	5,118	15	0	
	<u>£336,605</u>	<u>0</u>	<u>0</u>	
<i>Sums applied to the extraordinary amortisation of the 7% 1924 Loan</i>		144,774	9	4
	£	s.	d.	
75 per cent of capital repayments by refugees	143,568	1	3	
100 per cent of payments by non-refugees	1,206	8	1	
	<u>£144,774</u>	<u>9</u>	<u>4</u>	
<i>Various per-contra accounts</i>		374,422	13	11
	£	s.	d.	
Value of buildings made over by the Caisse d'Assistance	281,853	13	1	
Sums owing from the sale of land to urban refugees	68,615	17	2	
Sums owing from the sale of land to non-refugees	1,391	15	11	
State debtors	83	19	5	
Various deposits	22,477	8	4	
	<u>£374,422</u>	<u>13</u>	<u>11</u>	

B. BUDGET 1930.

We give below the budget of the R.C.S. for the financial year 1930 as finally approved.

<i>Receipts</i>		(on the basis of 375 drachmæ to the £.)	
I. Balance at December 31st, 1929:		£	£
(a) Funds deposited with the Bank of England	246,540		
• (b) Funds deposited with the National Bank of Greece, £62,419 15s. 3d. plus 21,304,171.15 drachmæ at 375	119,231		
• (c) Funds deposited with the Bank of Greece, £3,745 15s. 3d. plus \$3,951,802.56 at 4.90	810,236		
(d) Funds deposited with the Head Office of the R. S. C., 35,823.65 drachmæ at 375	95		
• (e) Funds deposited with provincial bureaux of the R. S. C., 108,966,784.82 drachmæ at 375	290,578		
	<hr/>		1,466,680
II. Recoverable advances, £5,415 11s. 10d. plus 1,848,880.10 drachmæ at 375			10,346
III. Interest and sundries (1930)			25,000
IV. 25 per cent of capital repayments and 100 per cent of interest payments by refugees (1930)			15,000
		Total I-IV	<hr/> £1,517,026
V. Receipts to be applied in accordance with Article 18 of the Bankers' Agreement and Article 16 of the Organic Statutes:			
(a) Payments by refugees 1930			15,000
(b) Tax on the yield from refugees' lands in 1928, 26,587,847.97 drachmæ at 375			70,901
(c) Tax on the yield from refugees' lands in 1929			See note
		Grand total	<hr/> £1,602,927
<i>Expenditure</i>		(on the basis of 375 drachmæ to the £.)	
I. Credit balances of the 1929 budget: 439,719,005.53 drachmæ at 375 (see Tables 1 and 2 attached)		£	1,172,584
II. Repayable deposits, £7,677 7s. 10d. plus 17,154,360.90 drachmæ at 375			53,422
<i>New Credits, 1930.</i>			
III. Agricultural establishment, 3,000,000 drachmæ at 375			8,000
IV. General Expenses 1930:		Drachmæ	
(a) Head Office	15,000,000	(See table	
(b) Reinforcement of the accounting staff in provincial offices of the R. S. C. by additional employees	1,000,000	3 attached)	
(c) D. G. C. M.	20,000,000		
(d) D. C. T.	5,000,000		
(e) D. C. O. G.	3,000,000		
	<hr/>		
	44,000,000 at 375		117,333
V. Cadastral survey, 8,500,000 drachmæ at 375			22,667
VI. Construction of Trans-Nestos roads, 3,500,000 drachmæ at 375			9,333
VII. Reserves:			
(a) To cover difference in ex- change, £1,200,000 at 0.50 drachma	600,000 at 375	£	1,600
(b) Special reserve	37,500,000 „ „		100,000
(c) Unforeseen	12,032,498 „ „		32,087
		<hr/>	133,687
		Total I-VII	<hr/> £1,517,026
VIII. (a) Receipts to be paid over to the I. F. C. for the extraordinary amorti- sation of the 7% 1924 Loan			15,000
(b) Receipts to be paid over to the I. F. C. for the ordinary service of the 7% 1924 Loan, subject to the conditions of Article 16 of the Organic Statutes			70,901
		Grand total	<hr/> £1,602,927

Recapitulation.

Receipts.

Chapters	Balances 1929 Drachmæ	New receipts Drachmæ	Total Budget 1930 Drachmæ
I. Balance at December 31st, 1929	550,005,000	—	550,005,000
II. Recoverable advances	3,879,750	—	3,879,750
III. Interest and sundries (1930)	—	9,375,000	9,375,000
IV. Share of the R.S.C. of payments by refugees (1930).	—	5,625,000	5,625,000
Total	553,884,750	15,000,000	568,884,750
V (a) Share of the I.F.C. of payments by refugees (1930)	—	5,625,000	5,625,000
(b) Tax on the yield from refugees' lands in 1928	—	26,587,847	26,587,847
Grand total	553,884,750	47,212,847	601,097,597
	£	£	£
or, at 375	1,477,026	125,901	1,602,927

Expenditure.

Chapters	Credit balances 1929 Drachmæ	New credits 1930 Drachmæ	Total Budget 1930 Drachmæ
II. Repayable deposits	20,033,250	—	20,033,250
IV (a) and (b). Head Office	—	16,000,000	16,000,000
I. Arts and Crafts	6,413,509	—	6,413,509
I, III and IV (c), (d) and (e). Agricul- tural establishment	163,109,880	31,000,000	194,109,880
I. Urban settlement	178,595,019	—	178,595,019
I. Mytilene-Chios	13,779,665	—	13,779,665
I and V. Cadastre	14,250,000	8,500,000	22,750,000
I and VI. Trans-Nestos roads	48,487,500	3,500,000	51,987,500
I. Service for the compensation of agri- cultural refugees	1,330,430	—	1,330,430
I. Indemnities paid to discharged em- ployees	12,978,699	—	12,978,699
I. New Year bonus to staff	774,300	—	774,300
VII (a). Reserve to cover difference in exchange	—	600,000	600,000
VII (b). Special reserve	—	37,500,000	37,500,000
VII (c). Reserve for unforeseen expenditure .	—	12,032,498	12,032,498
Total	459,752,252	109,132,498	568,884,750
VIII (a). Additional amortisation of the 7% 1924 Loan	—	5,625,000	5,625,000
VIII (b). Ordinary service of the 7% 1924 Loan	—	26,587,847	26,587,847
Grand total	459,752,252	141,345,345	601,097,597
	£	£	£
or, at 375	1,226,006	376,921	1,602,927

Table 1. — Credit Balances of the 1929 Budget.

	Agricultural Establishment Drachmæ	Urban Settlement Drachmæ	Sundries Drachmæ	Total Drachmæ
D.G.C.M.	74,608,933.60	32,883,011.00	—	107,491,944.60
D.C.T.	81,287,202.50	19,374,084.82	—	100,661,287.32
D.C.O.G.	42,638,744.76	—	—	42,638,744.76
Mytilene-Chios	—	13,779,665.60	—	13,779,665.60
U.S.D.	—	126,337,923.70	—	126,337,923.70
Arts and Crafts:				
(a) Advances to artisans.	—	5,714,413.60	—	5,714,413.60
(b) General expenses	—	699,095.90	—	699,095.90
Central Administration:				
(a) Cadastre	14,250,000.00 ¹	—	—	14,250,000.00
(b) Service for the compensation of agricultural refugees.	—	—	1,330,430.90	1,330,430.90
(c) Indemnities paid to discharged employees	—	—	12,978,699.15	12,978,699.15
(d) Construction of Trans-Nestos roads (see Table 2 attached)	13,062,500.00	—	—	13,062,500.00
(e) New Year bonus to staff	—	—	774,300.00	774,300.00
Total	225,847,380.86	198,788,194.62	15,083,430.05	439,719,005.53

439,719,005.53 drachmæ at 375 = £1,172,584.

Table 2. — Construction of the Trans-Nestos Roads.

<i>Drama-Ossenitsa Road.</i>		Drachmæ
Estimate, according to contracts		22,750,000
<i>Zirnovo-Borovo Road.</i>		Drachmæ
Estimate, according to contracts	15,492,000	
Widening of the road	3,500,000	
		18,992,000
Unforeseen 24.55 %		10,245,500
		<u>51,987,500</u>
Less credits granted in 1928		35,425,000
Balance		<u>16,562,500</u>

16,562,500 drachmæ at 375 = £44,166

¹ In reality, there only remains available the sum of 1,003,085 drachmæ as a result of the following credits granted:

	Drachmæ
January 13th, 1930, to the D. G. C. M. for the first six months of 1930	8,246,915
January 13th, 1930, to the D. C. O. G. for the year 1930	2,500,000
February 7th, 1930, to the D. C. T. for the first six months of 1930	2,500,000
	<u>13,246,915</u>

Table 3.

	Drachmæ
Salaries	11,910,000
Travelling expenses	1,100,000
Medical treatment	200,000
Funeral expenses	20,000
Cleaning and small disbursements	500,000
Light	100,000
Heat	50,000
Office and printing expenses	255,000
Rents	540,000
Furniture and fittings	70,000
Upkeep of motor-car	125,000
Water	30,000
Unforeseen	100,000
	15,000,000

15,000,000 drachmæ at 375 = £40,000.

C. SERVICE OF THE 7 % 1924 LOAN.

For the financial year 1929, the yield of the State revenues assigned to the service of this Loan was as follows:

	Drachmæ
Receipts earmarked for the Loan	886,715,377
Surplus receipts assigned as a subsidiary guarantee for the Loan service	2,242,395,599
	3,129,110,976

The sum required for the interest and ordinary amortisation service this year was 342,134,025 drachmæ.

Consequently, the revenue assigned was sufficient to cover nine times the service of the Loan. In addition to the ordinary amortisation, which amounted to £64,000 and \$71,000, the I. F. C. allocated a sum of £15,000 and \$17,000 (part of the 75 per cent of capital repayments by refugees paid over to it by the Commission) to extraordinary amortisation.

D. COLLECTIONS.

Collections credited during the three months January-March 1929 amounted to:

- (a) In cash, £15,119 10s. 2d., of which sum £5,529 13s. 2d. (75 per cent of capital repayments) was paid to the I. F. C. for additional amortisation of the 7 % 1924 Loan.
- (b) In bonds, 13,195,500 drachmæ or £32,988 15s. 0d. (at the rate of £2 10s. per 1,000 drachmæ).

The distribution of these payments between agricultural and urban refugees is as follows:

	Agricultural			Urban			Total		
	£	s.	d.	£	s.	d.	£	s.	d.
In cash	9,074	12	9	6,044	17	5	15,119	10	2
In bonds	20,152	10	0	12,836	5	0	32,988	15	0
	29,227 2 9			18,881 2 5			48,108 5 2		

(a) Payments by Agricultural Refugees.

Payments made during the three months January-March 1930 amounted to 16,323,403 drachmæ (in bonds and cash). Payments for the corresponding quarters of the previous year were 8,898,760 drachmæ, or an increase of 7,424,643 drachmæ.

(b) Payments by Urban Refugees.

Payments made during the three months January-March 1930 amounted to 8,003,860 drachmæ (in bonds and cash). Payments for the corresponding quarter of the previous year were 3,903,390 drachmæ, or an increase of 4,100,470 drachmæ.

GENERAL.

As the Commission proposes to submit, during the month of August, a comprehensive report, which will summarise in detail the activities of the Commission from the time of its creation in the year 1923, it is not considered necessary at the present time to do more than call attention to the progress which has been made with plans for the liquidation of the Commission since the date of the last Quarterly Report.

The Convention providing for the dissolution of the Commission, which was referred to in the last Quarterly Report, was submitted to the Chamber of Deputies for consideration. After a long discussion, a Law was finally passed on April 12th, 1930, authorising the Government to ratify the Convention formally, after approval of the Council of the League.

The Council of the League, having formally approved the Convention at a meeting held on May 14th, 1930, the Greek Government is in a position, in accordance with the law above referred to, to give its final approval to the Convention. It is expected that this approval will be given within a short time.

In the last Quarterly Report, an explanation was given of the arrangements contained in the Convention for the ascertaining of the debts and credits of agricultural refugees.

On March 27th, 1930, an agreement was reached between the Commission and the Government relating to all matters which, according to the above provisions of the Convention, were open for discussion. The substance of the agreement was as follows:

1. The balance of the debts of the agricultural refugees shall be reimbursed in fifteen years from January 1st, 1931. Interest to be charged only as from January 1st, 1931.
- 2. The rate of interest on these debts is reduced from 8 per cent to 3 per cent.
- 3. The rate of interest on arrears is fixed at 8 per cent.
- 4. Interest will not be charged on sums due by agricultural refugees prior to January 1st, 1931. All payments made up to that date will be placed to the capital account.
5. The agricultural refugees will not be charged with the administrative expenses of the R. S. C.
6. The agricultural refugees will be debited with the value of the land they have received at an average price of 400 drachmæ per stremma of cultivable land (1 stremma = 10 ares).

This price of 400 drachmæ also represents the average price at which the State is to indemnify those proprietors whose estates have been expropriated in accordance with the Agrarian Law.

One of the services of the R. S. C. is charged with the valuation of the indemnities due by the Government to the agricultural refugees who were exchanged in virtue of the terms of the Convention of Lausanne for the exchange of Greco-Turkish populations. The work of this service progresses, and it can be foreseen, after study of the dossiers examined up to date, that the total of the indemnities in question will amount to about £8,500,000. The total of the refugees' debts, after deduction of the indemnities, will amount to approximately £8,500,000. With a total of 145,000 families in question this figure represents an average debt of £56 10s. 0d. per family. Consequently, the average annual sum to be paid towards the liquidation of this debt is, under the new conditions, approximately £4 10s. 0d.

The Law which was passed by the Chamber of Deputies on April 12th, 1930, above referred to, in addition to authorising the Government to give formal ratification of the Convention after its approval by the Council of the League of Nations, also authorises the Government, through the issue of decrees, to settle all questions which, under the terms of the Convention itself, require legislative approval. The Commission is preparing to initiate discussions with the Government upon all matters requiring settlement before the dissolution of the Commission, and hopes prompt settlement may be made of all questions, so that the final transfer of the properties of the Commission, subject to the terms of the Convention, may, if possible, be made before December 31st next.

(Signed) Charles B. EDDY,
Chairman.

Geneva, May 31st, 1930.

LEAGUE OF NATIONS

FISCAL COMMITTEE

**REPORT TO THE COUNCIL ON THE WORK OF THE
SECOND SESSION OF THE COMMITTEE**

Held in Geneva from May 22nd to 31st, 1930.

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INTRODUCTION.

The Fiscal Committee has the honour to submit to the Council the following report relating to the work of its second session held at Geneva from May 22nd to 31st, 1930.

The following members of the Committee were present:

M. BLAU (Chairman *per interim* in the absence of M. BORDUGE).
Professor Th. S. ADAMS, assisted by M. ALVORD and Mr. CARROLL.
Dr. Gino BOLAFFI.
M. CLAVIER.
M. Diez DE MEDINA.
Professor Dr. FLORÈS DE LÉMUS.
M. MANTZAVINOS, assisted by M. BERTZAS.
M. PAASCHE (replacing Professor DORN).
Dr. SINNINGHE DAMSTÉ.
M. TETREL (replacing M. BORDUGE), assisted by M. BOISSARD.
Sir Percy THOMPSON, K.B.E., C.B.

Representing the International Chamber of Commerce:

M. R. JULLIARD.

I.

EXAMINATION OF RECENTLY CONCLUDED INTERNATIONAL CONVENTIONS FOR THE AVOIDANCE OF DOUBLE TAXATION.

On February 22nd, 1928, Hungary and Yugoslavia concluded a Convention¹ for the prevention of double taxation in the matter of direct taxes (including contributions levied on account of subordinate public corporations, communes, etc.). The Convention is based on the distinction between impersonal and personal taxes, both the terms being interpreted in their ordinary sense.

In so far as concerns important taxes, the Convention follows the principles embodied in the 1928 model conventions. There is a slight difference as regards directors' fees: if these are paid in respect of services at a branch, the State in whose territory the branch is situated has the right of assessment (compare Article 7 of the Convention with Article 6 of draft *Ia*). It may be noted further that under Articles 6 and 7, in determining the domicile of juridical persons, not only the real centre of management of the undertaking (*vide* Article 4 of draft *Ia*) but also the head office of the company is taken into account, the latter having priority over the said centre of management. This stipulation recurs in Article 9 (personal tax).

In principle, the personal tax is levied in the taxpayer's State of domicile, with the exception of income from immovable property (including mortgage debts) and industrial and commercial undertakings, and earned income (the latter forms of income are not excepted in the above-mentioned article in draft *Ia*). The tax on total wealth is based on the same principles as the personal tax on income. As regards administrative and legal assistance, there is only one provision dealing with this matter (Article 14).

As regards the exemption of shipping, the Committee can mention, in addition to Article 12 of the above-mentioned Treaty, seven Agreements: between Belgium and Sweden (May 31st, 1929), Canada and Japan (September 21st, 1929, Exchange of Notes), Canada and the Netherlands (September 23rd, 1929, Exchange of Notes), Canada and Greece (September 30th, 1929, Exchange of Notes), Canada and Sweden (November 21st, 1929, Exchange of Notes), France and Sweden (December 19th, 1929, January 25th, 1930, Exchange of Notes), Canada and Germany (April 17th, 1930, Exchange of Notes).

Total or partial exemption from the road-tax has been provided for in arrangements between the Netherlands and certain other countries—namely, Belgium, Denmark, Germany, Great Britain and Northern Ireland, and Sweden. These arrangements have been brought into operation by enactment of simultaneous internal legislation.

Finally, a Treaty was concluded between Austria and Hungary (June 25th, 1928), providing for administrative and legal assistance; the whole of this Treaty corresponds to the Treaty between Austria and Czechoslovakia of July 12th, 1926 (document C.345.M.102.1928.II, p. 224).

II.

GENERAL POSITION WITH REGARD TO THE PROBLEMS OF DOUBLE TAXATION AND TAX EVASION.

The Fiscal Committee has taken note of the draft law recently submitted to the Congress of the United States of America with a view to avoiding double taxation. The Committee welcomes this attempt, the more so because the system of combating the superimposing of taxes by internal legislation has already shown itself as very efficacious. Proof of this is given in the Collection of Agreements (document C.345.M.102.1928.II, pages 185-211) and in Supplement I (document C.365.M.134.1929.II, pages 36-40). It is to be hoped that several States will be influenced to follow the same path, which will lead to the disappearance of the law of double taxation in a considerable field.

¹ The Fiscal Committee only received communication of this Convention during its session in May 1930.

III.

EXAMINATION OF THE QUESTIONS LEFT OPEN BY THE GENERAL MEETING OF GOVERNMENT EXPERTS.

The Fiscal Committee continued at its second session the study of the various questions which the General Meeting of Government Experts in 1928 had not been able to go into sufficiently thoroughly.

A. *Definition of the Term "Autonomous Agent" in Relation to the Term "Permanent Establishment"*.

The Committee examined on second reading the definition of the term "autonomous agent" in relation to the term "permanent establishment" which it had provisionally accepted at its previous session, and adopted the following text:

In its endeavour to determine the principles which it might adopt as a guide in defining the terms "autonomous agent"¹ and "permanent establishment", the Committee found that four criteria were employed in different countries.

(a) The first is a criterion of a legal nature, it being considered that the only agents dependent on an enterprise are those having sufficient powers to conclude contracts binding upon that enterprise.

The Committee considered that this criterion was admissible, but was not applicable to every case.

(b) According to the second system, there is no "permanent establishment", unless the agent has a fixed depot.

There are cases, however, in which the presence of an agent of an enterprise may connote, for that enterprise, the existence of a permanent establishment, although the enterprise undoubtedly has no fixed depot; this is particularly the case with insurance companies and certain buying agencies.

(c) The third system takes into account the relations between the agent and the enterprise, the only agents regarded as not autonomous being those in receipt of fixed emoluments.

This may be a determining but it is not an indispensable factor in deciding whether there is a non-autonomous agent, *i.e.*, a permanent establishment.

(d) The fourth criterion is that of the continuity of the relations between the agent and the enterprise.

This criterion is not absolute and requires closer definition.

Taking the above systems into consideration, the Committee concluded that it would be advantageous to disengage a general principle governing the matter.

The fundamental principle is:

When a foreign enterprise regularly has business relations in a country through an agent established there who is authorised to act on its behalf, it shall be deemed to have a permanent establishment in that country.

A permanent establishment will thus exist when the agent, being established in the country:

(a) Is a duly accredited agent (*fondé de pouvoir*), who habitually enters into contracts on behalf of the enterprise for which he works;

(b) Is bound by an employment contract and habitually transacts commercial business on behalf of the enterprise in return for remuneration from the enterprise;

(c) Is habitually in possession, for the purposes of sale, of a depot or a stock of goods belonging to the enterprise.

As evidence of the existence of an employment contract under the terms of (b) may be taken, moreover, the fact that the administrative expenses of the agent, in particular the rent of premises, are paid by the enterprise, or the fact that the latter's intervention is manifested by outward signs.

A broker who places his services at the disposal of an enterprise in order to bring it into touch with customers does not in his own person constitute a permanent establishment of the enterprise, even if his work for the enterprise is to a certain extent continuous or is carried on at regular periods.

Similarly, the fact that the commission agent (*commissionnaire*) acts in his own name for one or more enterprises, and receives a normal rate of commission, does not in principle imply the existence of a permanent establishment for any of those enterprises. This may not be the case, however, if he is required to devote the whole of his activities to a single enterprise.

Lastly, there cannot be held to be any permanent establishment in the case of commercial travellers not coming under any of the above-mentioned categories.

British Government Bill.

At this session Sir Percy Thompson, the British member of the Committee, communicated to his colleagues a clause (Appendix I) which the British Government had submitted to Parliament in the Finance Bill of the year in order that it might be possible for Great Britain to conclude international agreements for the avoidance of double taxation resulting from divergent definitions of the term "autonomous agent".

¹ In this report, the term "agent" is employed in the broad commercial sense rather than in the strict legal sense.

The Committee noted Sir Percy Thompson's communication with great interest and thanked him for showing them this proof of confidence.

The contents of the clause do not differ materially from the conclusions adopted by the Fiscal Committee in the above report. The British clause would appear of a nature greatly to facilitate the conclusion of international agreements on the basis of the recommendations adopted by the Fiscal Committee.

B. *Rules for Apportionment of Profits or Capital from Undertakings operating in Several Countries and Measures designed to avoid Double Taxation of International Trusts and "Holding Companies"*¹.

At its previous session the Fiscal Committee had framed a detailed questionnaire on this question which it had forwarded to all its members and corresponding members in order to obtain full information concerning the practices at present followed in the different countries.

The Committee received replies concerning some twenty countries. This copious and very important documentation has been summarised in a report prepared by Professor Adams (Appendix II).

The Committee has also received communication of the conclusions arrived at by the International Chamber of Commerce.

The Committee held an exhaustive discussion, which revealed the complexity of the question and the numerous obstacles which face any attempted solution. Nevertheless, while fully realising the difficulty of the task, the Fiscal Committee is of opinion that the moment has come to deal with the real substance of the question, since, until this is settled, one of the principal causes of double taxation will continue to exist.

The Committee decided to concentrate chiefly on this point. It feels that for the same reason the grant of the Rockefeller Foundation (see hereafter) should be employed primarily for this object.

The Committee requested a Sub-Committee composed of M. BLAU, M. BORDUGE, Professor DORN, Professor Dr. FLORÈS DE LÉMUS and Sir Percy THOMPSON to prepare the discussion for the next session.

C. *Study of the Principles for the Avoidance of Double Taxation of Author's Rights and Patents.*

As in the case of the preceding question, the Committee had forwarded to all its members a questionnaire on authors' rights and patents. The replies received have been summarised in a report drawn up by M. Clavier (Appendix III).

The General Meeting of Government Experts, which was held at Geneva in October 1928, suggested that the Fiscal Committee should endeavour to discover a method for the avoidance of double taxation levied on the income derived from authors' rights and patents. At its first session, the Fiscal Committee made a preliminary study of this subject.

Certain members were of opinion that the régime had been fixed by Article 9 of the draft Ia, drawn up by the Government experts (document C.562.M.178.1928.II). This article is worded as follows:

"Annuities and income from other *sources* not referred to in the previous paragraphs shall be taxable in the State of *fiscal domicile* of the creditor of such income."

Other members pointed out that, at previous meetings, no decision had been taken either with regard to authors' rights or the income derived from patents. This appeared to be confirmed by the fact that the Government experts' report recommended the Fiscal Committee to study the question.

Certain members of the Committee also observed that the above-mentioned Article 9 contained a printer's error, since the word "*sources*" should have been "*créances*". In support of this argument, they advanced the following reasons:

1. In all previous documents the word "*créances*" had always been employed (document F. 212, page 32, litt. H. document C.216.M.85.1927.II, pages 11 and 16);
2. The text of Article 9 had been taken from the above documents and had been adopted without alteration by the General Meeting of Government Experts;
3. The last part of the article refers to creditors ("*créanciers*") which implies the existence of a "*créance*";
4. The commentary on this article twice employs the expression "*créances*", but makes no mention of "*sources*" (document C.562.M.178.1928.II, page 13);
5. Article 8 of draft Ic, based on the Article 9, referred to above, also contained the word "*créances*" (document C.562.M.178.1928.II, page 20), so that, if the word "*sources*" is maintained in Article 9, draft Ia, the provisions of draft Ic would differ from those of draft Ia, which would be contrary to the intention expressed by the Government experts.

Lastly, certain members thought that, in certain cases, the income derived from authors' rights or patents might come under Article 5 of draft Ia, which refers to industrial, commercial or agricultural undertakings and any other trades or professions carried on in the person's own place of residence.

Without wishing to offer any opinion on the text of Article 9 of draft Ia adopted by the Government experts, the Fiscal Committee, at its first session, came to the conclusion that, before any decision was reached as to the method of avoiding double taxation on authors' rights and patents, it would be advisable to enquire into the fiscal systems at present applicable to them in the various countries. It accordingly drew up a questionnaire which was sent to the regular and corresponding members of the Fiscal Committee.

¹ In the Report of the Fiscal Committee on its first session, document C.516.M.175.1929.II, page 5, the text of the Resolution voted by the International Chamber of Commerce at the Amsterdam Congress in July 1929 has been misprinted. The correct text is as follows:

"The fact that an undertaking has business dealings with a foreign country through a local company the stock of which it owns in whole or in part, should not be held to mean that the undertaking in question has a permanent establishment in that country."

No correction is necessary in the French text.

During the present session, the Fiscal Committee has considered the replies received to this questionnaire and which have been summarised by M. Clavier (Appendix III). On the basis of these data the Committee has adopted in first reading the following conclusions:

The Committee did not wish to offer any opinion on the drafting of Article 9, as it appears in draft *Ia*, which is incorporated in the Government experts' report.

The Committee was of opinion that, without going into these questions, one could solve the problem by determining the category in which income derived from authors' or inventors' rights should be placed for the purpose of the application of the model conventions.

This would obviously make it possible to bring such income under the system contemplated for income of a similar nature in the model conventions, and it would thus have the effect of preventing such income from being taxed simultaneously in more than one country.

The examination of the replies received from Governments led to the following conclusions:

(a) *Fees collected by the Author or Inventor himself.*

In most countries, when the fees are collected by the author or inventor himself, they are treated as *professional earnings* (with a few exceptions, particularly in one country, where income of this kind is regarded as income derived from movable capital).

The Committee considered that this system was fair and consistent with the economic nature of income of that kind.

That amounts to saying that in the international sphere the income will follow the rule laid down in the model conventions for professions carried on in the person's own place of residence when he has no permanent establishment abroad, and will consequently always be taxable in the country of the author's or inventor's domicile.

(b) *Fees collected by the Heirs or Assigns (Legatees, Donees, etc.) of the Author or Inventor.*

Certain countries take the view that the personality of the heirs and assigns is a continuation, in a sense, of the personality of the author or inventor, and that the nature of the rights in question is not modified by their free transfer. They therefore consider that income derived from authors' rights and patents is in the nature of *professional earnings* in the case of heirs or assigns, just as much as in the case of authors and inventors.

Another group of countries hold that the transfer of authors' rights or patents to heirs or assigns *modifies* the nature of the rights and makes them similar to rights the income from which is taxed as income from *movable capital*. This argument is strengthened by the fact that on the transfer a succession or donation duty is collected, similar to that imposed in like circumstances on transfers of movable capital.

Whether the income in question is regarded as professional earnings or income from movable capital in the international sphere, by following the rules laid down in the model conventions one always finds, that the right of taxation belongs to the country in which the heir or assign is domiciled.

(c) *Authors' or Patents' Fees collected by Grantees.*

The same problem arises when copyright or patent fees are collected by grantees.

In this case, however, it should be observed that the income received by the grantee is entirely different in nature from that received by the author himself or his heirs or assigns. The income received by the latter, whether in the form of a transfer fee paid once for all or in the form of royalties or shares, follows the rules for the income from authors' rights referred to under (a) and (b) above, and is therefore taxable in the country in which the intitulee is domiciled. The income received by the grantee, on the other hand, will always be in the nature of industrial or commercial income, and will be taxed as such in the international sphere, according to the rules established for the taxation of the income of undertakings operating in the territory of one or more countries. In most of these cases the authors' rights and patents become part of the assets of the grantees' undertaking, and the income derived therefrom cannot be separated from the aggregate income of the undertaking. This applies, for example, in the case of a publisher who buys a writer's work in order to publish a book and place it on sale; and it applies also to a manufacturer who buys a patent to use it in manufacturing his goods.

There are also cases, however, in which income from authors' rights and patents is distinguishable from the grantee's other income. We may mention the case of a publisher who buys the copyright of a musical composition in order to sell the performing rights to theatre and concert managers, or the case of a trader who buys patents from different inventors in order to sell them or lease the right of exploitation to a manufacturer or manufacturers.

As we have already observed, however, in both cases the income is industrial or commercial and should in principle be taxed as such.

(d) *Authors' or Inventors' Fees collected by Persons or Bodies (Authors' Societies, Inventors' Societies, etc.) specially entrusted with the Collection of such Income.*

1. The person or body entrusted with collection, whether he receives a commission or takes a share in the income from the authors' rights or patents, will only be taxed on his own profits and by the country in which he carries on business, while the income received by the author or inventor is taxed by the country in which the latter is domiciled.

2. Where special bodies exist for the purpose of collecting authors' fees or patent fees (authors' societies, inventors' societies, etc.), certain countries impose a flat-rate tax on the society which collects the fees in the capacity of the author's or inventor's agent, and this applies even if the author or inventor is resident abroad. Inasmuch as the latter pays income-tax in the country in which he is domiciled, it is undeniable that this system may give rise to double taxation. Such is the case if the amount of the flat-rate tax imposed on the body which acts on the author's or inventor's behalf exceeds the tax that would be payable on the commission actually drawn by that body. The Committee is of opinion that, in order to avoid this double taxation, the country in which the body is domiciled should limit itself to taxing only the commission actually drawn by the body.

From what has been shown in the foregoing report, the conclusion may be drawn that income from authors' rights or patents, which is characteristically such and does not fall into the class of industrial or commercial income, should always be taxed by the country in which the intitulee is domiciled.

D. The Question of Reciprocity and of the Most-favoured-nation Clause as they affect the Problem of Double Taxation.

The General Meeting of Government Experts had recommended that this question should be examined by the Fiscal Committee. The latter arrived at the following conclusion:

In view of the fact that the bilateral or multilateral agreements on double taxation are based on the principle of reciprocity, that is to say, involve reciprocal treatment for the nationals of the contracting parties, the Fiscal Committee, while not wishing to give an opinion on an exceedingly difficult point of international law, considers that the application of the most-favoured-nation clause to the nationals of a country which had not acceded to the said agreements would constitute a treatment of those nationals contrary to equity and to the spirit of the clause.

Nevertheless, in order to prevent this point from arising, it is desirable that in commercial or establishment treaties concluded in the future it should be made clear that the most-favoured-nation clause in its application to fiscal matters does not extend to special provisions for the avoidance of double taxation.

IV.

GRANT BY THE ROCKEFELLER FOUNDATION.

The Fiscal Committee has been informed that a gift of 90,000 dollars has been offered to the League of Nations by the Rockefeller Foundation to enable the League to carry on its work relating to double taxation. The Committee unanimously desires to add its thanks to those already expressed by the Council to the Rockefeller Foundation for its generous action.

The members of the Committee also express their particular gratitude to their distinguished colleague, Professor Adams, who, in taking the initiative to which this most generous donation is due, has given fresh proof of his devotion to the work undertaken by the Fiscal Committee in the matter of double taxation.

The Fiscal Committee, having been invited by the Secretariat to express its opinion as to the kind of work it would be desirable to undertake in order to make the best use of the funds placed at the League's disposal by the Rockefeller Foundation, makes the following recommendations:

1. In order to enable the Fiscal Committee to pursue the studies it has undertaken in the vast field of double taxation, the Committee should be provided with a staff of specialists who would be recruited and directed by the League Secretariat and who would work on lines laid down by the Fiscal Committee and in contact with its members.
2. This staff would, primarily, carry out research work in regard to the methods of allocating or apportioning profits made or distributed by undertakings operating in two or more countries.

For that purpose the following subjects should be examined in detail:

(a) The laws in force in the different countries; regulations, decrees, orders and decisions; administrative practice and procedure; working principles and methods of accounting; their effect upon international double taxation;

(b) Methods—more particularly accounting methods—of ascertaining taxable profits which could be adopted by the fiscal administrations of the various countries and which would at the same time be equitable and reasonable from the point of view of the undertakings taxed, and would as far as possible prevent international double taxation, more particularly:

- (i) When the taxable profits are computed on the basis of separate accounts;
- (ii) When empirical methods are employed to obtain an approximate estimate of such profits;
- (iii) When a system of fractional apportionment is employed.

3. The staff should undertake any other studies relating to double taxation which might be required of it by the Secretary-General of the League of Nations in consultation with the Fiscal Committee.

4. The staff should further keep up to date and render accessible so far as possible the information it has collected.

The Fiscal Committee, being of opinion that the Rockefeller grant should be used primarily for the study of the question of the apportionment of profits, requested the Sub-Committee of five members appointed to prepare discussion of the problems, namely, M. BLAU, M. BORDUGE, Professor DORN, Professor FLORÈS DE LÉMUS and Sir Percy THOMPSON, to be good enough to give the Secretary-General of the League of Nations, should he so request, an opinion on any questions relating to the use of this gift.

V.

POSSIBILITY OF CONCLUDING MULTILATERAL CONVENTIONS FOR THE AVOIDANCE OF DOUBLE TAXATION ON POINTS ON WHICH A SUFFICIENT NUMBER OF COUNTRIES SEEM TO BE IN AGREEMENT.

The Fiscal Committee has accepted the following proposals which it believes might be adopted by a considerable number of States if carefully formulated.

The adoption of a multilateral convention on the proposed lines would not wholly prevent double taxation among the contracting States even on the classes of income enumerated, but it would materially encourage the movement to reduce double taxation by uniform law—a method which in important respects is obviously superior to the method of reducing double taxation through the instrumentality of bilateral conventions.

The Fiscal Committee has appointed a Sub-Committee consisting of Dr. BOLAFFI, Mr. CAREY, M. CLAVIER and Dr. SINNINGHE DAMSTÉ with instructions to submit at the next meeting of the Fiscal Committee a draft multilateral convention based upon the following general proposals and embodying such other measures to reduce international double taxation as are likely, in the opinion of the Sub-Committee, to secure the acquiescence of a considerable number of countries:

Proposal 1. — That the following classes of income shall be taxable only in the State of fiscal domicile of the recipient or creditor of such income:

- (a) Annuities;
- (b) Authors' royalties or rights;
- (c) Interest on (public ?) debt (except from mortgages) issued after a future date to be agreed on;
- (d) Wages of workers living on one side of a frontier and working on the other.

Proposal 2. — That salaries of officials and public employees who are serving abroad and public pensions shall be taxable only in the State which pays such salaries or pensions.

Proposal 3. — Immovable property (land and houses) shall be taxable only in the country in which they are situated.

Proposal 4. — The profit derived by a company from the operation of industrial, commercial or agricultural undertakings shall not be taxable in a country other than that in which the real centre of management of the company is situated unless the company has one or more permanent establishments in such other country.

Branches, mines and oilfields, fixed plants, factories, workshops, agencies, warehouses, offices and depots shall be regarded as permanent establishments. The fact that an undertaking has business dealings with a foreign country through a *bona fide* agent of independent status (broker, commission agent, etc.) shall not be held to mean that the undertaking in question has a permanent establishment in that country.

Nevertheless, income from maritime shipping and air navigation concerns shall be taxable only in the State in which the real centre of management is situated.

The Sub-Committee will have to consider, in connection with this proposal:

- (a) Whether the term "company" should be defined.
- (b) Whether it would be desirable to add the following proposal:

"Should the undertaking possess permanent establishments in two or more countries, each of those countries may tax the portion of the income produced in its territory. The competent administrations of the two contracting States shall come to an arrangement as to the basis for apportionment."

(c) Whether it would be desirable also to add the following proposal :

“ The fact that an undertaking has business dealings with a foreign country through a local company, the stock of which it owns in whole or in part, should not be held to mean that the undertaking in question has a permanent establishment in that country.”

VI.

TAXATION OF FOREIGN MOTOR VEHICLES.

The draft Convention which had been prepared by the Fiscal Committee is being discussed by the Permanent Committee on Road Traffic. The Fiscal Committee requested a Sub-Committee composed of Dr. SINNINGHE DAMSTÉ (*Chairman*), Dr. BOLAFFI and M. CLAVIER to be good enough to study the conclusions that the Permanent Committee on Road Traffic might reach, and to discuss them, if necessary, with the representatives of that Committee.

VII.

CUSTOMS DUTIES AND FISCAL CHARGES APPLICABLE TO NEWSPAPERS.

The Fiscal Committee was informed that the Advisory and Technical Committee for Communications and Transit, at its last session, held at Geneva from March 10th to 15th, 1930, adopted the following resolution:

“ The Committee notes the results secured by the European Conference on the Transport of Newspapers and Periodicals and the resolution on that subject adopted by the Council at its session in January 1930,¹ and decides:

- “ (a)
- “ (b) To propose to the Fiscal Committee the formation of a joint committee of the Fiscal Committee and the Transit Committee, to consider the question raised in Chapter IV of the Final Act of the Conference (Customs and fiscal taxes applicable to newspapers). The joint committee will report to the Fiscal Committee and to the Transit Committee. The members of the joint committee appointed by the Transit Committee will be selected by the Chairman, who is requested to choose for that purpose one member of the Committee and two or three experts from persons concerned with the publication or the distribution of newspapers.

The Fiscal Committee accepted the proposal to form a joint committee and invited M. CLAVIER (*Chairman*), M. BLAU, M. BORDUGE, Professor DORN and M. KNEPPO to represent it on this joint committee.

VIII.

DRAFT RESOLUTION SUBMITTED BY SIR PERCY THOMPSON.

Sir Percy Thompson has submitted to the Fiscal Committee the following draft resolution:

“ That the prevalent view that an undesirable economic result, *viz.*, the creation of an artificial barrier which impedes the free flow of capital into the channels in which it can be most usefully and profitably employed, is produced by *double taxation* is fallacious: that *origin taxation* is solely responsible for this undesirable economic result which would remain unaffected if all taxes based on residence were everywhere abolished and in consequence double taxation ceased to exist.”

After discussion, the Fiscal Committee has decided to adjourn the decision on this question until its next session.

¹ The Council resolution, adopted in January 1930, is as follows:

“ The Council:

“ Observing with satisfaction the results obtained by the European Conference on the Transport of Newspapers and Periodicals, which met at Geneva from November 25th to 29th, 1929;

“ Noting that the Governments, Administrations and organisations concerned will take all necessary steps to enable the measures recommended by the Conference to be carried into effect as soon as possible;

“ Instructs the Advisory and Technical Committee for Communications and Transit to keep itself informed of the results obtained, to report on this question to the Council, and, with the assistance of the other technical organs of the League of Nations, to pursue the investigations recommended by the Conference.”

Appendix I.

GREAT BRITAIN.

Clause 16 of Finance Bill, 1930.

16. — (1) Subject to the Provisions of this section if His Majesty in Council is pleased to declare:

(a) That any profits or gains from the sale of goods arising directly or indirectly to a person resident in any foreign State or in any part of His Majesty's dominions outside the United Kingdom through an agency in the United Kingdom or to a person resident in the United Kingdom through an agency in any foreign State or in any part of His Majesty's dominions outside the United Kingdom are chargeable both to United Kingdom income-tax and to income-tax payable under the law in force in that foreign State or that part of His Majesty's dominions; and

(b) That arrangements as specified in the declaration have been made with the Government concerned with a view to the granting of relief from such double taxation,

then unless and until the declaration is revoked by His Majesty in Council, the arrangements specified therein shall, so far as they relate to the relief to be granted from United Kingdom income-tax, have effect as if enacted in this Act, but only if and so long as the arrangements, so far as they relate to the relief to be granted from the income-tax payable in the foreign State or in the part of His Majesty's dominions, have the effect of law in the foreign State or the part of His Majesty's dominions.

Provided that no arrangements made under this section shall exempt from United Kingdom income-tax any profits or gains which either:

- (i) Arise from the sale of goods from a stock in the United Kingdom; or
- (ii) Accrue to a person resident in the United Kingdom; or
- (iii) Accrue to a person not resident in the United Kingdom directly or indirectly from the sale of goods effected in the United Kingdom through any branch or management in the United Kingdom or through any agency in the United Kingdom where the agent has and habitually exercises a general authority to negotiate and conclude contracts.

(2) Any declaration made by His Majesty in Council under this section shall be laid before the Commons House of Parliament as soon as may be after it is made and, if an address is presented to His Majesty by that House, within twenty-one days on which that House has sat next after the declaration is laid before it, praying that the declaration may be revoked, His Majesty in Council may revoke the declaration and the arrangements specified in the declaration shall thereupon cease to have effect, but without prejudice to the validity of anything previously done thereunder or to the making of a new declaration.

(3) The obligation as to secrecy imposed by any enactment with regard to income-tax shall not prevent the disclosure to any authorised officer of the foreign State or part of His Majesty's dominions mentioned in the declaration of such facts as may be necessary to enable relief to be duly given in accordance with the arrangements specified in the declaration.

Appendix II.

APPORTIONMENT OF PROFITS OR CAPITAL FROM ENTERPRISES OPERATING IN SEVERAL COUNTRIES.

Summary by Professor Adams of the Replies received to the Questionnaire.

The replies to the questionnaire reveal great diversity of law and practice regarding most of the subjects to which the questions are addressed. Moreover, many of the replies are incomplete. In the case of such questions, it is difficult to make a satisfactory summary, and it is plain in general that an accurate comparison of law and practice can only be made by a group of experts who will devote their entire time to this subject for a period of a year or more. The principal significance of the questionnaire is the proof which it supplies of the need for systematic and continuous study.

Nevertheless, on one or two points of importance, the replies reveal a close approach to uniformity of law and practice. It appears clear, for instance, that, in assessing the profits of a branch of a foreign company (and more particularly in assessing the profits of a subsidiary or filiale of a foreign holding company), a large majority of States avowedly seek to determine the profits of the branch separately and for that purpose pay regard only to the accounts of the branch itself, without reference to the accounts of the foreign company. In the absence of separate

accounts, or where the separate accounting is unsatisfactory, various methods of approximation are widely used. But only in a small minority of States is preference given to the "method of apportionment" by which the income of the branch or subsidiary is computed as a fraction of the entire income of the foreign corporation or holding company.

The following summary is neither accurate nor complete. But, under some questions, it reveals uniformities which are real and significant and, under others, diversities of law and practice which are highly important.

Question (a):

By what general methods does the administration of your country arrive at the ascertainment of the profits of undertakings operating in several countries?

A. Undertakings domiciled¹ in one State with Branches in Foreign Countries.

Practically all States call for a full declaration of profits in such cases, and a large majority of States hold the entire income subject to taxation in some manner or degree. Nevertheless, the most significant aspect of the replies is their evidence of the growing extent to which some amelioration or reduction is granted in respect of profits earned abroad.

1. A number of States practically exempt profits allocated to establishments located in foreign countries (hereafter called "foreign establishments") — Bolivia, Danzig, Estonia, France, Hungary, Italy (for certain classes of undertakings), Japan (business-profits tax), Netherlands (as regards unincorporated undertakings), Spain (as regards the trade-licence tax), the United States of America (by deduction against its tax).

2. An important group of States, by deduction or reduction of rate, exempt the greater part of the profits allocated to foreign establishments, reserving a minimum part for the home country — Austria, Belgium, Greece (limited companies only), Netherlands (tax on distributed profits of corporations), Spain, Switzerland.

3. Canada, Germany, Great Britain, Greece (unincorporated undertakings), Japan (for income tax), Roumania, Poland, South Africa and Sweden, tax the entire profits as a general rule, but important deductions or offsets for profits taxed in certain other jurisdictions are given in Great Britain (Dominion taxes only), Canada and probably other States here mentioned.

4. The practice of exempting profits allocated to establishments located in countries with which the home country has a bilateral convention for the prevention of double taxation is apparently spreading.

B. Local Branches of Foreign Undertakings.

This case is considered under question (b).

Question (a) bis:

By what general methods does the Administration of your country arrive at the ascertainment of the profits of trust and holding companies operating in several countries?

A. Where a Holding Company domiciled in one State controls one or more Foreign Subsidiary Companies.²

The replies indicate that, in a majority of the countries, no distinctive status is given to the holding company for purposes of taxation, and the dependent or affiliated corporation is taxed as an autonomous corporation. In such States, if the dividends received by an ordinary corporation are taxable (e.g., Japan), the dividends received by a holding company are taxable: if dividends are exempt to an ordinary corporation, they are exempt to the holding company (e.g., South Africa and the United States of America). In Austria, the Netherlands and Spain, a partial exemption is granted. A foreign subsidiary of a German holding company is taxed with the parent company if the two constitute an economic unit.

B. Where a Subsidiary Corporation is controlled by a Foreign Holding Company.

This case is considered under question (c).

¹ The term "domicile" has been used here in a generic sense, but it is understood that the definition of "domicile" differs between various countries.

² Many States dealt in their replies with the relation between the mother corporation and a domestic subsidiary, but this point is not of immediate concern to the Committee.

Question (b):

What are the methods for determining the income of branches of foreign business concerns doing business in your country ?

The method followed by most countries in the first instance is to base the assessment on the separate accounts of the branch which is taxable only on income derived within the taxing State. Belgium and Poland specifically require special accounts for the branch, and it is the practice in other countries for branches to keep separate accounts. If the special accounts of the branch establishment are inadequate or misleading, they may be corrected to reflect the true income, or various empirical methods may be employed to estimate the taxable profit.

The principal methods employed are the following:

(a) The accounts of the entire undertaking are demanded in order to determine the amount of profit allocable to the branch. This amount may be determined by an apportionment taking into account the assets, turnover, expenditure or number of employees of the branch as compared with the assets, turnover, expenditure, or number of employees of the entire undertaking.

(b) The income of the branch may be determined by basing the assessment on a comparison with the earnings of local undertakings engaged in similar business, for example, by ascertaining the percentage of net profit to gross turnover of such undertakings (Belgium, France, Great Britain, etc.). The law of one country (Germany) provides that, when such method is employed, the assessment cannot be less than a minimum equal to the normal rate of interest on the capital invested in the local branch.

(c) The income of the local establishment is estimated by reference to a certain extent on external indications, such as salaries of employees, rent paid for premises and other expenditure.

(d) The income may be assessed in a lump sum which serves as the basis for taxation for several years (Germany).

A very few countries base the tax in the first instance on a certain proportion of the total income of the foreign undertaking (Spain and a few Swiss cantons). Another country may assess the profits of the branch in that manner when it has no regular separate accounting and certain other prescribed methods are not applied (Germany). The law of another country provides for an apportionment corresponding to the ratio of assets, but ordinarily employs the separate accounting method, condemning the method of proportional allocation on the ground that there is no necessary relation between the local situation of a capital asset and the income earned in the area in which it is situated, and that it is unsatisfactory in practice and productive of anomalies (South Africa).

Question (c):

Ditto for affiliated corporations.

Practically all the replies state categorically that the local company, which is a subsidiary of a foreign corporation, is a separate legal entity and enjoys the same treatment as other national companies. It is therefore taxed on the basis of its own accounts. A number of replies mention measures that may be taken to assess the profits of a subsidiary company correctly when its accounts are inadequate or misleading, and notably the following:

(a) A profit may be ascribed to the subsidiary company based on a comparison with the profits of other companies engaged in a similar business. In making such comparison, the law of one country (Belgium) authorises taking into account the capital invested, turnover, number of workers, rental of real estate, motor power employed and other relevant data.

(b) Where the subsidiary is rendering services to the foreign parent, its profit may be fixed on a commission basis.

(c) When the subsidiary and the foreign parent constitute a "single economic unit", the subsidiary may be treated as a branch (Germany, Spain).

(d) In order to prevent evasion or show true income, the fiscal authorities may allocate income as between the foreign parent company and the local subsidiary (United States of America).

(e) Where the profits of a subsidiary are artificially concealed, a charge may be made upon the parent company based upon the true profits of the subsidiary (Great Britain and Spain).

The question of allocation as between a foreign parent and a subsidiary corporation organised in the Netherlands or in Greece is evidently of secondary importance, as such corporations are not taxed until profits are distributed.

Question (d):

(d) *In the case of (1) branches and (2) affiliated corporations:*

- (i) *Is the income of the branch or affiliated corporation determined separately? or*
- (ii) *Is it determined as a fraction of the entire income of the company of which the taxpayer is a branch or to which it is affiliated? or*
- (iii) *Has the Administration the option of following either method?*

Answered under questions (a) and (b).

Question (e):

If the method (ii) is followed, what system is employed for checking the income of the mother-company?

In practically no reply is any regular system described for checking the income of the mother-company. The balance-sheet and profit-and-loss account and other pertinent information may be requested from the parent company and carefully examined, but the difficulties of checking such information are admitted.

Questions (f) and (g):

- (f) *When the branch or affiliated corporation in your country operates at a profit, whereas the entire concern operates at a loss, is any cognisance taken of the loss in determining the income of the branch or affiliated corporation?*
- (g) *What is your practice if the branch or affiliated corporation in your country operates at a loss, whereas the entire enterprise realises a profit?*

Practically all the countries which base the assessment of the branch on separate accounting answer categorically that no attention is paid to the profit or loss of the parent company in determining the liability of the branch. The branch is taxed in accordance with the showing of its own accounts, provided they are properly kept. One country (Spain) allocates to the branch a proportion of the profit or loss of the entire concern, because it treats the branch and the entire concern as a unit. Similarly, the Swiss cantons which tax on the proportional allocation basis, and the few other countries which exceptionally tax on that basis, declare that they take into account the profit or loss of the entire concern.

Subsidiary companies are, according to the replies, always taxed independently of the foreign parent, except that Spain merges the subsidiary with the foreign parent for purposes of ascertaining tax liability, and the German law authorises the taxation of the subsidiary with the foreign parent when they form a single economic unit.

Question (h):

When a company has its real centre of management in your country, but its other operations (for example, manufacture) in another country, is a fraction of the profits ascribed to the head office and, if so, how is that fraction determined?

Summarily stated:

1. The largest number of responding States tax the entire profits in such a case — Bulgaria, Canada, Great Britain, Greece (except for limited companies), Germany, Japan (income tax), Poland, Roumania, South Africa (when sales are controlled in South Africa).
2. A smaller number attach minor importance to the real centre of management, and allocate profits primarily to the countries or establishments of manufacture and sale — Estonia, Danzig, France, Hungary, Japan (business profits tax), United States of America.
3. Other countries, in effect, ascribe a fraction of the profits to the head office: Austria (not less than one-tenth for limited companies and one-quarter for commercial partnerships or private companies), Belgium (rate reduced to one-quarter on profits realised and taxed abroad), Bolivia (less taxes paid abroad), Italy (when Article 9 of the Royal Decree of August 12th, 1927, is not applicable), Netherlands (taxable distributed profits accruing outside reduced by two-thirds),

Spain (Spanish companies taxable in respect of not less than one-third of the profits), Switzerland (a minimum profit varying from 10 to 25 per cent).

Question (i):

When a company has its real centre of management in some other country than yours, but other operations (for example, manufacture), in your country, is a tax imposed in your country and, if so, how is it assessed?

Practically all the answers to this question are in the affirmative, but in South Africa, "if an intermediary stage in a series of business transactions which resulted, as a whole, in the production of income were carried out in the Union, no attempt would be made to assess for Union taxation a portion of the profit derived from transactions which, as a whole, were controlled from outside the Union".

The method of assessment is usually not stated in detail, but in a majority of States profits are determined on the basis of a separate accounting or balance-sheet, where available. Only two replies (from Spain and Switzerland) state that a fraction or portion of the profits may be ascribed to the centre of management situated in another country. In the Netherlands, "when the company has its real centre of management in a country other than the Netherlands, but its other operations are carried on in the Netherlands, the total profits are deemed to be realised in the Netherlands".

In Italy, the tax is assessed "on the industrial income—that is, on a part of the profits representing the difference between the cost of production and the sale price of wholesale merchants in the country".

Question (j):

If a company, with its head office in one State, has a branch in your State which makes sales in a third State without having there a permanent establishment, are the profits derived from the sales in the third State ascribed to the branch or to the head office or partly to each?

In a large majority of the States, such profits are ascribed to the branch. For Great Britain, the answer depends upon whether the trade in the third State is controlled by the branch. In Spain, such profits "are always ascribed to the head office". In Sweden, such profits would be exempt from Swedish taxes if manufacture did not take place in Sweden.

Question (k):

With regard to any of the above cases, is any special method of assessment followed where there are permanent establishments in your country belonging to the following foreign enterprises, and, if so, what method?

- (a) Banks and banking companies;
- (b) Insurance companies;
- (c) Railroad, motor-omnibus and other transport companies;
- (d) Power and light companies;
- (e) Gas companies;
- (f) Telegraph and telephone companies;
- (g) Mining and extractive industries;
- (h) All other kinds of firms for which special methods would be necessary.

Most of the countries consulted apply the general rules contained in their law to the enterprises mentioned under (k) with the possible exception of insurance companies. The special methods indicated by them for determining the income of these enterprises are only in many cases methods of checking or supplementing the ordinary accounts of the branch, which as a general rule continue to be the basis of assessment.

In Bolivia, a 40 per cent deduction is made on gross profits in respect of expenses; the remaining 60 per cent are regarded as net profits and are taxed.

(a) *Banks.* — The taxable profits, in relation to the total profits, of a bank in a country where the bank possesses agencies is determined by the ratio of expenditure on staff in that country to the total expenditure on staff (agreements made by Austria with Hungary and Czechoslovakia, Free City of Danzig).

In other countries—more particularly for the purpose of checking the accounts—the ratio is taken of the gross receipts obtained in the country to the total gross receipts (Germany, Danzig), or the ratio of local transactions to total transactions (Italy, Spain).

In the Netherlands, the Administration has issued detailed rules for the calculation of the profits realised by a branch bank. These rules are to some extent associated with those relating to the apportionment of working capital.

(b) *Insurance companies.* — The methods of assessment most generally adopted for the purpose of determining the share of the total profit falling to a specific country consists in taking the proportion of the premiums collected in that country to the total premiums collected by the company (Austria in the treaties of that country with Hungary and Czechoslovakia, Danzig, Finland, Germany, Italy, South Africa, Spain, Switzerland).

Certain countries calculate the profits as a lump sum and apply for this purpose a coefficient to the amount of the premiums collected; thus, in the Netherlands, profits are as a general rule estimated at 10 per cent of the premiums collected in that country (companies may, however, if they so request, be assessed as laid down in the previous paragraph). In Sweden, the taxable income is also a percentage of the gross premiums collected: 5 per cent for marine insurance, 6 per cent for fire, 15 per cent for life insurance, 10 per cent for other branches of insurance.

Other countries fix profits, not in proportion to the total profits of the company, but by comparison with national undertakings: the percentage of profits in relation to the amount of the premiums collected in the country must be the same. This is the principle applied in France (the method is, as a matter of fact, optional) and in Portugal.

(c) *Railroad and other transport companies.* — The profits earned in a country may be assessed in relation to the total profits of the company, either by taking the mileage in the country (Danzig, Switzerland), or by reference to the comparative amount of the revenue obtained (Spain, Italy), or, on the other hand, to the expenditure incurred in the country (United States of America).

In Bolivia, 45 per cent of gross profits are regarded as expenses, and 55 per cent are taxed.

The Netherlands fix the taxable income of railways by applying a coefficient of the amounts collected in the Netherlands. In South Africa, the taxable profits of shipping companies is fixed at 10 per cent on freight for passengers, live-stock, mails and goods shipped in the Union.

(f) *Telegraph and telephone companies.* — South Africa determines the income of submarine telegraph and wireless telegraph companies by taking 5 per cent of the amount payable in respect of all messages delivered for transmission from any office within the Union.

Question (1):

Are any special methods of assessment employed in the following cases:

- I. *Enterprises manufacturing or buying in another country and selling through a permanent establishment in your country: what is your method of determining the profit of the latter establishment?*

Apparently, all countries with an income tax impose it on profits derived from selling through a permanent establishment in their territory goods that have been manufactured or bought in another country. The basis of assessment in most cases is evidently the net sales of "merchandising" profit realised within the country, allowing, in the case of goods manufactured in another country, a manufacturing profit to the latter. In some instances, however, where goods are purchased in one country and sold in another, the entire profit is taxable in the country of sale (Great Britain, United States of America).

South Africa usually accepts the Customs evaluation as the basis for determining the sales profit.

The Swiss cantons in most instances tax the excess realised over current market prices, or base the assessment on the profit realised by an independent Swiss firm.

Greece allows a deduction from the net sales profit equal to 5 per cent for general expenditure of the head office.

Austria has adopted arbitrary allocation fractions, being half-and-half where an undertaking buys in one State and sells in Austria or *vice versa*, and two-thirds of the profit for the State of manufacture and one-third for the State of sale.

2. *Enterprises manufacturing in your country and selling elsewhere: is a profit ascribed to the manufacturing establishment?*

The general rule seems to be that a certain profit should be ascribed to manufacturing in a given State, although the goods are exported and sold elsewhere. South African law goes farther and

declares the whole of the profits taxable if the control of the enterprise is in its territory. Austria allocates two-thirds to the country of the manufacture and one-third to the country of sale.

3. *Enterprises continuously buying in your country through a permanent establishment, but selling in another country: is any profit ascribed to the buying establishment?*
4. *Enterprises purchasing raw materials from other companies in your country with a view to manufacturing and selling elsewhere: is the foreign enterprise deemed to be carrying on business in your country and taxable on a presumed profit?*

The great majority of States declare categorically that they do not endeavour to allocate a profit to buying establishments situated in their territory and do not try to tax a foreign concern which buys raw materials directly from local enterprises. A few States, however, assimilate the buying establishment to an export house (Bulgaria, Portugal) or assess the buying establishment on the basis of a commission (e.g., the Netherlands, Spain). France and Germany hold such a foreign company taxable on profits derived through a permanent establishment for the purposes of the tax on industrial and commercial profits.

Austria also allots a fraction of the profit to a buying office and, where there is no buying office, it allots a fraction of the profits for tax purposes if the materials purchased are exported through the commercial travellers employed by the head of the undertaking, or the latter himself.

Question (m):

When a company has a debenture debt, is the charge on this debt ascribed solely to the real centre of management or is it distributed between the different permanent establishments? In the latter case, what is the system of distribution?

Practically all countries recognise the rule of apportioning the interest charge on a debenture debt of the company to the various branches or sources as a part of the overhead or debt in the proportion that they are concerned, or in proportion to capital employed (Italy, Sweden), to assets (Japan), to profits (Spain), or to income, receipts or some other factors (Germany), or to gross income (United States of America).

Belgium regards such charges as attaching exclusively to the foreign central office responsible for the issue, unless a part of the loan has been especially allocated for the requirements of the Belgian establishments. Where the head office is abroad, Portugal takes no account of debts. As Great Britain does not allow interest to be deducted in determining assessable profits, no question of apportionment arises.

Questions (o) and (p):

- (o) *What are in this connection the chief difficulties of an international character which the administration in your country has experienced?*
- (p) *Are there any particular suggestions or recommendations which you would like to communicate to the Fiscal Committee in this connection?*

A considerable number of States, while not alleging that the international difficulties which they have experienced in connection with the taxation of undertakings operating in several countries are important, nevertheless mention the practical difficulties they have encountered and suggest the lines on which they think a solution might be found.

One of the questions most often referred to is the difficulty of exactly determining the profits on manufacture and the profits on sale. Denmark suggests meeting this difficulty either by applying a general coefficient to the business turnover or, preferably, by imposing taxation only in the country in which the business operations yielding the profits were carried on (the effect of this would be to eliminate the country in which the head office is situated in all cases when neither the manufacture nor sale took place in that country, but the problems would still remain when manufacture and sale took place in different countries).

As regards balance-sheets separately drawn up by each establishment, Austria and Hungary indicate practical difficulties which may arise in this way (when, for example, one of the countries concerned objects to the balance-sheet in so far as it is concerned and desires to include profits which have already been taxed in another country), and they suggest that international agreements should lay down detailed and uniform rules for the allocation of taxation. For example, Austria proposes conventional percentages of allocation. Other countries, such as the United States of

America, consider the method of "separate accounting" as decidedly preferable to any hard-and-fast formula for allocation.

Canada desires that the principle of reciprocity should be established in regard to exemption; the United States of America, on much the same lines, recommends that the country of the head office should grant a credit or offset for taxes already paid in foreign countries.

Switzerland asks that the Fiscal Committee should not adopt too wide a definition of the term "permanent establishment". This would limit the number of cases to which the rules regarding the allocation of profits would apply and would improve political and commercial relations between the countries.

Finally, Canada recommends the translation of foreign legislation on the taxation of the profits of industrial and commercial undertakings.

Appendix III.

TAXATION OF AUTHORS' RIGHTS AND PATENTS.

Summary by M. Clavier of the Replies received to the Questionnaire.

Twenty-one countries replied to the questionnaire concerning the fiscal system applicable to: (1) authors' rights, and (2) periodic payments derived from patents. The following tables¹ give a summary of the replies received by the Secretariat.

We think it may be useful to analyse the data set out in the above tables, so as to obtain a general survey of certain points of special interest.

I. AUTHORS' FEES.

Many countries have combined their replies to questions Nos. I and II. That is logical, because the manner in which income is taxed depends on the *nature* of the income.

This being borne in mind, the replies on the main points may be grouped as follows:

(1) When the income from authors' rights is collected by the *author* himself, it is usually regarded as *professional* earnings. In Spain, however, it is treated as income derived from capital in the form of movable property.

(2) When the income is collected by the *heirs or assigns* (legatees, donees), it is regarded as:

(a) Income derived from *movable* property: in Austria, Belgium, Germany, the Netherlands, Spain and Switzerland;

(b) Income derived from the *exercise of a profession*: in Bulgaria, Czechoslovakia, Greece, Hungary, Italy, Roumania and Sweden.

(3) When the income is collected by *grantees*, it is regarded as:

(a) Income derived from the *exercise of a profession*: in Belgium, Bulgaria, France, Greece, Italy, Sweden and Switzerland (if derived habitually in the exercise of a profession);

(b) Income derived from *movable* property: in Great Britain, Netherlands, Poland, Roumania, Spain and Switzerland (if only derived from time to time).

(4) When the income is collected by *companies or other bodies specially instructed to collect it*:

In Belgium, the tax of 2 per cent on *professional* earnings is levied at the source. This, however, is treated only as an instalment on the regular payments which will have to be made by the authors themselves subsequently, if they are domiciled or resident in the country.

In Canada, the agent (trustee) or collecting company must declare the income, but the person on whose behalf it is collected pays the tax.

In France, such income is taxed in the name of the *beneficiaries*. This is also the case in Denmark.

There seems to have been a misunderstanding concerning this question. Most countries have replied as though the question referred, not to companies entitled to collect income derived from authors' rights *for and on account of the authors*, but to companies exercising rights acquired by themselves for their own benefit. This question has therefore been confused with the next concerning *transfers* or grants.

Sale or Grant of Authors' Rights. Division of income.

Division between a number of years is the practice in Austria, Belgium and France.

In other countries, the tax is levied as and when the income accrues, only if the sale is effected against periodical payments or payment by instalments. This is the case in Bolivia, Denmark, Finland, Great Britain, Italy, Poland, Roumania and Spain.

There is no division in Bulgaria, Czechoslovakia, Germany, Great Britain, Greece, Hungary, the Netherlands, Sweden and Switzerland.

In Canada, no tax is levied in respect of the sale or grant of authors' rights, the transaction being regarded as equivalent to a sale of *capital*.

¹ In these synoptic tables, the countries have been grouped in French alphabetical order—the rule adopted by the Secretariat with a view to convenience of discussion.

Foreigners.

In Austria and Germany, foreign authors only pay taxes if they have some permanent establishment or agent in the country.

In Belgium, the 2 per cent tax on professional earnings deducted at source is final. No other taxes than this are subsequently levied on *foreign* authors.

In France, taxation is only leviable if the author is domiciled or resident in the country.

In Sweden, foreign authors are only liable to taxation if they have a *fixed* establishment in the country or collect income in the form of royalties paid by a Swedish enterprise.

In Norway, foreigners are not taxed unless they rent a studio in which to work or premises for the exhibition, on payment of an entrance fee, of works of arts or for their sale.

II. PERIODICAL PAYMENT ON ACCOUNT OF PATENTS.

No special comments. The system is everywhere practically the same as that applied in the case of authors' fees.

FISCAL SYSTEM APPLICABLE TO AUTHORS' RIGHTS.

Questions I and II.

I. What is the fiscal system applied to *authors' rights* when the latter are collected:

- (a) Directly by the author, his heirs or assigns (donees, legatees, etc.);
- (b) By grantees;
- (c) By companies or other bodies especially entrusted with the collection of such income?

II. According to circumstances, is such income regarded as derived:

- (a) From transferable securities;
- (b) From the exercise of any trade or profession;
- (c) From any other claim or source?

Replies.

Germany.	Austria.	Belgium.
<p>The tax is payable by the person or company for whose account the sums are collected.</p> <p>The income may be derived from a trade or industry or the exercise of an independent profession.</p> <p>Otherwise, the income is deemed to be derived from the <i>lease</i> or <i>transfer</i> of articles or rights.</p> <p>As regards persons or companies subject only to restricted taxation, the sums in question are liable to <i>income tax</i> and to the <i>corporation tax</i>, unless they have already been taxed as income derived from an industry exercised in Germany through a permanent establishment or representative.</p>	<p>Authors' rights are taxable in all cases, except in respect of foreigners who exploit their rights in Austria without maintaining a special establishment for that purpose.</p> <p>Income is deemed to be derived from <i>undertakings for gain</i>, except where the right is exercised indirectly under an <i>assignment</i> for payment to a third person (publisher, heirs or legatees). In this latter case, it is regarded as the exploitation of <i>working capital</i>.</p> <p><i>Companies</i> exploiting authors' rights are taxable in the same way as undertakings engaging in a lucrative operation.</p> <p>The remuneration paid to the author for the assignment of his rights is deducted from the profits if it includes definite sums or a percentage of the gross receipts.</p> <p>If the rights are collected in the form of shares in the company, the deduction is not allowed.</p>	<p>1. — Income collected directly by the author: <i>professional earnings</i>. Taxes payable: tax on professional earnings and super-tax.</p> <p>2. — Income collected by the heirs or authors' assigns: use of a <i>transferable right</i> (publication or reproduction). Tax payable: movable property tax.</p> <p>3. — Income collected by grantees: this is liable to the <i>professional earnings tax</i> leviable on the person who collects them, less the amortisation of the price of the grant (number of years remaining to run before the work becomes public property).</p> <p>The grantor (author) is taxable on the proceeds from the grant, less the expenditure mentioned (see later: Division).</p> <p>4. — Income collected by companies or bodies especially entrusted with the duty of collection.</p> <p>In order to avoid certain difficulties, the professional earnings tax is deducted at <i>source</i> at the rate of 2 per cent of the amount of the income, less <i>only</i> the cost of collection.</p> <p>Deduction of tax is <i>final</i> as regards foreign authors.</p> <p>As regards authors domiciled or resident in Belgium, this payment only constitutes provisional taxation subject to subsequent adjustment.</p>
Bolivia.	Bulgaria.	Canada.
<p>Author's rights, being considered as intellectual capital, are the exclusive property of the author, his heirs or grantees as are the profits derived from their exploitation.</p> <p>Income derived from these rights is considered to be derived from the <i>exercise of a profession</i>, and is therefore taxed as professional earnings, (personal services).</p>	<p>The authors themselves are not liable to taxation on <i>profits</i> (schedular tax).</p> <p>The profits of assigns and grantees are taxable as <i>commercial profits</i> for the year in which they were collected.</p> <p>All beneficiaries (including the authors themselves) are liable to the <i>supplementary tax on total income</i> in respect of income collected.</p>	<p>I (a) and (b). — If the <i>author</i> or <i>grantee</i> is resident in Canada, he is taxable on the total income derived from all sources, and credit is given for taxes paid to foreign countries.</p> <p>I (c). — While the agent (trustee) or <i>company</i> collecting the income must make a return, it is the person on whose behalf the income is collected who pays the tax.</p> <p>II. — The income from authors' rights is deemed to be received from <i>carrying on business in Canada</i>.</p>

FISCAL SYSTEM APPLICABLE TO AUTHORS' RIGHTS.

Replies to Questions I and II (continued).

<p>Denmark.</p> <p>Authors' rights are subject to <i>income tax</i> and—if they are assigned—to the <i>capital tax</i>.</p> <p>The tax is levied on the person who collects the rights (authors or assigns).</p> <p>The tax is not deducted at source if the income from the rights is collected by companies. It is collected only from the author.</p> <p>Nature of income.</p> <p>As regards the author: income derived from <i>personal work</i>.</p> <p>As regards the grantee: profit on the <i>capital</i> used for the purchase of the right.</p>	<p>Spain.</p> <p>From the <i>fiscal</i> point of view, authors' rights are regarded as income from <i>movable</i> property.</p> <p>The rate of the tax is reduced when the income is collected by the children or widow.</p> <p>There is at present no definite case-law on the matter.</p>	<p>Finland.</p> <p>There are no special legal provisions with regard to authors' rights.</p> <p>Income derived from those rights, and the rights themselves, are liable to <i>income and capital tax</i>.</p> <p>No distinction is made as regards the persons who receive the rights or the income derived from different sources.</p>
<p>France.</p> <p>1. — Income collected by the author himself, his heirs or assigns, is subject to the <i>tax on profits derived from non-commercial professions</i> and to the <i>general income tax</i>, (if the beneficiaries are domiciled in France).</p> <p>2. — Income collected by companies or other bodies: tax levied on the <i>beneficiaries</i> (as profits from non-commercial professions).</p> <p><i>Nature of Income.</i></p> <p>Derived from the exercise of a profession or lucrative occupation.</p> <p><i>Note.</i> — At the request of the persons concerned, the <i>annual</i> taxable profit may be determined by deducting from the average receipts for the previous five years the average amount of expenditure incurred during those same years.</p> <p>Taxpayers must adhere to this system for the following years.</p>	<p>Great Britain.</p> <p>1. — When rights are collected by the <i>author</i> himself: an author resident in the United Kingdom is assessable to United Kingdom income tax. An author not resident in the United Kingdom is liable to bear United Kingdom income tax by deduction at the source from all royalties relating to sale of books, etc., in the United Kingdom.</p> <p>2. — The same system applies when the rights are collected by <i>grantees</i>.</p> <p><i>A person transferring rights</i> is assessable to income tax in respect of the profits derived.</p> <p>1. — Rights collected by the author himself: income <i>derived from the exercise of a profession or vocation</i>.</p> <p>2. — Rights collected by grantees or by authors not resident in the United Kingdom: the income is regarded as arising from the <i>ownership of property</i>.</p> <p>3. — Profits from the purchase or sale of authors' rights are regarded as derived from the <i>carrying-on of a trade or business</i>.</p>	<p>Greece</p> <p>Tax on authors' rights where the income does not exceed 150,000 drachmæ. Over that sum, the income is subject to the 8 per cent tax on the net income from liberal professions.</p> <p>In practice, however, authors are not taxed, since they are not, as a rule, very wealthy.</p> <p>As there are no special legal provisions, income collected by the <i>heirs</i> or <i>assigns</i> is taxable under the law concerning the taxation of net income (commercial transactions)—<i>i.e.</i>, tax on authors' rights up to 150,000 drachmæ and tax of 10 per cent on the remainder.</p> <p>Consequently:</p> <p>(1) Income from a profession where the taxable party is the author himself;</p> <p>(2) In all other cases, income from a commercial enterprise.</p>
<p>Norway.</p> <p>Income derived from the cession of author's rights or of rights in artistic property is regarded as having been earned by personal activities.</p> <p>It is therefore taxable at the place of residence of the owner or at the head offices of the company to which the rights have been transferred.</p> <p>Persons residing abroad are not taxed in Norway on income of this kind, unless they rent in that country a studio in which to work, or premises for the exhibition, on payment of an entrance fee, of works of art or for their sale. The same rules apply when the rights are transferred to a company or commercial undertaking. National companies or companies engaged in business within the country are alone taxable. If the company has its head offices in Norway, it is also taxed in respect of income acquired abroad by the exploitation or sale of rights.</p>	<p>Hungary.</p> <p>Income collected:</p> <p>(a) By the author: <i>tax on personal profits</i> in the place of his fiscal domicile;</p> <p>(b) By his heirs, etc., or grantees: same system;</p> <p>(c) By an institution set up for the purpose: at the seat of the institution;</p> <p>(d) By a company: at the place of its registered head offices.</p> <p><i>Nature of Income.</i></p> <p>As income derived from an enterprise if an institution has been set up or if the person concerned exercises a profession in connection with this object.</p> <p>If no profession is exercised, the income is regarded as income "from another source" (but never as income from a claim).</p>	<p>Italy.</p> <p>Authors' rights are subject to the tax on movable property:</p> <p>(a) As <i>professional earnings</i> in the name of the author, his heirs or assigns;</p> <p>(b) As <i>income derived from an enterprise</i> when the income is collected by a grantee.</p> <p>As <i>professional earnings</i> when the income is collected in the name of the grantee, but on behalf of the author if the latter draws a fixed annual sum or percentage on turnover, sales, etc.</p> <p>If the author draws a percentage of the net profits, he is regarded as a partner, and a tax is levied on the whole of the profits. Consequently: <i>professional earnings</i> in the case of the author and his assigns and <i>income from an enterprise</i> in the case of a grantee exploiting the rights which he has acquired.</p>

FISCAL SYSTEM APPLICABLE TO AUTHORS' RIGHTS.

Replies to Questions I and II (continued).

<p>Netherlands.</p> <p>As <i>earned income</i> when the author himself collects the income or delegates certain rights to a publisher.</p> <p>Income collected by heirs, donees, legatees or grantees: income from <i>movable property</i> (capital sum) or from an <i>occupation carried on at the person's own place of residence</i> (his assent to the performance).</p> <p><i>Cession</i> in return for an annuity. There is at present no law concerning the classification of such annuities—<i>i.e.</i>, whether they should be taxable as income from movable property (the amount of the capital sum) or as earned income.</p> <p>If the heirs, etc., ceded the right in return for an annuity, such income would <i>probably</i> be taxable as income from movable property (the amount of the capital sum).</p>	<p>Poland.</p> <p>As <i>income tax</i> only when authors do not carry on their own business (such as printing, publishing, etc.); otherwise, they are liable to <i>income tax and to the industrial tax</i>. Authors are treated very generously in the matter of the amount of costs and expenditure to be deducted.</p> <p>Income collected by companies: this is dealt with under the fiscal regime applicable to commercial enterprises.</p> <p>Income collected:</p> <p>(a) By the author: professional earnings;</p> <p>(b) By heirs, assigns or grantees; income from <i>claims</i> and other similar sources (capital);</p> <p>(c) By companies or other bodies: system applicable to commercial enterprises.</p>	<p>Roumania.</p> <p>Income collected:</p> <p>(a) By the author, his heirs or assigns: <i>professional earnings</i>;</p> <p>(b) By grantees: <i>transferable income</i>;</p> <p>(c) By companies or other bodies: <i>transferable income</i> accruing from the cession of rights in property. Income considered to be derived from movable property (<i>capital</i>) in the event of participation in the profits of the enterprise to which the rights are ceded.</p>
<p>Sweden.</p> <p>In general, foreigners are only liable to taxation if they have a permanent establishment in Sweden, or if they receive a royalty from a business in Sweden.</p> <p>Income collected by a professional author is treated as income derived from <i>carrying on a business</i>.</p> <p>Income collected by the heirs, etc., of a professional author: income derived from <i>carrying on a business</i>.</p> <p>Grantees: if the income is collected in the form of a royalty: <i>income from carrying on a business</i>.</p> <p>If the grantee is a publisher or theatre manager (a professional), the income derived from exploiting the rights is regarded as <i>income from a business</i>.</p> <p>The total amount paid for the rights is deducted <i>at once</i>, as expenses.</p>	<p>Switzerland.</p> <p>Income collected:</p> <p>(a) By the author: <i>product of his labour</i>;</p> <p>(b) By his heirs or assigns: the authors' works are regarded as <i>transferable securities</i>: this capital is thus liable to the tax on capital, and in certain cantons, to income tax;</p> <p>(c) By grantees: if they exploit the rights as a profession, the sums received are liable to <i>income tax (or to the tax on the product of labour)</i>. In all cases, the tax on capital is payable in respect of the price paid.</p> <p>Consequently:</p> <p>(a) Tax on <i>transferable securities</i> levied on heirs and assigns and on grantees who concern themselves only occasionally with the exploitation of the rights;</p> <p>(b) <i>Professional income</i>: in the case of authors, companies and grantees collecting fees by way of business.</p>	<p>Czechoslovakia.</p> <p>Income collected (a) by the author or his heirs, if they exploit the rights as a profession: <i>income tax and general profits tax</i>.</p> <p>If the author carries on this profession solely as a subsidiary occupation, the income is not taxable.</p> <p>If the heir (legatee or donee) is a <i>company</i>, it is not liable to income tax, but to the <i>general or special tax on profits</i>. For purposes of taxation, account is taken of the number of years the profession from which the income is derived has been carried on.</p> <p><i>Cession</i> against a single payment: <i>Grantor</i> (author): income tax.</p> <p><i>Grantee</i>: income tax and general profits tax in respect of the income derived from the exercise of the right. If the grantee is a company, it is only liable to the general or special tax on profits.</p>

FISCAL SYSTEM APPLICABLE TO AUTHORS' RIGHTS.

Question III.

III. In the case of the sale or cession of authors' rights either against immediate payment of the actual price or in the form of securities or shares in an undertaking exploiting the authors' rights referred to, is the income from such sale or cession divided between several years for purposes of taxation?

Replies.

<p>Germany.</p> <p>In the case of sale or cession, the proceeds are only taxable if the assigned authors' rights formed part of a working capital. In that case the profit constitutes a part of the working profit.</p> <p><i>Distribution</i> over a number of years is not allowed.</p>	<p>Austria.</p> <p>In practice, the income is <i>divided</i> between a number of years equal to the years during which the author has exercised his activity.</p>	<p>Belgium.</p> <p><i>Division</i> between a number of years equal to that for which the establishment of the instalments is authorised (together with the year of the cession regarded as the <i>last</i>).</p> <p>Taxes payable: tax on professional earnings and super-tax leviable on the grantor.</p>	<p>Bolivia.</p> <p>Profits derived from <i>sale</i> or <i>cession</i> of author's rights are regarded as taxable income in respect of all sums collected by the beneficiary or beneficiaries <i>during each year</i>.</p>
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FISCAL SYSTEM APPLICABLE TO AUTHORS' RIGHTS.

Replies to Question III (continued).

<p>Bulgaria. <i>There is no division.</i></p>	<p>Canada. <i>Sale or cession.</i> — Whatever the form of payment, the transaction is treated as the sale of a <i>capital</i> asset. The moneys received are <i>not taxable</i> as income.</p>	<p>Denmark. <i>Sale or cession.</i> The profits are taxable in their entirety as income acquired at the time of sale and without distinction as to how the price was paid (cash or shares). In the case of <i>shares</i>, taxation is levied as and when the profits accrue.</p>	<p>Spain. The tax is payable in so far as the price of sale can be demanded by the author or his assigns. There is as yet no definite case-law on the subject.</p>
<p>Finland. Whether the tax on the income is payable in a lump sum or spread over several years depends on the conditions governing the sale or cession.</p>	<p>France. <i>Cession</i> to a publisher for a lump sum or against a royalty fixed per year or per copy sold. <i>Grantor</i>: tax on income derived from non-commercial professions and general income tax. The Council of State may, however, decide—as it has already done with respect to patents—that this profit is not taxable. <i>Grantee</i>: liable in his capacity as publisher to the tax on industrial and commercial profits (and to the general income tax).</p>		<p>Great Britain. <i>There is no division.</i> Any receipts liable are regarded as entering into the income or profits of the year in which they are paid.</p>
<p>Greece. In case of <i>cession</i> to a joint-stock company, the system of joint-stock companies applies. <i>There is no division.</i></p>	<p>Hungary. <i>There is no division.</i></p>		<p>Italy. The tax is levied at the time of the cession on the basis of the actual or computed price. In some cases, there is an <i>annual tax on the periodical payments.</i></p>
<p>Norway. The <i>sale</i> or <i>cession</i> against immediate payment in cash is a taxable transaction. In the case of payment effected in any other manner, the income is assessed at the selling value of the property at the time of cession. When payments are effected as and when sales or performances take place, or when payments are made in instalments, the income is held to be acquired on the date of each payment. No cases are known in which author's rights or artistic property have been transferred in Norway in return for securities or shares in an undertaking.</p>	<p>Netherlands. <i>Sale</i> against immediate payment. Up to the present, the <i>administrative authorities</i> have never taxed the grantor, unless the latter operates the same undertaking. <i>There is no division.</i></p>	<p>Poland. <i>Division according to existing circumstances.</i></p>	<p>Roumania. <i>Cession</i>: (a) Against immediate payment: the total income is taxed at the time of the cession; (b) Against periodical payments: the incidence of the tax is at the time of such payments; (c) Payment in shares: the <i>dividends</i> are taxed at the time of their declaration.</p>
<p>Sweden. <i>There is no division.</i> Taxation is levied at once.</p>	<p>Switzerland. <i>There is no division.</i> The sum obtained is included in the income of the year of payment.</p>	<p>Czechoslovakia. <i>Cession</i> against periodic payments. <i>Grantor</i>, the heir: income tax and tax on annuities. <i>Grantee</i>: as above. If the heir cedes the rights against immediate payment, the proceeds are not taxed unless the sale occurs in connection with the operation of an undertaking for gain. <i>There is no division.</i></p>	

FISCAL SYSTEM APPLICABLE TO PERIODICAL PAYMENTS DERIVED FROM PATENTS.

Question IV.

IV. Same questions as under I to III concerning *income from patents*, if the fiscal system applied to the latter differs from that applicable to authors' rights.

Replies.

<p>Austria and Germany. Same system, <i>mutatis mutandis</i>, as applied to authors' rights.</p>	<p>Belgium. The amounts paid for the <i>use</i> or <i>concession</i> of a patent are liable to the tax on <i>movable</i> property. If the use of the concession is granted <i>professionally</i>, the proceeds therefrom are considered as income liable to the <i>tax on professional earnings</i>. <i>Sale or cession.</i> If the operation is directly or indirectly connected with the grantor's professional occupation, he is liable to tax in respect of the proceeds of the sale, less the price paid for acquiring the patent or its constitutive value (cost of research and study). <i>It is distributed</i> over several years: same system as applied to authors' rights.</p>	<p>Bolivia. Income derived from industrial patents is liable to the tax on capital <i>investments</i>. If, however, the patent is not exploited on an industrial scale by the inventor, who merely receives an annual payment, such income is liable to the tax on professional earnings (personal services).</p>	
<p>Bulgaria. <i>Inventors</i> are subject to taxation as persons exercising a <i>liberal profession</i> and their assigns as persons exercising a <i>trade</i>, with respect to the year in which the profit was collected. Profits are taxable at source.</p>	<p>Canada, Denmark and Finland. Same system as for authors' rights.</p>	<p>Spain. Income from patents worked by an <i>industrial undertaking</i> is taxable as part of the net profits of the said undertaking. Where the person receiving such income is economically independent of the undertaking, deduction is allowed, but not otherwise. Neither is it allowed in the case of a foreign branch.</p>	
<p>France. An inventor who <i>sells</i> his patent is not liable to income tax (decision of the Council of State), even if the sale is made against annual or periodical payments. <i>Grant of working licences:</i> the income received is liable to the <i>tax on profits derived from non-commercial professions and to the general income tax</i>. This also applies to licences granted abroad, provided the beneficiary is domiciled in France. <i>Grantee</i> (generally a <i>manufacturer</i>): the profit is included in the working profits and is liable to the <i>tax on industrial and commercial profits and to the general income tax</i>. <i>Companies:</i> same system as applies to authors' rights. <i>Nature of income:</i> derived either from the exploitation of an undertaking or lucrative occupation. <i>Distribution</i> over several years: see Note to the table concerning authors' rights.</p>	<p>Great Britain. I. — (a) A <i>patentee</i> is liable to United Kingdom income tax in respect of all payments collected by him. Payments from British sources are received after tax has been deducted. In the case of a patentee not resident in the United Kingdom, the tax is deducted at the source from all royalties or periodical payments which he is entitled to receive from persons in the United Kingdom. (b) The same system applies when payments are collected by <i>grantees</i>. II. — (a) Payments collected by patentees or by grantees: the income is regarded as arising from the <i>ownership of property</i>. (b) Profits derived from the purchase or sale of patents are regarded as derived from the <i>carrying on of a trade or business</i>. III. — There is no division. Any receipts liable are regarded as entering into the income or profits of the year in which they are paid or payable.</p>	<p>Greece and Hungary. Same system as applied to authors' rights.</p>	<p>Italy. Same system applied to authors' rights. Periodical payments are, however, <i>always</i> held to be income derived from industry where the invention has involved the inventor in a considerable outlay of capital.</p>
<p>Norway. Same system as applies to authors' rights. It should, however, be noted that payments made against the cession of rights in connection with patents are usually made in the form of an annual payment or in the form of an industrial participation. If the holder of a patent takes an active part in its exploitation, income is not considered to be derived therefrom until the person concerned has received his share in the profits of the undertaking. In cases of cession in return for an industrial participation, profits are assessed on the actual market value at the time of cession.</p>	<p>Netherlands, Poland, Roumania and Switzerland. Same system as applied to authors' rights.</p>	<p>Sweden. Same rules as applied to authors' rights. However, income derived from exploiting a patent is almost without exception regarded as income derived <i>from carrying on a business</i>.</p>	<p>Czechoslovakia. Same system as applied to authors' rights. Payments for concessions are taxable even if the rights are exploited abroad, in so far as the grantor is resident in Czechoslovakia.</p>

C.340. M. 140. 1930. II.
Erratum
English text only.

Geneva, September 8th, 1930.

LEAGUE OF NATIONS.

FISCAL COMMITTEE.

Report to the Council on the work of the second session
of the Committee held in Geneva from
May 22nd to 31st, 1930.

Page 5.

B. Rules for the Apportionment of Profits, etc.

Line 11,

to be read:

deal directly with the question, since, until it
is settled, one of the principal causes

Geneva, June 14th, 1930.

LEAGUE OF NATIONS

ECONOMIC COMMITTEE

3

**REPORT TO THE COUNCIL
ON THE WORK OF THE THIRTY-SECOND SESSION**

Held at Geneva from June 2nd to 6th, 1930.

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The following members of the Committee were present:

Sir Sydney CHAPMAN (<i>Chairman</i>),	MM. ITO,
M. DI NOLA (<i>Vice-Chairman</i>),	JAHN,
MM. BARBOZA-CARNEIRO,	NECULCEA,
BRUNET,	PEROUTKA (replacing M. DVOŘÁČEK),
DOLÉZAL,	SCHÜLLER,
EASTMAN,	SERRUYS,
GUPTA (replacing Mr. LINDSAY),	STUCKI.
IMHOFF (replacing M. TRENDELENBURG),	

Also present during part of the session:

M. LAVONIUS, Finnish Corresponding Member of the Economic Committee.
M. SCHLINGEMANN, Member of the Consultative Committee on Communications and Transit.
M. BRIZI, Secretary-General of the International Institute of Agriculture.

**I. WORK RESULTING FROM THE PRELIMINARY CONFERENCE WITH A VIEW TO
CONCERTED ECONOMIC ACTION.**

I. REFERENCE TO THE ECONOMIC COMMITTEE.

At its meeting of May 12th, 1930, the Council instructed the Economic Organisation to give effect as far as it was concerned to the decisions of the Conference contained in the official acts¹ adopted by the latter.

¹ See document C.203.M.96.1930.II.

The Commercial Convention of March 24th, 1930, calls for no official action on the part of the Economic Committee.

The Protocol regarding the programme of future negotiations, on the other hand, contains a series of decisions and recommendations referring either to new work which the Economic Organisation is asked to undertake or to work already being undertaken by the Committee.

In accordance with Article 1 of the Protocol, the Economic Organisation is asked to study the replies of the Governments to the questionnaire annexed to the said article and to formulate proposals on the concrete points on which the future negotiations should bear.

The Secretary-General having asked the Governments to send their replies by September 1st, 1930, the question will be placed on the agenda of the Committee's autumn session.

2. GENERAL REVIEW OF NON-TARIFF QUESTIONS.

Article 2 of the same Protocol provides for studies and negotiations on a very large number of questions with the majority of which the Economic Committee has already had occasion to deal in the course of its previous work. Certain of these questions have already been settled in whole or in part by international acts, while others have been discussed by international conferences.

In reviewing the various subjects, the Committee gave careful attention to the Memorandum submitted to the recent Conference by the French delegation and reproduced as an appendix to the Protocol. The third section of this Memorandum expresses the idea of an international convention whose aim would be to settle in a satisfactory manner, and to group in a coherent and logical whole, all the connected and subsidiary questions, except the Treatment of Foreigners, which surround the central problem of tariff agreements in bilateral commercial treaties.

Leaving on one side for the moment the question whether a single Convention covering these different subjects constitutes the best method of achieving the desired end, the Committee thought that the idea contained in embryo in Section III of the French Memorandum seemed particularly opportune at a time when—pending the commercial negotiations contemplated in Article 1 of the Protocol—it is important to prepare the ground for a possible agreement in this sphere by seeking partial solutions for subsidiary questions.

As the list of thirteen points given in this section of the French Memorandum is not intended to be exhaustive, the Economic Committee was led to extend the guiding idea on which this section is based to all non-tariff questions relating to the international exchange of goods and normally dealt with in bilateral agreements.

Thus, the Economic Committee devoted part of its present session to a rapid review of the state of these different questions and divided among its members the work still remaining to be done, in such a way that all these enquiries could be simultaneously undertaken or pursued by small groups of Rapporteurs. To its Bureau, assisted by a few members, it entrusted the central task of co-ordinating all the different partial studies, with the idea of embodying the results in a general agreement, unless in the case of certain subjects another method seemed preferable.

In the enumeration which follows, the different questions are grouped according to their nature and irrespective of the formal reasons to which, at different times, their inclusion in the Economic Committee's programme was due. The order in which these questions are placed implies no idea of priority.

3. DISTRIBUTION OF WORK.

First Group (Sections I and II of the French Memorandum) : Expression of Specific Duties as Percentages of the Value of Goods and Method of ascertaining Value.

The Committee appreciated the importance of the two proposals put forward in this connection by the French delegation, and it is convinced that their judicious application, perhaps by methods somewhat different from those recommended in the Memorandum, might materially facilitate comparison between Customs charges, and hence the adjustment of the interests of the various national economic units, particularly on the occasion of the collective agreements contemplated for the future.

It was struck, however, by the difficulties which any attempt to translate these specific duties at present in force in the different countries into a percentage of the value must necessarily encounter, as long as the indispensable basis for an operation of this kind constituted by a unified Customs nomenclature is lacking.

As regards the determination of value the Committee, as will be seen below, is approaching this subject indirectly by a study of the different methods employed in countries making a large use of *ad valorem* duties.

Second Group: Permanent Organ of Conciliation and Arbitration in Commercial Matters.

The Committee cannot but be sympathetic in principle to any proposal calculated to extend the practice of conciliation and arbitration.

Any action on the lines indicated should, however, be preceded by a study, to be made by the Secretariat in conjunction with the Legal Section, bearing on the different systems of conciliation and arbitration already provided for in international agreements, whether bilateral or multilateral.

It is also necessary to examine from a juridical point of view the possible effects on relations between States of the co-existence of bilateral and new multilateral agreements, at the same time bearing in mind the rights and obligations devolving upon the various countries as a result of their accession to the Permanent Court of International Justice or to arbitration agreements at present in force.

Third Group: Customs Formalities.

Points 6, 7, 8, 11 and 12 of Section III of the French Memorandum will be examined by the Rapporteurs who have for a long time past been considering the means by which progress can be made in regard to Customs formalities.

In addition to the points enumerated above, therefore, the following questions which attracted the special attention of these Rapporteurs must also receive consideration.

Customs Treatment of Goods en route.

The enquiry which has been undertaken in regard to this question by the Secretariat may be of considerable value provided that it is not confined to indicating the methods of applying the provisions in force in countries which allow goods despatched prior to the increase in duties to benefit by the former more favourable rates. It should also explain the reasons which have led those countries to institute this régime (special position of the countries in relation to their principal buying markets, etc.).

Procedure for Appeal.

The Committee considers that Article 7 of the 1923 Convention on Customs formalities contains all that it is necessary to insert on this matter in an international agreement and is doubtful whether there would be any real advantage to be gained from unifying the regulations in force in the various countries relating to recourse, the differences in which are due to many causes (tradition, commercial customs, etc.). It recognises, however, that it would be very useful to prepare a list of these regulations, showing the points on which they are in agreement and those on which they differ, especially as regards the question whether and in what form it is possible for industrialists and traders to state their views at any stage of the proceedings, and it has requested the Secretariat to collect all useful information on the matter.

Commercial Travellers, Samples of No Value, and Advertising Matter.

While recognising the utility of grouping these three factors of commercial propaganda, the Committee thought that the fact should be borne in mind that the treatment of commercial travellers as regards the exercise of their occupation is being dealt with by the International Conference on the Treatment of Foreigners.

As regards the granting of increased Customs facilities to samples of no value and advertising matter, the Committee considers that the documentation collected for this purpose by the Secretariat might be submitted for examination to a carefully selected group of experts who would also be requested to consider the possibilities of exempting articles made of precious metals, temporarily imported as samples, from *compulsory stamping*.

Fourth Group: Application of Specific Tariffs (gross weight, net weight, tare, packing, etc.).

The Secretariat had prepared a detailed note on these various questions. The Committee, while it recognises that this note constitutes a useful basis for the proposed subsequent examination of the questions, thinks it would be better to ascertain before making definite proposals the principal abuses to which the various systems for the collection of specific duties referred to in the memorandum on indirect protectionism give rise, and which the States participating in the preliminary Conference with a view to concerted economic action have undertaken to communicate to the Secretariat before September 1st, 1930.

By enlarging the problem in this way it may be possible to consider, not only the eventual unification of the meaning and scope of terms relating to weight, but also to prevent certain practices of indirect protectionism, more especially as regards various classes of goods liable to heavy Customs duties.

The Committee decided to submit the Secretariat's note, supplemented as mentioned above, to a group of experts selected so as to represent the various systems in force in this matter to include representatives of the interests concerned, and to ensure co-operation with the Sub-Committee for the Unification of Customs Nomenclature.

The task entrusted to these experts would be to ascertain the means of:

1. Standardising definitions relating to weight and packing;
2. Preventing certain practices of indirect protectionism resulting from the arbitrary application of rules relating to weight, tare, etc.;

3. Ensuring more equitable methods of Customs clearance in respect of certain goods of considerable value.

The same experts will be entrusted with the examination of the questions referred to in the previous group.

Export charges, internal charges and the regulation of trade not subject to duty (points 4, 5 and 10 of Section III of the French Memorandum) will also be examined by this group of Rapporteurs.

Fifth Group: Most-favoured-nation Clause.—Nationality of Goods.
(Points 1 and 9 of Section III of the French Memorandum.)

The Economic Committee has already examined very fully the question of the most-favoured-nation clause, the results of its examination having been communicated by the Council to the various Governments. Pending their observations, it will carefully consider the special question of the various methods applied to determine the nationality of the goods and the duties applicable to them.

Sixth Group: Marks of Origin.

The Secretariat has collected very full and detailed information regarding the laws and regulations in force in the various countries and their application. Its investigations will be completed under the direction of the Rapporteurs appointed for this question, and the Committee will judge later whether the result of its enquiries should be published, as it might be of real interest both to administrations and to traders.

Seventh Group: Export Bounties and Subsidies.
(Paragraph 5 of Article 2 of the Protocol.)

Seeing that an official enquiry would not be likely to yield all the necessary information, and that it is possible to reach, through the regular and corresponding members of the Economic Committee, nearly all the countries that have signed the Protocol concerning future negotiations, it has been thought more expedient to arrange for a preliminary enquiry within the Committee on the points covered by the said paragraph 5.

Eighth Group: Calculation of ad valorem Duties.
(Point 3 of Section III of the French Memorandum.)

Enquiries into the methods followed for determining the value of the goods in countries which apply *ad valorem* duties on a large scale have already been undertaken by the Secretariat at the time of the World Economic Conference of 1927. Rapporteurs have been appointed to complete these enquiries and afterwards to make a thorough examination of the various methods in use, in order to judge of the practical value of each.

Ninth Group: Appellations of Origin.
(Point 13 of Section III of the French Memorandum.)

The Rapporteurs are asked to study this problem as one of the aspects of unfair competition and to examine the desirability of a revision of the Madrid Arrangement. In this investigation they should take into account the protection to be given, not only to products deriving their special properties from the soil or the climate, but also to products deriving their properties from regular special methods of manufacture (typical products).

As a basis for this work, the Secretariat has been asked to undertake a preliminary study of the Arrangement, and of the regulations in force in the various countries and the provisions of commercial treaties applying to the products mentioned above.

Other Questions.

The work on the *unification of Customs nomenclature* and on *veterinary police measures* is following its normal course, under the direction of the Rapporteurs who have been dealing with those matters from the beginning.

The *questions connected with transport* which were raised in the Protocol concerning future negotiations have already been referred by the Council to the Communications and Transit Committee for consideration.

II. AGRICULTURE.

In conjunction with the International Institute of Agriculture, represented by its Secretary-General, M. Brizi, the Economic Committee discussed the principle and decided upon the details of a series of studies and investigations which were thought desirable in consequence of the meeting of agricultural experts held at Geneva in January 1930.

The Secretary-General of the International Institute of Agriculture described the work in progress on the various questions to the importance of which the agricultural experts had called attention—the position and operation of co-operative societies in the various countries, agricultural credit, the rapid circulation of agricultural information, the improvement of agricultural statistics, and the present depression, etc.

It is particularly necessary for the Economic Committee to consider the questions which relate to *co-operative societies*, because these questions were raised by the World Economic Conference in 1927. Since the prevailing agricultural depression set in, they have assumed an enhanced importance.

The Economic Committee learned with interest of the deliberations of meetings of a co-operative group which took place at Paris on December 2nd, 1929, and at Geneva on May 2nd, 1930, under the chairmanship of M. Albert Thomas, and was attended by representatives of farmers' co-operative societies as well as consumers' co-operative societies. Both the International Institute of Agriculture and the Secretariat were represented at the Geneva meeting, which considered all the questions on which there is any possibility of joint action by these two categories of co-operative societies.

The problem of *international agricultural credit* was also discussed by the Economic Committee, which considered the question of the development of definite action, whether in particular cases that might arise, or from the point of view of an examination of a more general nature. Obviously the problem is not capable of a quick solution, and, notwithstanding the work which has been done upon it for several years past by the International Institute of Agriculture, any possibilities of action still seem so indefinite that there is no point in submitting the matter to financial experts at the present time.

In any case, it seems advisable to await the reports which the agricultural experts have been asked to make on the *agricultural situation* in their respective countries; a number of these reports have already been received. The Committee considers it really important to be first acquainted with the special aspects of the depression in different parts of the world, and to have the views of qualified persons in the various countries as to possible remedies.

The resulting survey, at once general and detailed, will furnish the Committee with valuable information, on the basis of which it will no doubt be able to specify the points of an international character that might profitably be discussed by the experts at their next meeting.

III. SMUGGLING.

The Assembly resolution of September 24th, 1928,¹ as a result of which the Council asked the Economic Committee to study the question of smuggling, refers (a) to smuggling in general and (b) to the smuggling of alcohol.

(a) *Smuggling in general.*

In its report on its twenty-ninth session (document C.307.M.106.1929.II), the Committee submitted to the Council certain conclusions regarding the international aspects of this problem. It also expressed its opinion that more detailed enquiries should be made to ascertain whether the majority of States were in favour of instituting preparatory work with a view to establishing an international convention for the repression of smuggling.

Accordingly, the Secretary-General of the League of Nations sent to the Members of the League and to the non-Member States on October 12th, 1929, Circular Letter 265.1929.II., containing the questionnaire given below, to which twenty-seven² replied. The questions put were as follows:

1. Importance of smuggling, particularly from the economic and fiscal points of view. What are the chief commodities smuggled? What are the reasons for this smuggling?
2. Are the measures taken by your Government individually to prevent or suppress this smuggling sufficient and has your Government endeavoured to arrange for reciprocal assistance, particularly with the nearest countries or those bordering upon the same sea?
3. Has your Government concluded bilateral or multilateral conventions? If so, what conventions? Please give the text or a summary of these conventions. Do they operate to the satisfaction of the Governments concerned?

¹ Text of the 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 ask the Council 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 Council to request 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. ”

² These States were the following: Australia, Austria, Belgium, Bulgaria, China, Egypt, Estonia, Finland, France, Germany, Great Britain, Greece, Haiti, India, Ireland, Japan, Latvia, Luxemburg, New Zealand, Norway, Panama, Portugal, South Africa, Switzerland, Turkey, United States of America, Yugoslavia.

4. Would an international agreement involving certain obligations such as mutual assistance in regard to information, judicial assistance, the right to search vessels outside territorial waters, etc., be likely to be of any practical utility for the prevention of smuggling?

These replies showed that only a few States were prepared to consider favourably the possibility of preparing an international convention under which the contracting parties would assume certain obligations such as providing each other with information and judicial assistance.

The replies of these States do not seem to indicate that they regard the question as very urgent or of capital importance.

The replies of Finland and Norway show that they are mainly concerned with the smuggling of alcohol, and they would like to see a wide application given to the Convention of Helsingfors.

Most States, however, stated that they preferred bilateral conventions.

The Economic Committee therefore feels that it need not study the question further and informs the Council that the enquiry already conducted does not tend to show that it would be desirable at present to take any action for the preparation of a collective agreement on smuggling.

(b) *Smuggling Alcoholic Beverages.*

The above-mentioned Assembly resolution was proposed by the Finnish, Polish, and Swedish delegations with a view to endeavouring to terminate the smuggling which is practised on a large scale, mainly off the Baltic coasts. It suggested the conclusion of a general international convention the effect of which would be to extend, in practice, to the vessels of all countries the provisions of the Convention concluded at Helsingfors between the Baltic Sea Coast States, which has not in actual fact secured all the results the signatories expected of it.

Subsequently, the Finnish Government, noting the practical difficulty of obtaining this result, made several suggestions to the Economic Committee.

Before pronouncing on these suggestions, the Economic Committee consulted the Communications and Transit Committee. The report of this Committee, with its Chairman's covering letter, is set out in an annex (document E.581). In view of this opinion the Committee submits to the Council the following conclusions:

Having been informed of the special importance which certain States attach to the prevention, or at all events the reduction to a minimum, of the smuggling along their maritime frontiers of alcoholic liquor, the importation of which is prohibited or subject to special restrictions in these States:

1. The Committee recommends the Council to draw the attention of the Governments of the Members of the League to the fact that it is highly important that the authorities competent to issue documents attesting the nationality of a vessel should satisfy themselves before issuing such documents that the conditions required by their national laws are actually fulfilled:

2. It notes that, without prejudice to the state of existing law, if arrangements in respect of specified vessels manifestly engaged in contraband traffic in alcohol are concluded with the State whose flag these vessels fly, with a view to instituting over these vessels measures of control applied outside the territorial waters, such arrangements would not be likely in principle to hinder unduly the freedom of communications, and that States desirous of guaranteeing the application of conventions concluded *inter se* against vessels engaged in smuggling and flying the flag of a third State, may conclude arrangements of this kind with such third States, and it may be hoped that requests to this effect would be favourably considered, save in exceptional circumstances. Nevertheless, the fact that the Government of a State, which is not a contracting party to these conventions, abstains, in virtue of the arrangements referred to above, from protest, if the measures for supervision and repression resulting from the clauses of these conventions are applied exceptionally to vessels flying its flag and manifestly engaged in smuggling, should be regarded solely as the application of special arrangements between certain countries and not as a precedent that could imply a change in the general practice of States or in the rules of international law in these matters.

3. The Committee is further convinced that the States concerned will use their best endeavours to ensure that every precaution is taken, in connection with the exceptional measures to which they may thus have recourse, to safeguard the rights of third parties and the principle of the freedom of navigation, and to ensure that appropriate compensation is granted in case of error.

IV. EDUCATIONAL FILMS.

As requested by the Council, the Economic Committee has examined the preliminary draft International Convention for the Abolition of Customs Barriers against Educational Films¹ drawn up by the International Educational Cinematographic Institute.

¹ See document C.212.M.100.1930.XII.●

The Committee is of opinion that this preliminary draft would serve as a useful basis of discussion for a diplomatic Conference. It recommends, however, that attention should be given to securing as close a correspondence as possible between this convention and other conventions concluded under the auspices of the League and in particular that of 1921 relating to the freedom of transit and that of 1927 on the abolition of import and export prohibitions and restrictions.

V. INTERNATIONAL INSTITUTE FOR SCIENTIFIC MANAGEMENT.

The Committee has considered the following reports submitted by the International Institute for Scientific Management:

1. Report on the work carried out by the Institute for the League of Nations since April 1929;
2. The annual report of the Institute for the year 1929-30;
3. An interim report on the Terminology of Management.

It has further received oral explanations from Mr. L. Urwick, the Director of the Institute. It was represented by him that the Institute had been given the following tasks under the resolution of the World Economic Conference of 1927 and of the Economic Consultative Committee:

1. To promote an agreement in regard to the terms, subject-matter and methods of rationalisation;
2. To study suitable methods of standardisation in the types and specifications of manufacture;
3. To furnish the Economic Organisation with information enabling it to judge the expediency of international measures for the simplification of processes and reduction of types of products;
4. To promote uniformity in methods of investigation into the economic situation through Governments or institutions, so far as progress of rationalisation is concerned, so as to allow of comparison between the results obtained;
5. To submit an annual report showing the progress made in rationalisation and containing proposals.

It was explained that the Institute had made some progress on the first of these subjects; that annual reports had been submitted in the last two years; that the tasks suggested under points 2 and 3 were suitable for further work; and that the question under 4 should, for the moment, be postponed as not likely to furnish practical results.

After explaining its statutes, structure and administration, it was pointed out that the claims upon its resources for work on behalf of the private institutions which contribute to its support as members and associate members, had grown so much, that the Institute could no longer undertake to continue public work of the kind required of it under the recommendations of the Consultative Committee, of little or no immediate interest to such private institutions, unless it received appropriate financial support for this special purpose.

The Committee has carefully examined the whole situation so disclosed, and has come to the following conclusions. It has had regard, in doing so, to the recommendation of the Preliminary Conference with a View to Concerted Economic Action held in February-March 1930 that the collaboration between the Economic Organisation and the International Institute of Scientific Management should continue, as well as to the previous recommendation of the Economic Consultative Committee approved by the Council.

1. It is, in the view of the Economic Committee, right and necessary that specific work required of the Institute by the Economic Organisation should receive due payment, appropriate provision being inserted in the budget corresponding to the work approved for any given financial year. (It should be noted that owing to the existence of a subvention in kind from the International Labour Office, the accounts of the Institute are already audited by the League auditors.)

2. The Committee proposes payment, not in respect of work done in the past or during the current year at the request of the League but in respect of work in the future in continuation of work already begun.

3. As regards the year 1931 the Committee contemplates asking the Institute to undertake certain work in 1931 and has appointed a Rapporteur to examine this question. In these circumstances it is necessary that financial provision should be made for the expenses that may be incurred.

VI. RICHES OF THE SEA (PROTECTION OF WHALES).

In pursuance of the decision taken by the Economic Committee at its twenty-ninth session (July 1929), a Committee of Experts¹ met at Berlin on April 3rd, 1930.

In pursuance of the above-mentioned decision of the Economic Committee, the experts were requested to consider more particularly "whether and in what terms, for what species and in what areas, international protection of marine fauna could be established".

The experts unanimously agreed that it would be possible to help the whaling industry by means of an international convention.

After studying the Norwegian Law, which came into force on June 21st, 1929, a Royal Decree dated August 2nd, 1929, of notification by the Ministry of Commerce dated July 4th, as well as proposals submitted by some of the experts, the experts drew up a statement of certain principles and of certain rules which they submitted to the Economic Committee in the form of a draft convention.

The Committee, with the assistance of the Legal Section, introduced certain modifications in the draft, particularly in regard to the formal clauses. The modified text is attached herewith.

The Committee, after reviewing the position, proposes that the Council should transmit this text to the various Governments in order to obtain their views thereon.

It would seem expedient to wait until the replies have been received from the Governments before considering the desirability of convening a conference at some future date or of simply opening, during one of the forthcoming Assemblies, a protocol for signature by any States wishing to become parties thereto.

ANNEX.

PRELIMINARY DRAFT CONVENTION FOR THE REGULATION OF WHALING.

Article 1.

The High Contracting Parties undertake to take, within the limits of their respective jurisdictions, appropriate measures to ensure the application of the provisions of the present Convention and the punishment of infractions of the said provisions.

Article 2.

The present Convention applies only to baleens or whalebone whales.

Article 3.

The taking or killing of right whales, which shall be deemed to include North Cape whales, Greenland whales, Southern right whales, Pacific right whales and Southern Pigmy right whales, is prohibited.

Article 4.

The taking or killing of calves or suckling whales, immature whales and female whales which are accompanied by calves or suckling whales, is prohibited.

Article 5.

The fullest possible use shall be made of the carcasses of whales taken. In particular:

I. There shall be extracted by boiling or otherwise the oil from all blubber and from the head and the tongue and, in addition, from the tail as far forward as the outer opening of the lower intestine.

¹ Members of this Committee were:

M. A. HODT, Hamburg.
E. R. DARNLEY, Colonial Office, London.
J. O. BORLEY, O.B.E., Fisheries Adviser, Colonial Office, London.
Dr. Remington KELLOGG, National Museum, Washington.
Professor Ed. LE DANOIS, secrétaire général de la Commission de la Méditerranée, directeur de l'Office scientifique et technique des Pêches maritimes, Paris.
M. OHTA, expert attaché à la Section de la pêche du Ministère de l'Agriculture et de la Forêt, Tokio.
Professor J. HJORT, de l'Université, Oslo.
Dr. A. DE MAGALHAES RAMALHO, directeur de l'Acquarium Vasco da Gama, Lisbon.

The provisions of this sub-paragraph shall apply only to such carcasses or parts of carcasses as are not used for human food.

2. Every factory, whether on shore or afloat, used for treating the carcasses of whales shall be equipped with adequate apparatus for the extraction of oil from the blubber, flesh and bones.

3. In the case of whales brought on shore adequate arrangements shall be made for utilising the residues after the oil has been extracted.

Article 6.

Gunners and crews of whaling boats shall be engaged on terms such that their remuneration shall depend to a considerable extent upon such factors as the size, species, value and yield of oil of whales taken and not merely upon the number of whales taken, in so far as payment is made dependent on results.

Article 7.

No vessel of the High Contracting Parties shall engage in taking or treating whales unless a licence authorising such vessel to engage therein shall have been granted in respect of such vessel by the High Contracting Party to which she belongs or unless her owner or charterer has notified his Government of his intention to employ her in whaling and has received a certificate of notification from the said Government.

Nothing in this article shall prejudice the right of any High Contracting Party to require that in addition a licence shall be required from his own authorities by every vessel desirous of using his territory of territorial waters for the purposes of taking or treating whales, and such licence may be subject to such conditions as may be deemed by such High Contracting Party to be necessary or desirable, independent of the nationality of the vessel.

Article 8.

The geographical limits within which the articles of this Convention are to be applied, shall include all the waters of the world, including both the high seas and territorial and national waters.

Article 9.

The High Contracting Parties shall obtain with regard to their vessels engaged in the taking of whales information comprising the following particulars with regard to each whale taken:

1. Date of taking;
2. Place of taking;
3. Species;
4. Sex;
5. Length measured when taken out of water; estimated, if cut up in water;
6. When foetus is present, length and sex if ascertainable;
7. Where practicable, information as to stomach contents.

Protocol ad 5 of Article 9.

The length referred to in sub-paragraphs 5 and 6 of Article 9 shall be the length of a straight line taken from the tip of the snout to the notch between the flukes of the tail.

Article 10.

Each High Contracting Party shall obtain from all factories, on land or afloat, under their jurisdiction, returns of the number of whales of each species treated at each factory and of the amounts of oil of each grade and the quantities of meal, guano and other products derived from them.

Article 11.

Each of the High Contracting Parties shall communicate statistical information regarding all whaling operations under their jurisdiction to a body which shall be established in order to collect and distribute statistics of whaling. The information given shall comprise at least the particulars mentioned in Article 10 and: 1. The name and tonnage of each floating factory; 2. The number and aggregate tonnage of the whale catchers; 3. A list of the land stations which are in operation during the period concerned.

Such information shall be given at convenient intervals not longer than one year.

Article 12.

The present Convention shall remain open until the 19....., for signature on behalf of any Member of the League of Nations or of any non-Member State (invited to the Conference or) ¹ to which the Council of the League of Nations has communicated a copy of the Convention for this purpose.

¹ Words in brackets will not be appropriate if the Convention is drawn up at the Assembly.

Article 13.

The present Convention is subject to ratification. Ratifications shall be deposited with the Secretariat of the League of Nations.

The Secretary-General shall give notice of the deposit of each ratification to the Members of the League of Nations and to the non-Member States mentioned in Article 12, indicating the date of its deposit.

Article 14.

As from, any Member of the League of Nations and any non-Member State mentioned in Article 12, on whose behalf the Convention has not been signed before that date, may accede thereto.

Accession shall be effected by an instrument deposited with the Secretariat of the League of Nations. The Secretary-General of the League of Nations shall give notice of each accession to the Members of the League of Nations and to the non-Member States mentioned in Article 12, indicating the date of the deposit of the instrument.

Article 15.

The present Convention shall enter into force on the ninetieth day following the receipt by the Secretary-General of the League of Nations of ratifications or accessions on behalf of not less than..... Members of the League or non-Member States.

As regards any Member of the League or non-Member State on whose behalf a ratification or accession is subsequently deposited, the Convention shall enter into force on the ninetieth day after the date of the deposit of a ratification or accession on its behalf.

Article 16.

At any time after the coming into force of the present Convention any two Members of the League or non-Member States with regard to which the Convention is then in force may request the Council of the League of Nations to take measures with a view to the convening of a Conference for the revision of the Convention. Those Members of the League or non-Member States on whose behalf the Convention has been signed or accessions thereto deposited undertake to be represented at any Conference so convened.

Article 17.

1. The present Convention shall be concluded for a period of three years from the date of its entry into force (*or*, continuing until 19...).

2. It shall continue in force for further successive periods of one year as between such Members of the League and non-Member States as do not denounce it at least six months before the expiration of the current period.

3. Denunciation shall be effected by a written notification addressed to the Secretary-General of the League of Nations, who shall inform all the Members of the League and the non-Member States mentioned in Article 12.

Article 18.

1. Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates, overseas territories or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.

2. Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph, and the Convention shall apply to all the territories named in such notice after its receipt by the Secretary-General of the League of Nations.

3. Any High Contracting Party may, at any time, declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates, overseas territories or territories under suzerainty or mandate; and the Convention shall cease to apply to the territories or to the parts of their population named in such declaration..... after its receipt by the Secretary-General of the League of Nations.

4. The Secretary-General of the League of Nations shall communicate to all the Members of the League of Nations and the non-Member States mentioned in Article 12 all declarations and notices received in virtue of this article.

Article 19.

The obligation of a High Contracting Party to take measures to ensure the observance of the provisions of the present Convention in his own territories and territorial waters, and by his own vessels, shall not apply to those of his territories to which the Convention does not apply, and the territorial waters adjacent thereto, and to vessels registered in such territories.

Article 20.

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it has entered into force.

Article 21.

The French and English texts of the present Convention shall both be authoritative.

IN FAITH WHEREOF, etc.

OBSERVATIONS.

I.

The Economic Committee would like to point out that in elaborating the attached draft Convention, they had examined carefully the question of including a provision similar to that appearing in the Norwegian Law of June 21st, 1929, namely, that the prosecution of whaling in tropical and sub-tropical waters might be made unlawful within certain prescribed limits. They were, however, unable at present to recommend the inclusion of such a clause, but, in agreement with the views expressed by the experts consulted on this question, thought that it should be strongly recommended to the High Contracting Parties to pursue such scientific investigations as might enable a conclusion to be reached as to whether the closure to whaling of any areas would be in the interest of the industry and, if so, what areas should be thus closed.

II.

While the Economic Committee recognised the lack of precision attaching to the word "immature" appearing in Article 4, they were of opinion that at present it was undesirable to attempt a closer definition.

They expressed the hope that the Governments of the High Contracting Parties might be in a position to arrive at a more precise definition when scientific researches have progressed sufficiently to enable conclusions to be reached.

III.

As regards sub-paragraph 2 of Article 5, the attention of Governments was drawn to the desirability of ensuring that floating factories should so conduct their operations that the remains of whales should not be allowed to drift ashore in localities where this would cause a nuisance.

IV.

It should be observed that in drafting Article 6 regard has been had to the terms of contracts generally used in some of the countries especially interested in whaling.

V.

It is understood that in supplying the body mentioned in Article 11 with the statistical data referred to in Article 9, the High Contracting Parties will indicate in their returns the units employed in the statistics so communicated.

VI.

It is understood that provision would have to be made to give the necessary exemptions for scientific investigations.

Geneva, July 10th, 1930.

LEAGUE OF NATIONS

SETTLEMENT OF BULGARIAN REFUGEES

4

Fifteenth Report

by the Commissioner of the League of Nations in Bulgaria

Period from February 15th to May 15th, 1930.

[Translation.]

A. Settlement of Bulgarian Refugees.

I. 1926 REFUGEE SETTLEMENT 7% LOAN.

Appendix No. 1 of the present report shows the position of the 1926 Refugee Settlement 7% Loan at April 31st, 1930, including the accrued interest on the unexpended balance of the loan which is on deposit in London and New York. The sterling value of the sums still available in foreign moneys is about £567,592.

II. YIELD OF REVENUES ASSIGNED AS SECURITY FOR THE LOAN.

The amounts paid into the account for revenues assigned as security for the 1926 7% Loan in February, March and April 1930 are shown below in leva:

Chapters of the budget	Receipts			Monthly average of budget estimates	
				Year 1929-30	Year 1930-31
	February	March	April	February-March	April
Chapter 15 (excise duty on alcohol, etc.) . . .	2,044,805	2,046,130	3,849,203	6,666,666	5,416,666
Chapter 16 (excise duty on salt, etc.)	22,675,175	21,437,577	25,855,808	25,416,666	27,500,000
Chapter 21 (sale of matches)	6,201,000	7,578,000	9,279,000	9,166,666	9,583,333
Total	30,920,980	31,061,707	38,984,011	41,249,998	42,499,999

The receipts from the assigned revenues are usually at their lowest at this period of the year. They amounted to 120,229,284 leva in the previous quarter, but fell to 100,966,698 leva in these three months. The service of the loan was, however, fully assured, since it required only about 42 million leva.

The income from taxes etc., has been considerably affected lately by the present crisis and the general receipts of the Treasury have decreased as compared with last year. Consequently, the yield from the assigned revenues was slightly lower during the period under review than during the corresponding period last year, when receipts amounted to 105,574,963 leva.

Payments by refugees as interest and for the repayment of expenditure incurred in settling them were (in leva) as follows:

	February	March	April	Previous payments	Total payments up to the end of April
Interest	55,991	114,513	72,077	816,535	1,059,116
Amortisation	319,570	671,891	354,951	8,432,034	9,778,446
Total	375,561	786,404	427,028	9,248,569	10,837,562

These payments, almost all of which still represent payments in advance, have remained at the same level as in the preceding quarter. Payments in respect of the few contracts which fell due (two years after signature) during this period were effected without difficulty. In view of the present critical position, this is an encouraging sign of the refugees' desire to carry out their obligations punctually.

III. BUDGET ESTIMATES FOR THE ASSIGNED REVENUES FOR THE YEAR 1930-31.

The budget for the fiscal year 1930-31, voted by the Sobranje on May 13th, contains the following estimates for receipts from the revenues assigned as security for the service of the 1926 7% Loan.

(Leva)

	Estimates for the year 1930-31	Estimates for the year 1929-30	Difference
Chapter 15 (excise duty on alcohol, etc.)	65,000,000	80,000,000	— 15,000,000
Chapter 16 (excise duty on salt, etc.) . .	330,000,000	305,000,000	+ 25,000,000
Chapter 21 (sale of matches)	115,000,000	110,000,000	+ 5,000,000
Total	510,000,000	495,000,000	+ 15,000,000

The annual amount required for the service of the loan is about 170 million leva. The receipts from the assigned revenues in the past year, as compared with the estimates for the year 1930-31, are as follows:

(Leva)

	Estimates for the year 1930-31	Receipts in the year 1929-30	Difference
Chapter 15 (excise duty on alcohol, etc.)	65,000,000	57,942,232	— 7,057,768
Chapter 16 (excise duty on salt, etc.) . .	330,000,000	346,193,326	+ 16,193,326
Chapter 21 (sale of matches)	115,000,000	110,874,353	— 4,125,647
Total	510,000,000	515,009,911	+ 5,009,911

The estimated receipts are, therefore, no greater than the actual receipts of the preceding year. The surpluses in Chapter 16 will, if they continue, offset the deficit in Chapter 15 which, as I have repeatedly stated in my preceding reports,¹ is mainly due to the poor yield of the excise duty on alcohol.

¹ Since the opening of the assigned revenues account, there has every year been a regular decrease in the estimated receipts for Chapter 15.

Estimated receipts for Chapter 15:

Year	Leva
1926-27	120,000,000
1927-28	100,000,000
1928-29	80,000,000
1929-30	65,000,000

IV. EXECUTION OF THE SETTLEMENT PLAN.

There was an unusually wet spring this year and, at the time of sending the report, settlement work had only just begun. The position has therefore remained almost unchanged during the quarter, and the figures below are practically the same as those given in the report. The General Directorate for the Settlement of Refugees has, however, taken the necessary steps to ensure that, in spite of the delay in beginning the work, this year's programme should be carried out—that is, to say, that the greater part of what has still to be done should be completed by the winter. It seems, therefore, that, unforeseen contingencies apart, only a little work remains for next year, such as the draining of the marshes, the construction of the railway and the building of houses in the Karaboas district.

This winter the refugees passed through an extremely difficult period. The effects of the poor harvest were keenly felt, and had not the General Directorate distributed seed in some districts, the refugees would not have had enough food. It is of good augury for the future of the work that, in spite of this fresh period of trial, the refugees have not allowed themselves to become disheartened and have retained unshaken their confidence in better times to come. Everywhere land has been put under cultivation, and much wooded ground was cleared during the winter to make it ready for the spring sowing. It is too early as yet to express a definite opinion with regard to the coming harvest, but it promises so far to be an unusually good one, and there is reason to hope that the refugees will at last be rewarded for their persistence.

(a) *Various Supplies.*

Less seed was distributed during this quarter. Large quantities were supplied in the autumn, when, as the result of the very bad harvest, a large number of refugees had to be provided with seed. These supplies, the accounts for which were drawn up only during these last months, amounted to 3,227,551 kilogrammes, representing 20,226,273 leva.

Since the start of the work, 10,939,811 kilogrammes of seed (worth 65,102.416 leva) have been distributed.

This spring, 708 head of *livestock* were delivered.

The amount of livestock distributed from the beginning is as follows:

	Animals	Value
Horses and mules	5,937	53,292,487 leva
Oxen and cows	12,145	71,492,112 „
Buffaloes	2,510	15,375,001 „
	20,592	140,159,600 leva

In the distribution of *material* there was no important change.

(b) *Houses.*

The position at the time of sending the report is summed up in the following table:

	Houses		Sheds		Byres	
	Finished	Contracted for	Finished	Contracted for	Finished	Contracted for
Built by private enterprise	3,339	2,241	2,546	1,495	2,905	2,051
Built on a monopoly basis by the General Directorate for the Settlement of Refugees . .	365	958	279	893	309	577
Built by the refugees themselves	174	400	129	268	137	308
Total	3,878	3,779	2,954	2,656	3,351	2,936
Figures at the end of the previous quarter . . .	3,731	1,962	2,869	1,468	3,257	1,736

It will be seen from the above figures that, while there has been little change in the number of houses finished, this year's building programme has been considerably extended.

Up to the present, the number of applications for houses received is	9,330
Number of houses ready	3,878
Number of houses now being built	3,779
	7,657
Number of houses still to be built	1,673

Now that the General Directorate has acquired more experience in this kind of work, I expect that the obstacles formerly encountered (difficulties in connection with supplies of raw materials, disputes with the contractors) will not recur, and that almost all the houses now building will be finished by the autumn.

The majority of the 1,673 houses still to be built, for which no provision has yet been made, are intended for refugees who are to be removed from the frontier zones and settled on land in the lower plain of Karaboas. The building of these houses depends, therefore, upon the completion of the dyke, and it will hardly be possible to begin this work before next year.

As I have said, building work began this year later than had been expected. Advantage was taken, however, of this forced delay to collect the stocks of material and place them on the sites.

The price of houses under recent contracts are practically the same as last year, varying, for a finished house, between 65,000 and 78,000 leva, *i.e.*, about £100.

(c) *Land.*

The position, which is practically the same as at the end of the previous quarter, is shown in the following table:

Department	Land surveyed (decares)	Land allotted (decares)	Number of families	Average area allotted (decares)
Burgas	549,393	485,759	11,747	41.35
Varna	68,626	61,098	1,555	39.29
Vidin	8,929	8,929	282	31.66
Petritch	120,470	110,352	4,952	22.28
Vratcha	22,621	21,872	639	34.17
Plovdiv	24,505	23,971	1,290	18.58
Plevna	18,761	17,201	517	33.27
Rustchuk	47,789	32,043	855	37.47
Stara Zagora	14,051	12,886	395	32.62
Tirново	17,111	17,012	455	37.39
Haskovo	156,876	131,729	3,012	43.73
Schumen	40,778	38,443	1,120	34.32
Mastanla	81,410	51,701	1,441	35.88
Total	1,171,320	1,012,996	28,260	35.84
Figures at February 15th, 1930. .	1,164,787	1,008,755	28,249	35.71

The Land Valuation Committee has done a great deal of work and it has valued the land of 20,900 families (14,146 at the end of the previous quarter). The General Directorate has drawn up plans of plots and presented them to the owners (23,753).

The area mechanically ploughed has increased from 50,570 decares to 57,263 decares. A total area of 39,000 decares has been cleared since the beginning, as compared with 28,000 on February 15th.

So far 48 million leva have been spent on the land—12,500,000 on mechanical ploughing, and 35,500,000 on clearing work.

(d) *Supply of Drinking Water.*

The position is unchanged.

(e) *Means of Communication.*

Work having only just been resumed at the time of sending the report, there has been no important progress with regard either to the railways or to the roads.

I stated in my last report that resort had been had to arbitration in order to settle the disputes with the contractors for the Rakovsky-Mastanla Railway, due to the rise in the price of materials and labour. Agreement was finally reached; the sum to be paid to the contractors, over and above the prices fixed by the contracts, being settled at approximately 15,500,000 leva.

As I explained in the same report, I decided that the expenses for the construction of the line to be borne by the loan should be restricted to the sum laid down in the Settlement Plan,

300 million leva. The payments already made amount to 255 million leva, and to these must now be added the increase in the prices paid to the contractors. Consequently, a sum of 29,500,000 leva is still available. It is understood that the expenses that will necessarily be incurred in opening the line shall be charged to the railways budget.

(f) *Draining of Marshes.*

(i) The construction of the dyke in the lower plain of *Karaboas* is being pushed forward rapidly, the Danube spring floods having been less serious than usual.

It will be remembered that this important work was entrusted to the Directorate of Compulsory Labour. There is now every reason to expect that it will be completed by the time anticipated. At present, 2,900 workmen are employed, and the number will be increased to 4,500 on July 1st.

(ii) The draining of the *Messemvria* marsh is proceeding regularly and according to programme.

This is not the case with the *Stralja* and *Mandra* marshes. At *Stralja*, only 15 per cent of the work had been completed at the end of seventeen months. The undertaking has had to be wound up, and negotiations have been opened with a view to making the Directorate of Compulsory Labour responsible for the continuation of the work. At *Mandra*, after seven months' work, hardly any progress has been made, and the General Directorate will probably be obliged to cancel the contract.

(g) *Health.*

1. *Anti-malaria Campaign.* — The anti-malaria service, established in 1927 in the Department of Burgas under Professor Swellengrebel's plan, was taken over, as arranged, by the Public Health Authority on April 1st.

I stated in my last report that the expenses which would be incurred in completing certain work undertaken last year would be met by a supplementary credit for health expenses of 2,500,000 leva, which was approved by the Financial Committee at its January 1930 session. We have also been obliged to provide for the maintenance of part of the medical staff until the autumn, in order to facilitate the transition from the old to the new organisation.

The additional expenses for the Burgas anti-malaria service, which have thus been made chargeable to the loan, amount to 1,865,750 leva:

	Leva
For sanitary work	1,390,250
For staff expenses.	475,500

2. *Extension of our Health Services.* — In accordance with the request received from the Bulgarian Government in September last, the Health Organisation of the League of Nations appointed an expert—Professor Jessner, of Breslau—to enquire into the conditions for an extension of the health services in the Department of Burgas. Professor Jessner, accompanied by Dr. Olsen of the Secretariat, came to Bulgaria in April.

After visiting the area, Professor Jessner worked out a plan which will be laid before the Health Organisation. Professor Jessner intends to supervise the carrying out of the plan, and proposes to spend several weeks in the Department of Burgas next summer. We are extremely grateful to Professor Jessner for the valuable assistance he is kindly giving us in improving the health of the people of this district, where such a large number of refugees is settled.

The expenditure that will necessarily be incurred in the establishment of the new service, and its maintenance until April 1st, 1931 (when it will be taken over by the Public Health Authority), have not yet been fully ascertained, but will probably exceed the credits provided for. After 1,865,750 leva have been appropriated for the winding-up of our share of the work in the anti-malaria campaign, out of the supplementary credit of 2,500,000 leva approved by the Financial Committee, only 634,250 leva remain for the proposed extension. The expenditure on Professor Jessner's programme will probably considerably exceed this sum.

B. 7 ½ % Stabilisation Loan of 1928.

The position of the 7 ½ % 1928 Loan at April 30th, 1930, is shown in Appendix II of this report. The available amount on deposit at London and Paris in foreign exchange is about £695,000.

I. YIELD FROM THE ASSIGNED REVENUES.

During February, March and April 1930, the sums received by way of revenues assigned as security for the loan were (in leva) as follows:

February	March	April	Monthly average of budget estimates	
			Year 1929-30 (Feb.-March)	Year 1930-31 (April)
51,736,154	66,311,028	59,602,648	113,333,333	108,333,333

The decrease in receipts from the assigned revenues which began in the previous quarter (when these receipts came to 281,926,561 leva) became still more marked in the last three months, the total sum received being only 177,649,830 leva, as compared with 360,804,753 in the corresponding period last year.

The drop in imports has meant a rapid falling-off in Customs receipts, which will continue without any appreciable change so long as it is not possible to dispose of the stocks accumulated in the country as a result of last year's excessive imports.

The service of the loan was, however, assured without any difficulty, since only about 72 million leva (approximately 40 per cent of the available sum) were employed for this purpose.

Receipts from the assigned revenues for the year ended on March 31st, 1930, compared with the estimates, were as follows:

(Leva)

Chapter of the budget	Budget estimates for the year 1929-30	Receipts in the year 1929-30	Difference
Chapter 11 (import duties)	1,185,000,000	1,236,209,845	+ 51,209,845
Chapter 12 (export duties)	80,000,000	63,113,528	— 16,886,472
Chapter 13 (3% <i>ad valorem</i> tax on exported goods)	10,000,000	3,833,527	— 6,166,473
Chapter 14 (warehousing and statistical dues)	85,000,000	103,965,125	+ 18,965,125
Total	1,360,000,000	1,407,122,025	+ 47,122,025

During these twelve months, the service of the loan required about 291 million leva, that is to say, approximately only one-fifth of the total assigned revenues.

II. BUDGET ESTIMATES FOR THE ASSIGNED REVENUES FOR THE YEAR 1930-31.

The budget for the fiscal year 1930-31 contains the following estimates for receipts from revenues assigned as security for the 7 ½ % 1928 Loan:

(Leva)

Chapter of the budget	Estimates for the year 1929-30	Receipts in the year 1929-30	Difference
Chapter 11 (import duties)	1,200,000,000	1,236,209,845	— 36,209,845
Chapter 12 (export duties)	40,000,000	63,113,528	— 23,113,528
Chapter 13 (3 % <i>ad valorem</i> tax on exported goods)	—	3,835,527	— 3,835,527
Chapter 14 (warehousing and statistical dues)	60,000,000	103,965,125	— 43,965,125
Total	1,300,000,000	1,407,122,025	— 107,122,025

There are no longer any receipts under Chapter 13, as a result of the application of the law of July 1st, 1929, on trade in foreign exchange, which abolished the 3% tax on goods.

The law on exports, voted on March 27th, 1930, exempted certain products from payment of export duties and various other taxes. The estimated receipts under Chapters 12 and 14 were consequently reduced.

In accordance with the stipulations of Article II (4) of the Protocol of March 10th, 1928, the Trustees of the 7 ½ % 1928 Loan agreed to the two laws above mentioned.

III. EMPLOYMENT OF THE LOAN.

I. £1,250,000 Sterling Block for Means of Communication (Article VI of the Protocol).

(a) Railways:

The following figures summarise the position at February 1st, 1930:

Leva

Total works authorised	630,000,000
Value of contracts concluded and work undertaken on a monopoly basis by the Administration	480,000,000
Sums already allotted to the railways	389,693,207

(b) *Roads.*

The progress has not been so satisfactory as we had hoped, and it is now certain that a large part of the programme cannot be completed until next year. Out of a total credit of 176,266,179 leva, commitments amount to only 119,209,300 leva, which the actual expenditure (excluding an advance of £10,000,000 to the Directorate of Compulsory Labour), viz., 11,310,758 leva, is still negligible.

I regret that my suggestions for hastening the drawing up of the plans, to which I referred in my last report, have not been adopted by the Administration of Bridges and Highways.

Additional undertakings have been entrusted to the Directorate of Compulsory Labour, representing an increase, according to the specifications, of 3,440,000 leva.

The following figures summarise the position at April 30th, 1930:

	Expenditure approved	Commitments on contracts (in leva)	Sums actually expended
(a) <i>By contracts:</i>			
• Roads	57,760,000	49,779,300	8,292,503
Bridges	54,800,000	39,221,000	3,018,255
(b) <i>By the Directorate of Compulsory Labour:</i>			
Roads	35,540,000	30,209,000	10,000,000 ¹
(c) <i>Purchase of material:</i>			
Motor tanks	1,000,000	—	—
	149,100,000	119,209,300	21,310,758

2. £500,000 *Sterling Block for Reconstruction of the Devastated Areas*

(Article VIIA of the Protocol).

The total expenditure hitherto approved is 350,669,100 leva, a larger sum than the proceeds from the block earmarked for the devastated areas — 336 million leva. In point of fact, as I have explained in preceding reports, savings are always effected as compared with the specifications when the contracts are actually placed, and the total commitments will not exceed the equivalent of the £500,000.

Except for the construction of a bridge over the Maritza, which will not be completed until next year, all the work will, unless unforeseen circumstances arise, be finished by the winter.

The following figures summarise the position at May 1st, 1930:

(Leva)

	Expenditure approved	Commitments on contracts	Sums actually expended
Public buildings	267,448,100	229,578,084	139,291,641
Roads and bridges	46,725,000	39,334,820	13,172,549
Railways	7,375,000	6,342,850	5,854,072
Water conduits	10,421,000	9,694,262	4,975,184
Regulation of rivers	9,700,000	8,825,000	6,533,937
Overhead and various expenditure . . .	9,000,000	—	3,353,454
Total	350,669,100	293,769,016	173,180,837

IV. BUDGET.

According to particulars given by the Ministry of Finance, the 1929-30 budget results (including the budget for railways and harbours, the "special funds" incorporated in the budget and the

¹ Advance on account for the work to be carried out.

sum paid by the Greek Government—130 million leva—under the Molloff-Caphandaris Convention) were, as appears from the closed accounts at March 31st, 1930, as follows:

	Results of the budget for the year 1929-30, ended at March 31st, 1930	Budget estimates for the year 1929-30 (In thousands of leva)	Difference
Receipts	7,580,876	7,933,450	— 352,574
Expenditure	6,482,939	8,725,960	— 2,243,021
Book surplus	1,097,937	— 792,510	— 1,890,447

In order to ascertain the actual Treasury position at March 31st, the following sums must be deducted from the anticipated surplus:

	In thousands of leva
Book surplus	1,097,937
(a) Expenditure under the extraordinary budget of 1927-28 and 1928-29	28,280
(b) Expenditure on account of supplementary credits voted during the war	113,061
(c) Orders and commitments on account of the year 1929-30	758,664
	900,005
Actual surplus	197,932

According to Article VI of the Protocol of March 10th, 1928, the Bulgarian Government was to keep the 1929-30 budget (excluding the special funds) within the limit of 7,000 million leva. Expenditure has amounted to 6,482,939,000 leva, to which must be added the expenditure not yet actually effected, viz., 900,005,000 leva. The total expenditure under the ordinary budget and the railways budget was 7,382,942,000 leva. Deducting the special funds (223 millions), expenditure amounts to 7,159 million leva, a slightly higher figure than the maximum fixed.

The actual surplus may be reduced as a result of the budget system in force, which allows expenditure made during the three months following on the financial year—*i.e.*, up to June 30th—to be included in the accounts for the financial year ended at March 31st.

Further, a supplementary budget of 463 millions was voted on April 3rd, 1930. It is specially laid down in the finance law on the supplementary budget that expenditure on account of this budget is to be met by the savings effected on the ordinary budget, as also by the surplus receipts of this budget.

The following table shows the receipts collected during the year 1929-30:

	(In thousands of leva)			
	Results of the year 1928-29	Results of the year 1929-30	Estimates for the year 1929-30	+ or — in the year 1929-30, as compared with the estimates
Direct taxes	706,064	574,619	920,000	— 345,380
Indirect taxes	2,797,763	2,807,416	2,818,000	— 10,583
Duties	748,413	803,230	717,000	+ 86,231
Fines and confiscations	103,853	85,970	93,000	— 7,029
Railways and harbours	—	—	140,000	— 140,000
Posts, telegraphs, telephones	275,672	293,998	290,000	+ 3,998
State domain and capital	240,543	362,033	498,000	— 135,966
Share of the communes in teachers' salaries	449,454	515,203	477,000	+ 38,203
Miscellaneous revenue	114,587	92,004	121,000	— 28,996
Revenue from closed budgets	439,423	415,947	200,000	+ 215,947
Total	5,875,774	5,950,426	6,274,000	— 323,575
Funds	275,597	242,427	466,150	— 223,723
Railways	1,205,263	1,258,023	1,193,300	+ 64,723
Sum paid by the Greek Government	—	130,000	—	+ 130,000
Grand total	7,356,634	7,580,876	7,933,450	— 352,574

The 140 million leva entered under the heading "Railways" in the estimated receipts for the year 1929-30, represents the sum paid by the railways under the new railway organisation law, in amortisation of their debt to the State. The corresponding deficit should disappear when the railways have drawn up their balance-sheet and profit and loss account for the year 1929-30.

The above figures show that receipts were very much lower than the estimates. This is directly due to the economic crisis, which, by paralysing production in all its branches, quickly reduced the tax-paying capacity of the country. As already stated, the drop in imports led to a rapid falling-off in Customs receipts, which represent almost one-sixth of the total receipts. Further, the Government was obliged to postpone collection of the land tax and house duty until next year, since these taxes cannot be collected before the harvest. There were considerable surpluses in the first months of the year, but deficits appeared in the autumn and rapidly increased. In the last three months the yield was particularly poor, as is shown by the following table.

	Receipts of the ordinary budget		Difference
	Year 1929-30	Year 1928-29	
	(In thousands of leva)		
January	376,259	435,882	— 59,623
February	460,457	497,613	— 37,156
March	388,714	545,419	— 157,705
Total	1,285,430	1,478,914	— 193,484

The receipts in the last three months of the year 1929-30 represent only 72 per cent of the budget estimates. In the corresponding period last year, they amounted to 116 per cent of the estimates.

There will be no permanent improvement until the economic crisis is past—in all probability in the autumn, when the harvest, which so far promises to be a very good one, has been gathered. In the meanwhile, the budget must be strictly adhered to and the policy of economy initiated by the Finance Minister must be carried out more energetically than ever.

The results of the railways budget have, on the other hand, been satisfactory, although, since October 1929, there has been a considerable falling-off in receipts, due both to the economic crisis and to the seasonal decrease in traffic.

	Results of the	Railways budget	Difference
	railways budget for the year 1929-30, as shown on March 31st, 1930	estimates for the year 1929-30	
	(In thousands of leva)		
Receipts	1,258,023	1,193,300	+ 64,723
Expenditure	789,679	1,280,771	— 491,092
Book surplus	468,344	— 87,471	+ 565,815

The balance-sheet and profit and loss account for the past year had not yet been drawn up at the time of sending this report. The results of the first year's administration under the new system cannot yet, therefore, be ascertained with certainty. Very probably, however, the anticipated surplus at March 31st will, even if reduced, be enough to meet the liabilities incurred by the railways under the reorganisation law.

The ordinary budget for the new financial year was voted on May 13th, 1930. It is summarised in the following table:

(In thousands of leva)

Expenditure		Revenue	
Head of State	75,486	Direct taxes	942,000
Public debt	2,290,000	Indirect taxes	2,731,000
Audit office	21,818	Duties	759,000
Foreign Affairs and Public Wor- ship	144,500	Fines and confiscations	89,000
Interior and Public Health	442,396	Railways and ports	125,850
Education	898,760	Posts, Telegraphs and Telephones	306,000
Finance	192,500	Revenue from the domains and capital	530,000
Justice	207,054	Share of the communes and the salaries of schoolmasters	485,000
War	1,087,040	Miscellaneous	806,000
Commerce, Industry and Labour	135,451	Receipts on account of past budgets	226,000
Agriculture and Domains	200,600		
Public Works	393,669		
Railways	54,703		
Posts, Telegraphs and Telephones	227,500		
Aeronautics	36,706		
Bulgarian Commissariat for Reparations	37,000		
	6,445,186		
Incorporated Funds	553,657		
Total	6,998,843	Total	6,999,850

The ordinary budget for the year 1930-31 (including special funds and sums paid by the Greek Government), compared with the preceding year as at March 31st, 1930, is as follows:

	Results of the year 1929-30 as at March 31st, 1930	Budget estimates for the year 1930-31
	(In thousands of leva)	
Receipts	6,322,853	6,999,850
Expenditure	5,693,260	6,998,843

No important change, as compared with the preceding year's budget, was introduced by the finance law on the 1930-31 budget. Certain provisions of this law should, however, be mentioned. The Minister of Finance is required, in view of the present difficulties in collecting taxes, to effect a total saving of 500 millions as compared with the estimated expenditure. Government clerks engaged by the day are no longer to be employed. No payment to a foreign country may be made without written authorisation by the Finance Minister, who is further directed to draw up during the year regulations establishing officials' salaries on a uniform basis.

At the time of sending the report, the railways budget for the year 1929-30 had not yet been laid before the Sobranje.

V. NATIONAL BANK.

The Bank has continued the policy that it adopted in view of the difficulties caused by last year's poor harvest. A restriction of credits is still justified as a necessary consequence of the present critical state of affairs, which—although there are signs that an early improvement may be hoped for—still renders the greatest caution imperative.

By May 15th, industrial investments were reduced to a total of 1,048 millions, viz.: 680 millions for bills and 368 millions for advances. At the beginning of the quarter, industrial investments represented 1,237 millions, having reached their highest point since the stabilisation—1,718 millions—on October 31st, 1929.

The net amount of gold exchange used as cover further declined from 576 to 344 millions (it should be noted that gold exchange holdings have remained practically stable since May 31st, when they amounted to 366 millions). As against this, the Bank's total exchange holdings, including, not only gold exchange used as cover, but also all other exchange, have not greatly altered—759 millions on May 15th, as compared with 773 millions on February 15th. Following activity in the tobacco market, there was a slight rise in exports in the last months, while imports, on the other hand, show a heavy decline. It may therefore be inferred from the present trend of foreign trade that the depression which has influenced exchange holdings since the beginning of 1929 is becoming less marked.

It would be rash to express a definite opinion now with regard to the value of the next harvest. The prospects, which are at present excellent, will—it is to be hoped—be borne out by the results. Winter cultivation was carried out under very good conditions, and circumstances were favourable for the spring sowings. From the only crop the quantity of which can at present be anticipated—the colza crop, largely exported—more than 20 million kilos will be obtained. If, therefore, the expectations of the 1930 harvest are fulfilled, it will be possible to export large quantities and, even should world prices remain at last year's level, a considerable yield from exports may be counted upon from the autumn onwards.

The reduction of the National Bank's commercial credits was made easier by the stagnation that still prevails in every branch of the country's economic life. Business is slack, and business men who have discharged their existing liabilities decline to contract fresh ones. The opposition to the National Bank's policy which, as I stated in my last report, was at first almost violent, has been succeeded by a more objective understanding of the facts. The various credit houses have moreover greatly restricted their investments and increased their available funds. In spite of the comparative easiness of capital, the rate of interest has remained practically at last year's level, and the world reduction in money rates has not, on account of the crisis, had any great effect.

There has been a welcome advance in the tendency of the credit houses towards concentration (in particular, the three leading purely Bulgarian banks have lately amalgamated). A law exempting amalgamation proceedings from duties and taxes has been voted; and this rationalising policy cannot be too much encouraged. The depreciation of the leva led to the creation of an unduly large number of small and insecurely established banks which, now that normal conditions have been restored, find it very difficult to carry on, and would, if maintained in their present state, be an obstacle to the organisation of banking on more rational lines.

An important step recently taken by the Co-operative General Board¹ should be mentioned here. The co-operative movement in Bulgaria is deeply rooted, and has greatly developed since the war, as will be seen from the following figures. Twenty per cent of the active population belong

¹ The Co-operative General Board, the research and supervisory organ of the co-operative societies, which was set up by the law on the Co-operative Central Bank, is an autonomous institution, which is in direct relations with the Ministries and Departments with regard to questions with which it is concerned. It includes the members of the Board of the Co-operative Central Bank, and representatives of the co-operative societies elected at the societies' annual congress.

to the co-operative societies, and on December 31st last the credits of these societies with the banks to which co-operative credits are entrusted (the Agricultural Bank and the Co-operative Central Bank) amounted to 1,898 millions, while the societies' own resources were 2,485 millions. The results obtained by the Bulgarian co-operative societies are, however, clearly not as good as they should be in comparison with the work done. A general reform of the system is called for, and, with this end in view, the Co-operative General Board has directed a committee specially appointed for the purpose (including representatives of the Government Departments and of the co-operative societies) to examine what reforms should be introduced into the organisation and work of the societies in order that they may give larger returns. Further, the Board has decided to lay the conclusions of this enquiry before the Economic and Financial Section of the League and to ask the latter to assist it in achieving its object.

This action on the part of the Co-operative General Board is an important step forward in the economic reconstruction of Bulgaria.

VI. LEGISLATION.

Article 3 of the Stabilisation and Monetary Law fixed at 680/1000ths the fineness of the silver coins to be put in circulation. This fineness was reduced to 500/1000ths by a law voted on February 26th, 1930, amending Article 3 of the first mentioned law.

VII. STATISTICS.

(Supplied by the National Bank.)

A. Foreign Trade in the First Four Months.

	(In thousands of leva)		
	1928	1929	1930
Imports	2,318,382	2,398,586	1,450,995
Exports	1,943,341	2,019,792	1,967,431
	<u>— 375,041</u>	<u>— 378,794</u>	<u>+ 516,436</u>

B. Wholesale Price Index Numbers.

(1914 = 100.)

	1928	1929	1930
March	3,021	3,290	January 3,107
June.	3,078	3,245	February 2,990
September	3,051	3,111	March. 2,732
December	3,210	3,076	April 2,721

C. Total of Protested Bills.

	1928	1929	1930
1st quarter.	318,508	302,793	860,686
2nd quarter.	289,699	372,042	—
3rd quarter.	412,053	511,245	—
4th quarter.	411,634	937,335	—
	<u>1,431,894</u>	<u>2,123,415</u>	<u>860,686</u>

Appendix I.

STATEMENT OF THE SPECIAL ACCOUNT OF THE 7% REFUGEE SETTLEMENT LOAN OF 1926, AS AT APRIL 30TH, 1930.

	Sterling block		Dollar block	Yield in leva
	£	s. d.	\$	
(a) Nominal amount:				
	£2,400,000			
	\$4,500,000			
(b) Net amount	2,112,000	0 0	• 3,915,000.—	

(c) <i>Deduct:</i>			
Redemption of 1912 to 1913 Treasury Bonds	£	s.	d.
	625,889	11	6
Half-year's reserve	90,000	0	0 ¹
Miscellaneous expenses: stamps, printing of bonds, etc.	49,474	4	1
	<u>765,363</u>	<u>15</u>	<u>7</u>
	1,346,636	4	5
			3,746,250.—
(d) <i>Add:</i>			
Interest	112,030	10	6
	<u>1,458,666</u>	<u>14</u>	<u>11</u>
			4,063,071.29
(e) <i>Subtract:</i> ²			
Amounts released	969,558	4	1
			3,686,420.51
(f) <i>Amounts released in leva</i> 1,147,003,397 ²			
Placed at disposal of:			
(1) The Directorate for the Settlement of Refugees . . . 1,068,824,302			
(2) The Government (for the reconstruction of devastated areas) . . . 45,000,000			
	<u>1,113,824,302</u>		<u>1,113,824,302</u>
			33,179,095
			83,851,875
(g) <i>Equivalent of the half-year's reserve in leva</i>			
Available Balance	£489,108	10	10
	(Deposited in London.)		
		\$376,650.78	
		(Deposited in New York.)	
			Leva 117,030,970
			(Deposited with the National Bank of Bulgaria.)

Appendix II.

STATEMENT OF THE 7 ½ % STABILISATION LOAN OF 1928 AS AT APRIL 30TH, 1930.

	Sterling block			Dollar block	French francs block
	£	s.	d.	\$	
Nominal amount	1,800,000	0	0	13,000,000	130,000,000
Net amount	1,656,000	0	0	11,960,000	121,000,000
<i>Deduct:</i>					
Stamp duties and expenses	39,286	7	0	49,250	5,200,000
Total	<u>£1,616,713</u>	<u>13</u>	<u>0</u>	<u>\$11,910,750</u>	<u>Fr. 116,350,000</u>
Leva					
Equivalent in leva				3,365,249,061	
Add				5,000,000 ³	
Total				<u>3,370,249,061</u>	
Utilised up to April 30th				2,666,982,630	
Surplus available on that date				<u>703,266,431⁴</u>	

¹ The equivalent of the half-year's reserve was refunded by the Bulgarian Government out of the proceeds of the Stabilisation Loan in execution of paragraph 2 of Article VI of the Protocol of March 10th, 1928 (Item 6 of Annex III to that Protocol).

² Not including a sum of £24,144 os. 1d. which was used direct to pay in sterling for material supplied for the Rakovsky-Mastanla Railway.

³ The equivalent of interest collected by the Bulgarian Government on money deposited abroad and paid into the loan account to make up the sum earmarked for road improvement (see twelfth report, page 9, (b) Roads).

⁴ This figure represents:

- (a) The unexpended balance of the block of £1,250,000 earmarked for improvement of means of communication, namely:
 - Leva 75,164,013 deposited with the National Bank of Bulgaria;
 - Frs. 6,311,483.30 deposited with the Bank of France;
 - £645,213 13s. 0d. deposited with the Bank of England.
- (b) The unexpended balance of the block of £500,000 earmarked for the reconstruction of devastated areas, namely:
 - Leva 161,000,000 deposited with the National Bank of Bulgaria.

Appendix III.

POSITION OF THE NATIONAL BANK OF BULGARIA.

	As at Feb. 28th, 1930 (in leva)	As at March 31st, 1930 (in leva)	As at April 30th, 1930 (in leva)
<i>Assets.</i>			
1. Gold coin and bullion	1,399,636,339	1,403,529,763	1,407,407,892
2. Silver	169,962,221	169,962,221	169,962,221
3. Foreign gold exchange	521,470,137	366,458,277	332,283,777
4. Other foreign exchange	202,798,962	351,387,870	404,498,343
5. Bulgarian small coinage	87,589,057	87,238,359	87,224,470
6. Bills of exchange and promissory notes:			
Commercial Bills	838,786,379	808,201,920	731,741,040
Treasury Bills	—	—	—
7. Advances:			
To the Government	—	—	—
Other advances	452,740,018	437,000,773	377,937,559
8. State debt	3,340,302,000	3,339,302,000	3,339,302,000
9. Investments	267,587,286	266,782,926	267,707,418
10. Buildings and equipment	26,043,368	26,227,228	26,359,190
11. Other assets	241,573,296	251,647,291	308,012,120
Total Assets	7,548,489,067	7,477,738,632	7,452,436,033
<i>Liabilities.</i>			
12. Capital paid up	500,000,000	500,000,000	500,000,000
13. Reserve Funds	1,251,782,014	1,251,592,755	1,253,051,275
14. Notes in circulation	3,147,651,165	3,350,397,575	3,302,085,147
15. Other sight liabilities, in leva	1,886,673,428	1,780,003,228	1,737,008,743
16. Deposits, in leva, at notice	319,406,439	317,699,973	314,597,029
17. Foreign exchange liabilities	169,851,622	41,722,083	63,558,117
18. Other liabilities	273,124,379	266,322,016	282,135,719
Total liabilities	7,548,489,067	7,507,738,632	7,452,436,033
<i>Cover:</i>			
(Proportion of gold and silver, plus net amount of foreign gold exchange, to bank notes in circulation plus sight liabilities)	38.16%	37%	36.64%
Discount rate	10%	10%	10%

[Distributed to the Council and
the Members of the League.]

Official No.: **C. 360. M. 151.** 1930. II.

Geneva, November 28th, 1930.

LEAGUE OF NATIONS

RECORDS
OF THE
INTERNATIONAL CONFERENCE
FOR THE
UNIFICATION OF LAWS
ON BILLS OF EXCHANGE, PROMISSORY NOTES
AND CHEQUES

Geneva, May 13th - June 7th, 1930

FIRST SESSION

BILLS OF EXCHANGE AND PROMISSORY NOTES

Series of League of Nations Publications
II. ECONOMIC AND FINANCIAL
1930. II. 27.

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-

A. INTRODUCTION.

Many endeavours have been made to unify the law on bills of exchange. The first go back many years; the most recent and the most important were the Conferences held at The Hague in 1910 and 1912 at the instance of the Netherlands Government.

The latter Conference led to the conclusion of a convention and the establishment of a Uniform Regulation, which were adopted by the delegates of twenty-seven States. For various reasons, however, the convention was never ratified.

In 1920, the Brussels Financial Conference passed a resolution inviting the League of Nations to take action in this matter, and the Economic Committee was accordingly instructed by the Council to take up the question. The investigation which it undertook, with expert assistance, lasted from 1921 to 1929, and led to the establishment of draft conventions realising a certain uniformity in the laws of what is called the continental system regarding bills of exchange, promissory notes and cheques.

These drafts were accompanied by two other draft conventions for the settlement of certain conflicts of laws, together with the sanctions resulting from failure to observe the stamp laws, the former dealing with bills of exchange and promissory notes, the latter with cheques.

As decided by the Council, these drafts were communicated to all States, Members and non-Members of the League, who were invited to transmit their observations, and to say whether they considered that these drafts could usefully serve as the basis of discussion at an international conference to be held later. This communication was made in a circular letter from the Secretary-General of the League of Nations, dated July 19th, 1928.

Of the replies received, thirty-four contained detailed observations, and the general effect of all the replies was in favour of calling a conference on the basis of the proposed drafts.

In these circumstances, the Secretary-General of the League of Nations, as instructed by the Council, wrote on August 27th, 1929, to the Members of the League and the non-Member States, inviting them to attend an international Conference at Geneva on February 17th, 1930. This date was afterwards changed.

The Conference finally met on May 13th, 1930, under the chairmanship of Dr. J. Limburg, member of the Council of State of the Netherlands, who had been invited to hold this position by a decision of the Council on January 14th, 1930.

* * *

The International Conference for the unification of laws on bills of exchange, promissory notes and cheques held thirty-five meetings between May 13th and June 7th, 1930. It was attended by delegates from the following Members of the League of Nations, and non-Member States:

Austria, Belgium, Brazil, Colombia, Czechoslovakia, Danzig, Denmark, Ecuador, Finland, France, Germany, Great Britain and Northern Ireland, Greece, Hungary, Italy, Japan, Latvia, Luxemburg, Netherlands, Norway, Peru, Poland, Portugal, Roumania, Siam, Spain, Sweden, Switzerland, Turkey, Venezuela and Yugoslavia.

The United States of America sent an observer.

On the invitation of the Council, representatives of the Economic Committee of the League of Nations, the International Chamber of Commerce, and the International Institute for the Unification of Private Law at Rome attended in an advisory capacity.

As a basis of discussion, the Conference took the drafts drawn up by the League of Nations Committee of Legal Experts, which had been communicated to the States in 1928. These drafts were fully discussed at plenary meetings.

The Conference appointed five of its members to form a drafting committee, whose chief duty was to draw up a general report explaining the texts adopted.

After more than three weeks of discussions, the Conference unanimously adopted three conventions, the first providing uniform law for bills of exchange and promissory notes, the second for the settlement of certain conflicts of laws in connection with bills of exchange and promissory notes, the third relating to stamp laws in connection with bills of exchange and promissory notes together with the Protocols to each of these conventions, which were to have the same force and the same effect.

The Conference also adopted a Final Act containing a record of its discussions, together with a number of recommendations, and a resolution relating to the next session of the Conference, which is to be devoted to the study of drafts concerning the laws affecting cheques. This resolution also provides for a number of preparatory measures to facilitate the work of the Conference at its second session.

These three conventions were signed on June 7th, the last day of the Conference, by twenty-two States — namely, Austria, Belgium, Brazil, Colombia, Czechoslovakia, Danzig, Denmark, Ecuador, Finland, France, Germany, Italy, Luxemburg, Netherlands, Norway, Peru, Poland, Portugal, Spain, Sweden, Switzerland and Turkey.

The third convention on stamp laws in connection with bills of exchange and promissory notes was also signed by the delegate of Great Britain.

In the interval between June 7th and September 6th, 1930, end of the period during which the three conventions remained open for signature, the convention providing a uniform law on bills of exchange and promissory notes was also signed by Greece, Hungary, Japan and Yugoslavia, the convention for the settlement of certain conflicts of laws in connection with bills of exchange and promissory notes by the same four countries, and the convention on the stamp laws in connection with bills of exchange and promissory notes by Hungary, Japan and Yugoslavia, which brings the total of signatures to twenty-six.

**B. LIST OF GOVERNMENT DELEGATES
AND OF REPRESENTATIVES OF VARIOUS BODIES INVITED
TO THE CONFERENCE.**

President appointed by the Council: Dr. J. LIMBURG, Member of the State Council of the Netherlands.
Private Secretary of the President: M. F. A. VAN WOERDEN, Vice-Consul of the Netherlands.

Delegates:

M. Leo QUASSOWSKI, Dr. Erich ALBRECHT, Dr. Fritz ULLMANN,	GERMANY. Ministerial Counsellor in the Reich Ministry of Justice. Counsellor of Legation in the Reich Ministry for Foreign Affairs. Judge at the Court of Berlin.
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Delegates:

Dr. Guido STROBELE, Dr. Paul HAMMERSCHLAG,	AUSTRIA. Ministerial Counsellor in the Federal Ministry of Justice. Member of the Board of Directors and former Director of the Credit Bank for Commerce and Industry, Vice-President of the Vienna Chamber of Commerce and Industry.
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Substitute:

Dr. Max SOKAL,	Director of the Clearing and Collections Company at Vienna.
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Delegates:

His Excellency Viscount POULLET, M. J. DE LA VALLÉE POUSSIN, Baron Edmond CARTON DE WIART, M. Paul VAN ZEELAND,	BELGIUM. Minister of State, Member of the House of Representatives. Secretary-General of the Ministry of Science and Arts. Doctor of Law and Political and Social Science, Director of the " Société Générale de Belgique ". Professor at the University of Louvain; Director of the National Bank of Belgium.
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Substitute:

M. Jean-Jacques VINCENT,	Doctor of Law, Head of the Investigations Department of the National Bank of Belgium.
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Secretary:

Dr. François-Xavier SIMONIS,	Industrialist.
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GREAT BRITAIN AND NORTHERN IRELAND

**AND ALL PARTS OF THE BRITISH EMPIRE WHICH ARE NOT SEPARATE MEMBERS
OF THE LEAGUE OF NATIONS.**

Delegate:

Professor H. C. GUTTERIDGE, K.C.,	Professor of Commercial and Industrial Law and Dean of the Faculty of Laws in the University of London.
-----------------------------------	---------------------------------------------------------------------------------------------------------

UNITED STATES OF BRAZIL.

Delegate:

M. Deoclecio DE CAMPOS,

Commercial Attaché at Rome, formerly Professor in the Faculty of Law of Pará.

COLOMBIA.

Delegate:

His Excellency
M. Antonio José RESTREPO,

Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Adviser:

M. J. M. YEPES,

Doctor of Law, Legal Adviser in the Ministry for Foreign Affairs.

Secretaries:

Dr. German ABADIA,

Permanent Secretary of the Delegation accredited to the League of Nations.

M. E. VASCO,

Attaché.

DENMARK.

Delegates:

M. Axel HELPER,

Ministerial Counsellor in the Ministry of Commerce and Industry.

M. Valdemar EIGTVED,

General Manager of the "Privatbanken", Copenhagen.

Secretary:

M. F. G. L. NEERGAARD-PETERSEN,

Secretary in the Ministry of Commerce and Industry.

FREE CITY OF DANZIG.

Delegates:

M. Józef SUŁKOWSKI,

Professor at the University of Poznań, Member of the Polish Codification Commission, Head of the Delegation.

M. Richard KETTLITZ,

"Conseiller Supérieur" of Justice of the Free City.

ECUADOR.

Delegate:

Dr. Alexandro GASTELU,

Vice-Consul at Geneva.

SPAIN.

Delegate:

Dr. GOMEZ MONTEJO,

Head of Section of the Corps of Jurists in the Ministry of Justice.

FINLAND.

Delegate:

M. Filip GRÖNVALL,

Counsellor of State, Member of the Higher Administrative Court at Helsingfors.

Delegate :

M. Charles LYON-CAEN,¹

M. L. J. PERCEROU,

Technical Adviser :

M. Jacques BOUTERON,

Secretary :

M. Gaston J. L. LIBERSAT,

Delegate :

M. R. RAPHAEL,

Delegate :

Dr. Eugène ASZTALOS,

Delegates :

His Excellency M. Amedeo GIANNINI,

M. Ageo ARCANGELI,

M. Giulio DIENA,

M. Isidoro LA LUMIA,

M. Lorenzo MOSSA,

Experts :

M. Auguste WEILLER,

M. Luigi BIAMONTI,

M. Antonio NAVARRA,

M. Giovanni ZAPPALÁ,

M. Giuseppe DE MAJO,

Secretary :

M. Gian Battista TOFFOLO,

Delegates :

His Excellency M. Morie OHNO,

M. Tetsukichi SHIMADA,

Substitutes :

M. Tamotsu KOBORI,

M. Yoshiro ANDO,

Viscount Seiichi MOTONO,

FRANCE.

Permanent Secretary of the Academy of Moral and Political Sciences, Honorary Dean of the Faculty of Law of Paris.

Professor in the Faculty of Law of Paris.

Inspector of the Bank of France.

Assistant Head of Service in the Ministry of Commerce.

GREECE.

Permanent Delegate accredited to the League of Nations, Chargé d'Affaires at Berne.

HUNGARY.

Ministerial Counsellor in the Ministry of Justice.

ITALY.

Counsellor of State, First Class Minister Plenipotentiary, President of the Delegation.

Member of Parliament, Professor of Law at the University of Rome, Vice-President of the Delegation.

Professor of Law in the University of Pavia.

Professor of Law in the University of Milan.

Professor of Law in the University of Pisa.

Barrister-at-Law, Representative of the Fascist General Banking Confederation.

Barrister-at-Law, Director of the Legal Bureau of the Fascist General Confederation of Italian Industry.

Barrister-at-Law, Representative of the Fascist General Merchants' Confederation.

Barrister-at-Law, Representative of the Minister of Finance.

Barrister-at-Law, Representative of the Bank of Italy.

Diplomatic Consular Attaché.

JAPAN.

Envoy Extraordinary and Minister Plenipotentiary accredited to the Federal President of the Austrian Republic.

Judge at the " Cour de Cassation " of Tokio.

Judge at the District Court of Yokohama.

Secretary at the Japanese Embassy accredited to the Central Executive Committee of the Union of Soviet Socialist Republics.

Secretary at the Japanese Embassy accredited to His Majesty the King of the Belgians.

¹ M. Lyon-Caen was prevented from attending the Conference.

LATVIA.

Delegates:
His Excellency M. Charles DUZMANS,

Dr. Auguste LOEBER,

M. Vilis BANDREVIČS,

Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary accredited to His Majesty the King of Yugoslavia, President of the Delegation. Counsellor of the Court of Cassation, Professor in the Faculty of Law of the University of Riga. Deputy-Director-General of the Bank of Latvia.

LUXEMBURG.

Delegate:
M. Charles VERMAIRE,

Consul at Geneva.

NORWAY.

Delegate:
M. C. Stub HOLMBOE,

Barrister-at-Law.

THE NETHERLANDS.

Delegates:
M. W. L. P. A. MOLENGRAAFF,

M. C. D. ASSER,

M. F. G. SCHELTEMA,

M. H. A. VAN NIEROP,

M. G. A. DUNLOP,

Doctor of Law, Professor Emeritus of the University of Utrecht, Head of the Delegation. Barrister-at-Law at Amsterdam, Doctor of Law, President of the Franco-German, Greco-German, Franco-Turkish, and Turco-Belgian Mixed Arbitral Tribunals. Doctor of Law, Professor at the University of Amsterdam. Doctor of Law, Managing Director of the "Amsterdamsche Bank". Director of the "Nederlandsch-Indische Handelsbank" at Amsterdam.

Secretary:
M. Max FRANSEN,

Doctor of Law.

PERU.

Delegate:
Don José Maria BARRETO,

Head of the Permanent Office of Peru accredited to the League of Nations, former Chargé d'Affaires at Berlin.

POLAND.

Delegates:
M. Józef SUŁKOWSKI,

M. Jan NAMITKIEWICZ,

Professor at the University of Poznań, Member of the Polish Codification Commission, Head of the Delegation. Professor at the University of Warsaw, Judge at the Germano-Polish Mixed Arbitral Tribunal.

PORTUGAL.

Delegate:
Dr. José CAEIRO DA MATTA,

Rector of the University of Lisbon, Professor in the Faculty of Law, Director of the Bank of Portugal.

ROUMANIA.

Delegates:

His Excellency
M. Constantin ANTONIADE,

His Excellency M. Eugène NECULCEA,

Envoy Extraordinary and Minister Plenipotentiary
accredited to the League of Nations.

Minister Plenipotentiary, Doctor of Science (Paris),
former Director-General at the Ministry of Finances,
former Professor at the University of Jassy,
Member of the Economic Committee of the League
of Nations.

SIAM.

Delegate:

His Serene Highness
Prince VARNVAIDYA,

Permanent Delegate accredited to the League of
Nations, Envoy Extraordinary and Minister
Plenipotentiary accredited to His Britannic
Majesty.

SWEDEN.

Delegates:

His Excellency
Baron MARKS VON WÜRTEMBERG,

His Excellency M. Birger EKEBERG,

President of the Stockholm Court of Appeal, former
Minister for Foreign Affairs.

Former Minister of Justice, President of the Civil
Legislation Commission, former Member of the
Supreme Court.

Secretary:

M. Eric DE POST,

Attaché to the Royal Ministry for Foreign Affairs.

SWITZERLAND.

Delegates:

Doctor Max VISCHER,

Barrister-at-Law and Notary, First Secretary of the
Swiss Bankers' Association at Basle.

CZECHOSLOVAKIA.

Delegate:

Dr. Karel HERMANN-OTAVSKÝ,

Professor at the University of Prague, President of the
Codification Commission for Commercial Law in
the Ministry of Justice, Head of the Delegation.

Delegate and Expert:

Dr. Jan SRB,

Departmental Counsellor in the Ministry of Justice.

Secretary:

Dr. Henri NOSEK,

Commissioner in the Ministry for Foreign Affairs.

TURKEY.

Delegate:

His Excellency MÜNIR Bey,

Envoy Extraordinary and Minister Plenipotentiary
accredited to the Swiss Federal Council.

VENEZUELA.

Delegate:

M. Carlos Eduardo DE LA MADRIZ
DE MONTEMAYOR,

Consul-General in Switzerland, Doctor of Science and
Mathematics.

YUGOSLAVIA.

Delegate:
Dr. Berthold EISNER, President of Chamber at the Supreme Court of Sarajevo

Substitute:
M. Yvo ANDRITCH, First Secretary of the Permanent Delegation accredited to the League of Nations.

UNITED STATES OF AMERICA.

(Attended the Conference as an Observer.)

Mr. Martin Herbert KENNEDY, Technical Expert, Member of the American Bar Association and Member of the American Association of International Law.

Substitute:
Mr. James W. RIDDLEBERGER.

Attended the Conference in an Advisory Capacity.

REPRESENTATIVE OF THE ECONOMIC COMMITTEE OF THE LEAGUE OF NATIONS.

M. J. A. BARBOZA CARNEIRO, Commercial Attaché to the Brazilian Embassy accredited to His Britannic Majesty, member of the Economic Committee.

INTERNATIONAL CHAMBER OF COMMERCE.

Delegates:
M. Albert TROULLIER, Former President of the Commercial Tribunal of the Seine, ex-President of the " Société de législation comparée ", Vice-President of the " Société d'études législatives ", Head of the Delegation.
M. Geh. Kom. Richard SCHMIDT, President of the Leipzig Chamber of Commerce, of " Hammer und Schmidt Bank-Geschäft ", Member of the Bureau of the German Congress of Commerce and Industry, President of the Stock Exchange Court of Honour, President of the Senate of the Higher School of Commerce.
M. Virgilio DEL RIO, Director of the Financial Department of the International Chamber of Commerce.

INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW AT ROME.

M. René DAVID, Deputy-Secretary-General of the Institute.

C. OFFICIAL INSTRUMENTS OF THE CONFERENCE.

1. **Convention providing a Uniform Law for Bills of Exchange and Promissory Notes (with Protocol and Annexes).**
 2. **Convention for the Settlement of Certain Conflicts of Laws in connection with Bills of Exchange and Promissory Notes (with Protocol).**
 3. **Convention on the Stamp Laws in connection with Bills of Exchange and Promissory Notes (with Protocol).**
 4. **Final Act.**
-

CONVENTION PORTANT LOI UNIFORME SUR LES LETTRES DE CHANGE ET BILLETS A ORDRE

(avec Protocole et Annexes)

LE PRÉSIDENT DU REICH ALLEMAND; LE PRÉSIDENT FÉDÉRAL DE LA RÉPUBLIQUE D'AUTRICHE; SA MAJESTÉ LE ROI DES BELGES; LE PRÉSIDENT DE LA RÉPUBLIQUE DES ÉTATS-UNIS DU BRÉSIL; LE PRÉSIDENT DE LA RÉPUBLIQUE DE COLOMBIE; SA MAJESTÉ LE ROI DE DANEMARK; LE PRÉSIDENT DE LA RÉPUBLIQUE DE POLOGNE, POUR LA VILLE LIBRE DE DANTZIG; LE PRÉSIDENT DE LA RÉPUBLIQUE DE L'ÉQUATEUR; SA MAJESTÉ LE ROI D'ESPAGNE; LE PRÉSIDENT DE LA RÉPUBLIQUE DE FINLANDE; LE PRÉSIDENT DE LA RÉPUBLIQUE FRANÇAISE; LE PRÉSIDENT DE LA RÉPUBLIQUE HELLÉNIQUE; SON ALTESSE SÉRÉNISSIME LE RÉGENT DU ROYAUME DE HONGRIE; SA MAJESTÉ LE ROI D'ITALIE; SA MAJESTÉ L'EMPEREUR DU JAPON; SON ALTESSE ROYALE LA GRANDE-DUCHESSE DE LUXEMBOURG; SA MAJESTÉ LE ROI DE NORVÈGE; SA MAJESTÉ LA REINE DES PAYS-BAS; LE PRÉSIDENT DE LA RÉPUBLIQUE DU PÉROU; LE PRÉSIDENT DE LA RÉPUBLIQUE DE POLOGNE; LE PRÉSIDENT DE LA RÉPUBLIQUE PORTUGAISE; SA MAJESTÉ LE ROI DE SUÈDE; LE CONSEIL FÉDÉRAL SUISSE; LE PRÉSIDENT DE LA RÉPUBLIQUE TCHÉCOSLOVAQUE; LE PRÉSIDENT DE LA RÉPUBLIQUE TURQUE; SA MAJESTÉ LE ROI DE YOUGOSLAVIE,

Désireux de prévenir les difficultés auxquelles donne lieu la diversité des législations des pays où les lettres de change sont appelées à circuler, et de donner ainsi plus de sécurité et de rapidité aux relations du commerce international,

Ont désigné pour leurs plénipotentiaires:

Le Président du Reich allemand:

M. Leo QUASSOWSKI, Conseiller ministériel au Ministère de la Justice du Reich;
Le docteur Erich ALBRECHT, Conseiller de Légation au Ministère des Affaires étrangères du Reich;
Le docteur Fritz ULLMANN, Juge au Tribunal de Berlin.

Le Président fédéral de la République d'Autriche:

Le docteur Guido STROBELE, Conseiller ministériel au Ministère fédéral de la Justice.

Sa Majesté le Roi des Belges:

Le vicomte POULLET, Ministre d'Etat, Membre de la Chambre des Représentants;
M. J. DE LA VALLÉE POUSSIN, Secrétaire général du Ministère des Sciences et des Arts.

Le Président de la République des Etats-Unis du Brésil:

M. Deoclecio DE CAMPOS, Attaché commercial à Rome, ancien Professeur à la Faculté de droit de Para.

CONVENTION PROVIDING A UNIFORM LAW FOR BILLS OF
EXCHANGE AND PROMISSORY NOTES.

(with Protocol and Annexes)

THE PRESIDENT OF THE GERMAN REICH; THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC; HIS MAJESTY THE KING OF THE BELGIANS; THE PRESIDENT OF THE REPUBLIC OF THE UNITED STATES OF BRAZIL; THE PRESIDENT OF THE REPUBLIC OF COLOMBIA; HIS MAJESTY THE KING OF DENMARK; THE PRESIDENT OF THE POLISH REPUBLIC, FOR THE FREE CITY OF DANZIG; THE PRESIDENT OF THE REPUBLIC OF ECUADOR; HIS MAJESTY THE KING OF SPAIN; THE PRESIDENT OF THE REPUBLIC OF FINLAND; THE PRESIDENT OF THE FRENCH REPUBLIC; THE PRESIDENT OF THE HELLENIC REPUBLIC; HIS SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY; HIS MAJESTY THE KING OF ITALY; HIS MAJESTY THE EMPEROR OF JAPAN; HER ROYAL HIGHNESS THE GRAND-DUCHESS OF LUXEMBURG; HIS MAJESTY THE KING OF NORWAY; HER MAJESTY THE QUEEN OF THE NETHERLANDS; THE PRESIDENT OF THE REPUBLIC OF PERU; THE PRESIDENT OF THE POLISH REPUBLIC; THE PRESIDENT OF THE PORTUGUESE REPUBLIC; HIS MAJESTY THE KING OF SWEDEN; THE SWISS FEDERAL COUNCIL; THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC; THE PRESIDENT OF THE TURKISH REPUBLIC; HIS MAJESTY THE KING OF YUGOSLAVIA,

Being desirous of avoiding the difficulties caused by differences in the laws of countries in which bills of exchange circulate, and of thus giving more security and stimulus to international trade relations,

Have appointed as their Plenipotentiaries:

The President of the German Reich:

M. Leo QUASSOWSKI, Ministerial Counsellor in the Reich Ministry of Justice;
Dr. Erich ALBRECHT, Counsellor of Legation in the Reich Ministry for Foreign Affairs;
Dr. Fritz ULLMANN, Judge at the Court of Berlin.

The Federal President of the Austrian Republic:

Dr. Guido STROBELE, Ministerial Counsellor in the Federal Ministry of Justice.

His Majesty the King of the Belgians:

Viscount POULLET, Minister of State, Member of the House of Representatives;
M. J. DE LA VALLÉE POUSSIN, Secretary-General of the Ministry of Science and Arts.

The President of the Republic of the United States of Brazil:

M. Deoclecio DE CAMPOS, Commercial Attaché at Rome, formerly Professor in the Faculty of Law of Para.

Le Président de la République de Colombie :

M. A. José RESTREPO, Envoyé extraordinaire et Ministre plénipotentiaire, Délégué permanent auprès de la Société des Nations.

Sa Majesté le Roi de Danemark :

M. Axel HELPER, Conseiller ministériel au Ministère du Commerce et de l'Industrie;
M. Valdemar EIGTVED, Directeur de la « Privatbanken » à Copenhague.

Le Président de la République de Pologne, pour la Ville libre de Dantzig :

M. Józef SUŁKOWSKI, Professeur à l'Université de Poznan, Membre de la Commission de codification de Pologne.

Le Président de la République de l'Equateur :

Le docteur Alexandro GASTELÚ, Vice-Consul à Genève.

Sa Majesté le Roi d'Espagne :

Le docteur Juan GOMEZ MONTEJO, Chef de section du Corps des juristes du Ministère de la Justice.

Le Président de la République de Finlande :

M. Filip GRÖNVALL, Conseiller d'Etat, Membre de la Haute Cour administrative de Helsinki.

Le Président de la République française :

M. L. J. PERCEROU, Professeur à la Faculté de droit de Paris.

Le Président de la République hellénique :

M. R. RAPHAËL, Délégué permanent auprès de la Société des Nations, Chargé d'affaires à Berne.

Son Altesse Sérénissime le Régent du Royaume de Hongrie :

M. Zoltàn BARANYAI, Chargé d'affaires *a.i.* de la Délégation hongroise auprès de la Société des Nations.

Sa Majesté le Roi d'Italie :

M. Amedeo GIANNINI, Conseiller d'Etat, Ministre plénipotentiaire.

Sa Majesté l'Empereur du Japon :

M. Morie OHNO, Envoyé extraordinaire et Ministre plénipotentiaire près le Président fédéral de la République d'Autriche;
M. Tetsukichi SHIMADA, Juge à la Cour de Cassation de Tokio.

Son Altesse Royale la Grande-Duchesse de Luxembourg :

M. Ch. G. VERMAIRE, Consul à Genève.

The President of the Republic of Colombia :

M. A. José RESTREPO, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

His Majesty the King of Denmark :

M. Axel HELPER, Ministerial Counsellor in the Ministry of Commerce and Industry;
M. Valdemar EIGTVED, General Manager of the " Privatbanken ", Copenhagen.

The President of the Polish Republic, for the Free City of Danzig :

M. Józef SUŁKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

The President of the Republic of Ecuador :

Dr. Alexandro GASTELÚ, Vice-Consul at Geneva.

His Majesty the King of Spain :

Dr. Juan GOMEZ MONTEJO, Head of Section of the Corps of Jurists in the Ministry of Justice.

The President of the Republic of Finland :

M. Filip GRÖNVALL, Counsellor of State, Member of the Higher Administrative Court at Helsinki.

The President of the French Republic :

M. L. J. PERCEROU, Professor in the Faculty of Law of Paris.

The President of the Hellenic Republic :

M. R. RAPHAËL, Permanent Delegate accredited to the League of Nations, Chargé d'Affaires at Berne.

His Serene Highness the Regent of the Kingdom of Hungary :

M. Zoltán BARANYAI, Chargé d'Affaires *a.i.* of the Hungarian Delegation accredited to the League of Nations.

His Majesty the King of Italy :

M. Amedeo GIANNINI, Counsellor of State, Minister Plenipotentiary.

His Majesty the Emperor of Japan :

M. Morie OHNO, Envoy Extraordinary and Minister Plenipotentiary accredited to the Federal President of the Austrian Republic;
M. Tetsukichi SHIMADA, Judge at the " Cour de Cassation " of Tokio.

Her Royal Highness the Grand-Duchess of Luxemburg :

M. Ch. G. VERMAIRE, Consul at Geneva.

Sa Majesté le Roi de Norvège :

M. C. Stub HOLMBOE, Avocat.

Sa Majesté la Reine des Pays-Bas :

Le Docteur W. L. P. A. MOLENGRAAFF, Professeur émérite de l'Université d'Utrecht.

Le Président de la République du Pérou :

M. José Maria BARRETO, Chef du Bureau permanent du Pérou auprès de la Société des Nations.

Le Président de la République de Pologne :

M. Józef SUŁKOWSKI, Professeur à l'Université de Poznan, Membre de la Commission de codification de Pologne.

Le Président de la République portugaise :

Le docteur José CAEIRO DA MATTA, Recteur de l'Université de Lisbonne, Professeur à la Faculté de droit, Directeur de la Banque de Portugal.

Sa Majesté le Roi de Suède :

Le baron E. MARKS VON WÜRTEMBERG, Président de la Cour d'Appel de Stockholm, ancien Ministre des Affaires étrangères;
M. Birger EKEBERG, Président de la Commission de législation civile, ancien Ministre de la Justice, ancien Membre de la Cour Suprême.

Le Conseil fédéral suisse :

Le docteur Max VISCHER, Avocat et notaire, premier Secrétaire de l'Association suisse des Banquiers.

Le Président de la République tchécoslovaque :

Le docteur Karel HERMANN-OTAVSKÝ, Professeur à l'Université de Prague, Président de la Commission de codification du droit commercial au Ministère de la Justice.

Le Président de la République turque :

MEHMED MUNIR Bey, Envoyé extraordinaire et Ministre plénipotentiaire près le Conseil fédéral suisse.

Sa Majesté le Roi de Yougoslavie :

M. Ilija CHOUMENKOVITCH, Délégué permanent auprès de la Société des Nations, Envoyé extraordinaire et Ministre plénipotentiaire près le Conseil fédéral suisse.

His Majesty the King of Norway:

M. C. Stub HOLMBOE, Barrister-at-Law.

Her Majesty the Queen of the Netherlands:

Dr. W. L. P. A. MOLENGRAAFF, Professor Emeritus of the University of Utrecht.

The President of the Republic of Peru:

M. José Maria BARRETO, Head of the Permanent Office of Peru accredited to the League of Nations.

The President of the Polish Republic:

M. Józef SUŁKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

The President of the Portuguese Republic:

Dr. José CAEIRO DA MATTA, Rector of the University of Lisbon, Professor in the Faculty of Law, Director of the Bank of Portugal.

His Majesty the King of Sweden:

Baron E. MARKS VON WÜRTEMBERG, President of the Stockholm Court of Appeal, former Minister for Foreign Affairs;
M. Birger EKEBERG, President of the Civil Legislation Commission, former Minister of Justice, former Member of the Supreme Court.

The Swiss Federal Council:

Dr. Max VISCHER, Barrister-at-Law and Notary, First Secretary of the Swiss Bankers' Association.

The President of the Czechoslovak Republic:

Dr. Karel HERMANN-OTAVSKÝ, Professor at the University of Prague, President of the Codification Commission for Commercial Law in the Ministry of Justice.

The President of the Turkish Republic:

MEHMED MUNIR Bey, Envoy Extraordinary and Minister Plenipotentiary accredited to the Swiss Federal Council.

His Majesty the King of Yugoslavia:

M. Ilija CHOUMENKOVITCH, Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary accredited to the Swiss Federal Council,

Lesquels, après avoir communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, ont convenus des dispositions suivantes:

Article I.

Les Hautes Parties contractantes s'engagent à introduire dans leurs territoires respectifs, soit dans un des textes originaux, soit dans leurs langues nationales, la Loi uniforme formant l'Annexe I de la présente Convention.

Cet engagement sera éventuellement subordonné aux réserves que chaque Haute Partie contractante devra, dans ce cas, signaler au moment de sa ratification ou de son adhésion. Ces réserves devront être choisies parmi celles que mentionne l'Annexe II de la présente Convention.

Cependant, pour ce qui est des réserves visées aux articles 8, 12 et 18 de ladite Annexe II, elles pourront être faites postérieurement à la ratification ou à l'adhésion, pourvu qu'elles fassent l'objet d'une notification au Secrétaire général de la Société des Nations, qui en communiquera immédiatement le texte aux Membres de la Société des Nations et aux Etats non membres au nom desquels la présente Convention aura été ratifiée ou au nom desquels il y aura été adhéré. De telles réserves ne sortiront pas leurs effets avant le quatre-vingt-dixième jour qui suivra la réception par le Secrétaire général de la notification susdite.

Chacune des Hautes Parties contractantes pourra, en cas d'urgence, faire usage des réserves prévues par les articles 7 et 22 de ladite Annexe II, après la ratification ou l'adhésion. Dans ces cas, Elle devra en donner directement et immédiatement communication à toutes autres Parties contractantes et au Secrétaire général de la Société des Nations. La notification de ces réserves produira ses effets deux jours après la réception de ladite communication par les Hautes Parties contractantes.

Article II.

Dans le territoire de chacune des Hautes Parties contractantes, la Loi uniforme ne sera pas applicable aux lettres de change et aux billets à ordre déjà créés au moment de la mise en vigueur de la présente Convention.

Article III.

La présente Convention, dont les textes français et anglais feront également foi, portera la date de ce jour.

Elle pourra être signée ultérieurement jusqu'au 6 septembre 1930 au nom de tout Membre de la Société des Nations et de tout Etat non membre.

Article IV.

La présente Convention sera ratifiée.

Les instruments de ratification seront déposés avant le 1^{er} septembre 1932 auprès du Secrétaire général de la Société des Nations, qui en notifiera immédiatement la réception à tous les Membres de la Société des Nations et aux Etats non membres Parties à la présente Convention.

Article V.

A partir du 6 septembre 1930, tout Membre de la Société des Nations et tout Etat non membre pourra y adhérer.

Cette adhésion s'effectuera par une notification au Secrétaire général de la Société des Nations pour être déposée dans les archives du Secrétariat.

Le Secrétaire général notifiera ce dépôt immédiatement à tous ceux qui ont signé ou adhéré à la présente Convention.

Article VI.

La présente Convention n'entrera en vigueur que lorsqu'elle aura été ratifiée ou qu'il y aura été adhéré au nom de sept Membres de la Société des Nations ou Etats non membres, parmi lesquels devront figurer trois des Membres de la Société des Nations représentés d'une manière permanente au Conseil.

La date de l'entrée en vigueur sera le quatre-vingt-dixième jour qui suivra la réception par le Secrétaire général de la Société des Nations de la septième ratification ou adhésion, conformément à l'alinéa premier du présent article.

Who, having communicated their full powers found in good and due form, have agreed upon the following provisions:

Article I.

The High Contracting Parties undertake to introduce in their respective territories, either in one of the original texts or in their own languages, the Uniform Law forming Annex I of the present Convention.

This undertaking shall, if necessary, be subject to such reservations as each High Contracting Party shall notify at the time of its ratification or accession. These reservations shall be chosen from among those mentioned in Annex II of the present Convention.

The reservations referred to in Articles 8, 12 and 18 of the said Annex II may however, be made after ratification or accession, provided that they are notified to the Secretary-General of the League of Nations, who shall forthwith communicate the text thereof to the Members of the League of Nations and to the non-Member States on whose behalf the present Convention has been ratified or acceded to. Such reservations shall not take effect until the ninetieth day following the receipt by the Secretary-General of the above-mentioned notification.

Each of the High Contracting Parties may, in urgent cases, make use of the reservations contained in Articles 7 and 22 of the said Annex II, even after ratification or accession. In such cases they must immediately notify direct all other High Contracting Parties and the Secretary-General of the League of Nations. The notification of these reservations shall take effect two days following its receipt by the High Contracting Parties.

Article II.

In the territories of each of the High Contracting Parties the Uniform Law shall not apply to bills of exchange and promissory notes already issued at the time of the coming into force of the present Convention.

Article III.

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until September 6th, 1930, on behalf of any Member of the League of Nations or non-Member State.

Article IV.

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1st, 1932, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States Parties to the present Convention.

Article V.

As from September 6th, 1930, any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all High Contracting Parties that have signed or acceded to the present Convention.

Article VI.

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, including therein three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

Le Secrétaire général de la Société des Nations, en faisant les notifications prévues aux articles IV et V, signalera spécialement que les ratifications ou adhésions visées à l'alinéa premier du présent article ont été recueillies.

Article VII.

Chaque ratification ou adhésion qui interviendra après l'entrée en vigueur de la Convention conformément à l'article VI sortira ses effets dès le quatre-vingt-dixième jour qui suivra la date de sa réception par le Secrétaire général de la Société des Nations.

Article VIII.

Sauf les cas d'urgence, la présente Convention ne pourra être dénoncée avant l'expiration d'un délai de deux ans à partir de la date à laquelle elle sera entrée en vigueur pour le Membre de la Société des Nations ou pour l'Etat non membre qui la dénonce; cette dénonciation produira ses effets dès le quatre-vingt-dixième jour suivant la réception par le Secrétaire général de la notification à lui adressée.

Toute dénonciation sera communiquée immédiatement par le Secrétaire général de la Société des Nations à toutes les autres Hautes Parties contractantes.

Dans les cas d'urgence, la Haute Partie contractante qui effectuera la dénonciation en donnera directement et immédiatement communication à toutes autres Hautes Parties contractantes et la dénonciation produira ses effets deux jours après la réception de ladite communication par lesdites Hautes Parties contractantes. La Haute Partie contractante qui dénoncera dans ces conditions avisera également de sa décision le Secrétaire général de la Société des Nations.

Chaque dénonciation n'aura d'effet qu'en ce qui concerne la Haute Partie contractante au nom de laquelle elle aura été faite.

Article IX.

Tout Membre de la Société des Nations et tout Etat non membre à l'égard duquel la présente Convention est en vigueur pourra adresser au Secrétaire général de la Société des Nations, dès l'expiration de la quatrième année suivant l'entrée en vigueur de la Convention, une demande tendant à la révision de certaines ou de toutes les dispositions de cette Convention.

Si une telle demande, communiquée aux autres Membres ou Etats non membres entre lesquels la Convention est alors en vigueur, est appuyée, dans un délai d'un an, par au moins six d'entre eux le Conseil de la Société des Nations décidera s'il y a lieu de convoquer une Conférence à cet effet.

Article X.

Les Hautes Parties contractantes peuvent déclarer au moment de la signature, de la ratification ou de l'adhésion que, par leur acceptation de la présente Convention, elles n'entendent assumer aucune obligation en ce qui concerne l'ensemble ou toute partie de leurs colonies, protectorats ou territoires placés sous leur suzeraineté ou mandat; dans ce cas, la présente Convention ne sera pas applicable aux territoires faisant l'objet de pareille déclaration.

Les Hautes Parties contractantes pourront à tout moment dans la suite notifier au Secrétaire général de la Société des Nations qu'elles entendent rendre la présente Convention applicable à l'ensemble ou à toute partie de leurs territoires ayant fait l'objet de la déclaration prévue à l'alinéa précédent. Dans ce cas, la Convention s'appliquera aux territoires visés dans la notification quatre-vingt-dix jours après la réception de cette dernière par le Secrétaire général de la Société des Nations.

De même, les Hautes Parties contractantes peuvent, conformément à l'article VIII, dénoncer la présente Convention pour l'ensemble ou toute partie de leurs colonies, protectorats ou territoires placés sous leur suzeraineté ou mandat.

Article XI.

La présente Convention sera enregistrée par le Secrétaire général de la Société des Nations dès son entrée en vigueur. Elle sera ultérieurement publiée aussitôt que possible au *Recueil des Traités* de la Société des Nations.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles IV and V, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

Article VII.

Every ratification or accession effected after the entry into force of the Convention in accordance with Article VI shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article VIII.

Except in urgent cases the present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of the Member of the League or non-Member State denouncing it; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

In urgent cases a High Contracting Party which denounces the Convention shall immediately notify direct all other High Contracting Parties, and the denunciation shall take effect two days after the receipt of such notification by the said High Contracting Parties. A High Contracting Party denouncing the Convention in these circumstances shall also inform the Secretary-General of the League of Nations of its decision.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

Article IX.

Every Member of the League of Nations and every non-Member State in respect of which the present Convention is in force, may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of this Convention.

If such request, after being communicated to the other Members or non-Member States between which the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article X.

The High Contracting Parties may declare at the time of signature, ratification or accession, that it is not their intention in accepting the present Convention to assume any liability in respect of all or any of their colonies, protectorates or territories under suzerainty or mandate, in which case the present Convention shall not be applicable to the territories mentioned in such declaration.

The High Contracting Parties may at any time subsequently inform the Secretary-General of the League of Nations that they intend to apply the present Convention to all or any of their territories referred to in the declaration provided for in the preceding paragraph. In this case, the Convention shall apply to the territories referred to in the notification ninety days after its receipt by the Secretary-General of the League of Nations.

They further reserve the right to denounce it, in accordance with the conditions of Article VIII, on behalf of all or any of their colonies, protectorates or territories under suzerainty or mandate.

Article XI.

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force. It shall then be published as soon as possible in the League of Nations *Treaty Series*.

EN FOI DE QUOI les plénipotentiaires susnommés ont signé la présente Convention.

IN FAITH WHEREOF the above-mentioned Plenipotentiaries have signed the present Convention.

FAIT à Genève le sept juin mil neuf cent trente, en simple expédition qui sera déposée dans les archives du Secrétariat de la Société des Nations; copie conforme en sera transmise à tous les Membres de la Société des Nations et à tous les États non membres représentés à la Conférence.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

ALLEMAGNE	Leo QUASSOWSKI D ^r ALBRECHT D ^r ULLMANN	GERMANY
AUTRICHE	D ^r STROBELE	AUSTRIA
BELGIQUE	Vte P. POULLET DE LA VALLÉE POUSSIN	BELGIUM
BRÉSIL	Deoclecio DE CAMPOS	BRAZIL
COLOMBIE	A. J. RESTREPO	COLOMBIA
DANEMARK	A. HELPER V. EIGTVED	DENMARK
VILLE LIBRE DE DANTZIG	SULKOWSKI.	FREE CITY OF DANZIG
ÉQUATEUR	Alex. GASTELÚ	ECUADOR
ESPAGNE	Juan GOMEZ MONTEJO	SPAIN
FINLANDE	F. GRÖNVALL	FINLAND
FRANCE	J. PERCEROU	FRANCE
GRÈCE	R. RAPHAËL	GREECE

HONGRIE	D ^r BARANYAI Zoltán	HUNGARY
ITALIE	Amedeo GIANNINI	ITALY
JAPON	M. OHNO T. SHIMADA	JAPAN
LUXEMBOURG	Ch. G. VERMAIRE	LUXEMBURG
NORVÈGE	STUB HOLMBOE	NORWAY
PAYS-BAS	MOLENGRAAFF	THE NETHERLANDS
PÉROU	J. M. BARRETO	PERU
POLOGNE	SUŁKOWSKI	POLAND
PORTUGAL	José CAEIRO DA MATTA	PORTUGAL
SUÈDE	E. MARKS VON WÜRTEMBERG Birger EKEBERG	SWEDEN
SUISSE	VISCHER	SWITZERLAND
TCHÉCOSLOVAQUIE	Prof. D ^r Karel HERMANN-OTAVSKÝ	CZECHOSLOVAKIA
TURQUIE	<i>Ad referendum</i> MEHMED MUNIR	TURKEY
YUGOSLAVIE	I. CHOUMENKOVITCH	YUGOSLAVIA

ANNEXE I.

LOI UNIFORME CONCERNANT LA LETTRE DE CHANGE ET LE BILLET A ORDRE

TITRE I
DE LA LETTRE DE CHANGE

CHAPITRE I. — DE LA CRÉATION ET DE LA FORME DE LA LETTRE DE CHANGE.

Article premier.

La lettre de change contient :

1. la dénomination de lettre de change insérée dans le texte même du titre et exprimée dans la langue employée pour la rédaction de ce titre;
2. le mandat pur et simple de payer une somme déterminée;
3. le nom de celui qui doit payer (tiré);
4. l'indication de l'échéance;
5. celle du lieu où le paiement doit s'effectuer;
6. le nom de celui auquel ou à l'ordre duquel le paiement doit être fait;
7. l'indication de la date et du lieu où la lettre est créée;
8. la signature de celui qui émet la lettre (tireur).

Article 2.

Le titre dans lequel une des énonciations indiquées à l'article précédent fait défaut ne vaut pas comme lettre de change, sauf dans les cas déterminés par les alinéas suivants :

La lettre de change dont l'échéance n'est pas indiquée est considérée comme payable à vue.

A défaut d'indication spéciale, le lieu désigné à côté du nom du tiré est réputé être le lieu du paiement et, en même temps, le lieu du domicile du tiré.

La lettre de change n'indiquant pas le lieu de sa création est considérée comme souscrite dans le lieu désigné à côté du nom du tireur.

Article 3.

La lettre de change peut être à l'ordre du tireur lui-même.

Elle peut être tirée sur le tireur lui-même.

Elle peut être tirée pour le compte d'un tiers.

Article 4.

Une lettre de change peut être payable au domicile d'un tiers, soit dans la localité où le tiré a son domicile, soit dans une autre localité.

Article 5.

Dans une lettre de change payable à vue ou à un certain délai de vue, il peut être stipulé par le tireur que la somme sera productive d'intérêts. Dans toute autre lettre de change, cette stipulation est réputée non écrite.

Le taux des intérêts doit être indiqué dans la lettre; à défaut de cette indication, la clause est réputée non écrite.

Les intérêts courent à partir de la date de la lettre de change, si une autre date n'est pas indiquée.

Article 6.

La lettre de change dont le montant est écrit à la fois en toutes lettres et en chiffres vaut, en cas de différence, pour la somme écrite en toutes lettres.

La lettre de change dont le montant est écrit plusieurs fois, soit en toutes lettres, soit en chiffres, ne vaut, en cas de différence, que pour la moindre somme.

Article 7.

Si la lettre de change porte des signatures de personnes incapables de s'obliger par lettre de change, des signatures fausses ou des signatures de personnes imaginaires, ou des signatures qui, pour toute autre raison, ne sauraient obliger les personnes qui ont signé la lettre de change, ou du nom desquelles elle a été signée, les obligations des autres signataires n'en sont pas moins valables.

Article 8.

Quiconque appose sa signature sur une lettre de change, comme représentant d'une personne pour laquelle il n'avait pas le pouvoir d'agir, est obligé lui-même en vertu de la lettre et, s'il a payé, a les mêmes droits qu'aurait eu le prétendu représenté. Il en est de même du représentant qui a dépassé ses pouvoirs.

ANNEX I.

UNIFORM LAW ON BILLS OF EXCHANGE AND PROMISSORY NOTES

TITLE I.
BILLS OF EXCHANGE.

CHAPTER I. — ISSUE AND FORM OF A BILL OF EXCHANGE.

Article 1.

A bill of exchange contains:

1. The term "bill of exchange" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
2. An unconditional order to pay a determinate sum of money;
3. The name of the person who is to pay (drawee);
4. A statement of the time of payment;
5. A statement of the place where payment is to be made;
6. The name of the person to whom or to whose order payment is to be made;
7. A statement of the date and of the place where the bill is issued;
8. The signature of the person who issues the bill (drawer).

Article 2.

An instrument in which any of the requirements mentioned in the preceding article is wanting is invalid as a bill of exchange, except in the cases specified in the following paragraphs:

A bill of exchange in which the time of payment is not specified is deemed to be payable at sight.

In default of special mention, the place specified beside the name of the drawee is deemed to be the place of payment, and at the same time the place of the domicile of the drawee.

A bill of exchange which does not mention the place of its issue is deemed to have been drawn in the place mentioned beside the name of the drawer.

Article 3.

A bill of exchange may be drawn payable to drawer's order.

It may be drawn on the drawer himself.

It may be drawn for account of a third person.

Article 4.

A bill of exchange may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality.

Article 5.

When a bill of exchange is payable at sight, or at a fixed period after sight, the drawer may stipulate that the sum payable shall bear interest. In the case of any other bill of exchange, this stipulation is deemed not to be written (*non écrite*).

The rate of interest must be specified in the bill; in default of such specification, the stipulation shall be deemed not to be written (*non écrite*).

Interest runs from the date of the bill of exchange, unless some other date is specified.

Article 6.

When the sum payable by a bill of exchange is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.

Where the sum payable by a bill of exchange is expressed more than once in words or more than once in figures, and there is a discrepancy, the smaller sum is the sum payable.

Article 7.

If a bill of exchange bears signatures of persons incapable of binding themselves by a bill of exchange, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the bill of exchange or on whose behalf it was signed, the obligations of the other persons who have signed it are none the less valid.

Article 8.

Whosoever puts his signature on a bill of exchange as representing a person for whom he had no power to act is bound himself as a party to the bill and, if he pays, has the same rights as the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.

Article 9.

Le tireur est garant de l'acceptation et du paiement.
Il peut s'exonérer de la garantie de l'acceptation; toute clause par laquelle il s'exonère de la garantie du paiement est réputée non écrite.

Article 10.

Si une lettre de change, incomplète à l'émission, a été complétée contrairement aux accords intervenus, l'inobservation de ces accords ne peut pas être opposée au porteur, à moins qu'il n'ait acquis la lettre de change de mauvaise foi ou que, en l'acquérant, il n'ait commis une faute lourde.

CHAPITRE II. — DE L'ENDOSSEMENT.

Article 11.

Toute lettre de change, même non expressément tirée à ordre, est transmissible par la voie de l'endossement.

Lorsque le tireur a inséré dans la lettre de change les mots « non à ordre » ou une expression équivalente, le titre n'est transmissible que dans la forme et avec les effets d'une cession ordinaire.

L'endossement peut être fait même au profit du tiré, accepteur ou non, du tireur ou de tout autre obligé. Ces personnes peuvent endosser la lettre à nouveau.

Article 12.

L'endossement doit être pur et simple. Toute condition à laquelle il est subordonné est réputée non écrite.

L'endossement partiel est nul.

L'endossement au porteur vaut comme endossement en blanc.

Article 13.

L'endossement doit être inscrit sur la lettre de change ou sur une feuille qui y est attachée (allonge). Il doit être signé par l'endosseur.

L'endossement peut ne pas désigner le bénéficiaire ou consister simplement dans la signature de l'endosseur (endossement en blanc). Dans ce dernier cas, l'endossement, pour être valable, doit être inscrit au dos de la lettre de change ou sur l'allonge.

Article 14.

L'endossement transmet tous les droits résultant de la lettre de change.

Si l'endossement est en blanc, le porteur peut :

- 1^o remplir le blanc, soit de son nom, soit du nom d'une autre personne;
- 2^o endosser la lettre de nouveau en blanc ou à une autre personne;
- 3^o remettre la lettre à un tiers, sans remplir le blanc et sans l'endosser.

Article 15.

L'endosseur est, sauf clause contraire, garant de l'acceptation et du paiement.

Il peut interdire un nouvel endossement; dans ce cas, il n'est pas tenu à la garantie envers les personnes auxquelles la lettre est ultérieurement endossée.

Article 16.

Le détenteur d'une lettre de change est considéré comme porteur légitime, s'il justifie de son droit par une suite ininterrompue d'endossements, même si le dernier endossement est en blanc. Les endossements biffés sont à cet égard réputés non écrits. Quand un endossement en blanc est suivi d'un autre endossement, le signataire de celui-ci est réputé avoir acquis la lettre par l'endossement en blanc.

Si une personne a été dépossédée d'une lettre de change par quelque événement que ce soit, le porteur, justifiant de son droit de la manière indiquée à l'alinéa précédent, n'est tenu de se dessaisir de la lettre que s'il l'a acquise de mauvaise foi ou si, en l'acquérant, il a commis une faute lourde.

Article 17.

Les personnes actionnées en vertu de la lettre de change ne peuvent pas opposer au porteur les exceptions fondées sur leurs rapports personnels avec le tireur ou avec les porteurs antérieurs, à moins que le porteur, en acquérant la lettre, n'ait agi sciemment au détriment du débiteur.

Article 18.

Lorsque l'endossement contient la mention « valeur en recouvrement », « pour encaissement », « par procuration » ou toute autre mention impliquant un simple mandat, le porteur peut exercer

Article 9.

The drawer guarantees both acceptance and payment.
He may release himself from guaranteeing acceptance; every stipulation by which he releases himself from the guarantee of payment is deemed not to be written (*non écrite*).

Article 10.

If a bill of exchange, which was incomplete when issued, has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the bill of exchange in bad faith or, in acquiring it, has been guilty of gross negligence.

CHAPTER II. — ENDORSEMENT.

Article 11.

Every bill of exchange, even if not expressly drawn to order, may be transferred by means of endorsement.

When the drawer has inserted in a bill of exchange the words "not to order" or an equivalent expression, the instrument can only be transferred according to the form, and with the effects, of an ordinary assignment.

The bill may be endorsed even in favour of the drawee, whether he has accepted or not, or of the drawer, or of any other party to the bill. These persons may re-endorse the bill.

Article 12.

An endorsement must be unconditional. Any condition to which it is made subject is deemed not to be written (*non écrite*).

A partial endorsement is null and void.

An endorsement "to bearer" is equivalent to an endorsement in blank.

Article 13.

An endorsement must be written on the bill of exchange or on a slip affixed thereto (*allonge*). It must be signed by the endorser.

The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank). In the latter case, the endorsement, to be valid, must be written on the back of the bill of exchange or on the slip attached thereto (*allonge*).

Article 14.

An endorsement transfers all the rights arising out of a bill of exchange.

If the endorsement is in blank, the holder may:

1. Fill up the blank either with his own name or with the name of some other person;
2. Re-endorse the bill in blank, or to some other person;
3. Transfer the bill to a third person without filling up the blank, and without endorsing it.

Article 15.

In the absence of any contrary stipulation, the endorser guarantees acceptance and payment.

He may prohibit any further endorsement; in this case, he gives no guarantee to the persons to whom the bill is subsequently endorsed.

Article 16.

The possessor of a bill of exchange is deemed to be the lawful holder if he establishes his title to the bill through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements are deemed not to be written (*non écrits*). When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the bill by the endorsement in blank.

Where a person has been dispossessed of a bill of exchange, in any manner whatsoever, the holder who establishes his right thereto in the manner mentioned in the preceding paragraph is not bound to give up the bill unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.

Article 17.

Persons sued on a bill of exchange cannot set up against the holder defences founded on their personal relations with the drawer or with previous holders, unless the holder, in acquiring the bill, has knowingly acted to the detriment of the debtor.

Article 18.

When an endorsement contains the statements "value in collection" ("*valeur en recouvrement*"), "for collection" ("*pour encaissement*"), "by procuration" ("*par procuration*") or any

tous les droits dérivant de la lettre de change, mais il ne peut endosser celle-ci qu'à titre de procuration.

Les obligés ne peuvent, dans ce cas, invoquer contre le porteur que les exceptions qui seraient opposables à l'endosseur.

Le mandat renfermé dans un endossement de procuration ne prend pas fin par le décès du mandant ou la survenance de son incapacité.

Article 19.

Lorsqu'un endossement contient la mention « valeur en garantie », « valeur en gage » ou toute autre mention impliquant un nantissement, le porteur peut exercer tous les droits dérivant de la lettre de change, mais un endossement fait par lui ne vaut que comme un endossement à titre de procuration.

Les obligés ne peuvent invoquer contre le porteur les exceptions fondées sur leurs rapports personnels avec l'endosseur, à moins que le porteur, en recevant la lettre, n'ait agi sciemment au détriment du débiteur.

Article 20.

L'endossement postérieur à l'échéance produit les mêmes effets qu'un endossement antérieur. Toutefois, l'endossement postérieur au protêt faute de paiement, ou fait après l'expiration du délai fixé pour dresser le protêt, ne produit que les effets d'une cession ordinaire.

Sauf preuve contraire, l'endossement sans date est censé avoir été fait avant l'expiration du délai fixé pour dresser le protêt.

CHAPITRE III. — DE L'ACCEPTATION.

Article 21.

La lettre de change peut être, jusqu'à l'échéance, présentée à l'acceptation du tiré, au lieu de son domicile, par le porteur ou même par un simple détenteur.

Article 22.

Dans toute lettre de change, le tireur peut stipuler qu'elle devra être présentée à l'acceptation, avec ou sans fixation de délai.

Il peut interdire dans la lettre la présentation à l'acceptation, à moins qu'il ne s'agisse d'une lettre de change payable chez un tiers ou d'une lettre payable dans une localité autre que celle du domicile du tiré ou d'une lettre tirée à un certain délai de vue.

Il peut aussi stipuler que la présentation à l'acceptation ne pourra avoir lieu avant un terme indiqué.

Tout endosseur peut stipuler que la lettre devra être présentée à l'acceptation, avec ou sans fixation de délai, à moins qu'elle n'ait été déclarée non acceptable par le tireur.

Article 23.

Les lettres de change à un certain délai de vue doivent être présentées à l'acceptation dans le délai d'un an à partir de leur date.

Le tireur peut abrégé ce dernier délai ou en stipuler un plus long.

Ces délais peuvent être abrégés par les endosseurs.

Article 24.

Le tiré peut demander qu'une seconde présentation lui soit faite le lendemain de la première. Les intéressés ne sont admis à prétendre qu'il n'a pas été fait droit à cette demande que si celle-ci est mentionnée dans le protêt.

Le porteur n'est pas obligé de se dessaisir, entre les mains du tiré, de la lettre présentée à l'acceptation.

Article 25.

L'acceptation est écrite sur la lettre de change. Elle est exprimée par le mot « accepté » ou tout autre mot équivalent; elle est signée du tiré. La simple signature du tiré apposée au recto de la lettre vaut acceptation.

Quand la lettre est payable à un certain délai de vue ou lorsqu'elle doit être présentée à l'acceptation dans un délai déterminé en vertu d'une stipulation spéciale, l'acceptation doit être datée du jour où elle a été donnée, à moins que le porteur n'exige qu'elle soit datée du jour de la présentation. A défaut de date, le porteur, pour conserver ses droits de recours contre les endosseurs et contre le tireur fait constater cette omission par un protêt dressé en temps utile.

Article 26.

L'acceptation est pure et simple, mais le tiré peut la restreindre à une partie de la somme.

Toute autre modification apportée par l'acceptation aux énonciations de la lettre de change équivaut à un refus d'acceptation. Toutefois, l'accepteur est tenu dans les termes de son acceptation.

other phrase implying a simple mandate, the holder may exercise all rights arising out of the bill of exchange, but he can only endorse it in his capacity as agent.

In this case, the parties liable can only set up against the holder defences which could be set up against the endorser.

The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.

Article 19.

When an endorsement contains the statements "value in security" ("*valeur en garantie*"), "value in pledge" ("*valeur en gage*"), or any other statement implying a pledge, the holder may exercise all the rights arising out of the bill of exchange, but an endorsement by him has the effects only of an endorsement by an agent.

The parties liable cannot set up against the holder defences founded on their personal relations with the endorser, unless the holder, in receiving the bill, has knowingly acted to the detriment of the debtor.

Article 20.

An endorsement after maturity has the same effects as an endorsement before maturity, Nevertheless, an endorsement after protest for non-payment, or after the expiration of the limit of time fixed for drawing up the protest, operates only as an ordinary assignment.

Failing proof to the contrary, an endorsement without date is deemed to have been placed on the bill before the expiration of the limit of time fixed for drawing up the protest.

CHAPTER III. — ACCEPTANCE.

Article 21.

Until maturity, a bill of exchange may be presented to the drawee for acceptance at his domicile, either by the holder or by a person who is merely in possession of the bill.

Article 22.

In any bill of exchange, the drawer may stipulate that it shall be presented for acceptance, with or without fixing a limit of time for presentment.

Except in the case of a bill payable at the address of a third party or in a locality other than that of the domicile of the drawee, or, except in the case of a bill drawn payable at a fixed period after sight, the drawer may prohibit presentment for acceptance.

He may also stipulate that presentment for acceptance shall not take place before a named date.

Unless the drawer has prohibited acceptance, every endorser may stipulate that the bill shall be presented for acceptance, with or without fixing a limit of time for presentment.

Article 23.

Bills of exchange payable at a fixed period after sight must be presented for acceptance within one year of their date.

The drawer may abridge or extend this period.

These periods may be abridged by the endorsers.

Article 24.

The drawee may demand that a bill shall be presented to him a second time on the day after the first presentment. Parties interested are not allowed to set up that this demand has not been complied with unless this request is mentioned in the protest.

The holder is not obliged to surrender to the drawee a bill presented for acceptance.

Article 25.

An acceptance is written on the bill of exchange. It is expressed by the word "accepted" or any other equivalent term. It is signed by the drawee. The simple signature of the drawee on the face of the bill constitutes an acceptance.

When the bill is payable at a certain time after sight, or when it must be presented for acceptance within a certain limit of time in accordance with a special stipulation, the acceptance must be dated as of the day when the acceptance is given, unless the holder requires that it shall be dated as of the day of presentment. If it is undated, the holder, in order to preserve his right of recourse against the endorsers and the drawer, must authenticate the omission by a protest drawn up within the proper time.

Article 26.

An acceptance is unconditional, but the drawee may restrict it to part of the sum payable.

Every other modification introduced by an acceptance into the tenor of the bill of exchange operates as a refusal to accept. Nevertheless, the acceptor is bound according to the terms of his acceptance.

Article 27.

Quand le tireur a indiqué dans la lettre de change un lieu de paiement autre que celui du domicile du tiré, sans désigner un tiers chez qui le paiement doit être effectué, le tiré peut l'indiquer lors de l'acceptation. A défaut de cette indication, l'accepteur est réputé s'être obligé à payer lui-même au lieu du paiement.

Si la lettre est payable au domicile du tiré, celui-ci peut, dans l'acceptation, indiquer une adresse du même lieu où le paiement doit être effectué.

Article 28.

Par l'acceptation le tiré s'oblige à payer la lettre de change à l'échéance.

A défaut de paiement, le porteur, même s'il est le tireur, a contre l'accepteur une action directe résultant de la lettre de change pour tout ce qui peut être exigé en vertu des articles 48 et 49.

Article 29.

Si le tiré qui a revêtu la lettre de change de son acceptation a biffé celle-ci avant la restitution de la lettre, l'acceptation est censée refusée. Sauf preuve contraire, la radiation est réputée avoir été faite avant la restitution du titre.

Toutefois, si le tiré a fait connaître son acceptation par écrit au porteur ou à un signataire quelconque, il est tenu envers ceux-ci dans les termes de son acceptation.

CHAPITRE IV. — DE L'AVAL.

Article 30.

Le paiement d'une lettre de change peut être garanti pour tout ou partie de son montant par un aval.

Cette garantie est fournie par un tiers ou même par un signataire de la lettre.

Article 31.

L'aval est donné sur la lettre de change ou sur une allonge.

Il est exprimé par les mots « bon pour aval » ou par toute autre formule équivalente; il est signé par le donneur d'aval.

Il est considéré comme résultant de la seule signature du donneur d'aval, apposée au recto de la lettre de change, sauf quand il s'agit de la signature du tiré ou de celle du tireur.

L'aval doit indiquer pour le compte de qui il est donné. A défaut de cette indication, il est réputé donné pour le tireur.

Article 32.

Le donneur d'aval est tenu de la même manière que celui dont il s'est porté garant.

Son engagement est valable, alors même que l'obligation qu'il a garantie serait nulle pour toute cause autre qu'un vice de forme.

Quand il paie la lettre de change, le donneur d'aval acquiert les droits résultant de la lettre de change contre le garanti et contre ceux qui sont tenus envers ce dernier en vertu de la lettre de change.

CHAPITRE V. — DE L'ÉCHÉANCE.

Article 33.

Une lettre de change peut être tirée:

- à vue;
- à un certain délai de vue;
- à un certain délai de date;
- à jour fixe.

Les lettres de change, soit à d'autres échéances, soit à échéances successives, sont nulles.

Article 34.

La lettre de change à vue est payable à sa présentation. Elle doit être présentée au paiement dans le délai d'un an à partir de sa date. Le tireur peut abrégé ce délai ou en stipuler un plus long. Ces délais peuvent être abrégés par les endosseurs.

Le tireur peut prescrire qu'une lettre de change payable à vue ne doit pas être présentée au paiement avant un terme indiqué. Dans ce cas, le délai de présentation part de ce terme.

Article 35.

L'échéance d'une lettre de change à un certain délai de vue est déterminée, soit par la date de l'acceptation, soit par celle du protêt.

En l'absence du protêt, l'acceptation non datée est réputée, à l'égard de l'accepteur, avoir été donnée le dernier jour du délai prévu pour la présentation à l'acceptation.

Article 27.

When the drawer of a bill has indicated a place of payment other than the domicile of the drawee without specifying a third party at whose address payment must be made, the drawee may name such third party at the time of acceptance. In default of this indication, the acceptor is deemed to have undertaken to pay the bill himself at the place of payment.

If a bill is payable at the domicile of the drawee, the latter may in his acceptance indicate an address in the same place where payment is to be made.

Article 28.

By accepting, the drawee undertakes to pay the bill of exchange at its maturity.

In default of payment, the holder, even if he is the drawer, has a direct action on the bill of exchange against the acceptor for all that can be demanded in accordance with Articles 48 and 49.

Article 29.

Where the drawee who has put his acceptance on a bill has cancelled it before restoring the bill, acceptance is deemed to be refused. Failing proof to the contrary, the cancellation is deemed to have taken place before the bill was restored.

Nevertheless, if the drawee has notified his acceptance in writing to the holder or to any party who has signed the bill, he is liable to such parties according to the terms of his acceptance.

CHAPTER IV. — “ AVALS ”.

Article 30.

Payment of a bill of exchange may be guaranteed by an “ aval ” as to the whole or part of its amount.

This guarantee may be given by a third person or even by a person who has signed as a party to the bill.

Article 31.

The “ aval ” is given either on the bill itself or on an “ allonge ”.

It is expressed by the words “ good as aval ” (“ *bon pour aval* ”) or by any other equivalent formula. It is signed by the giver of the “ aval ”.

It is deemed to be constituted by the mere signature of the giver of the “ aval ” placed on the face of the bill, except in the case of the signature of the drawee or of the drawer.

An “ aval ” must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.

Article 32.

The giver of an “ aval ” is bound in the same manner as the person for whom he has become guarantor.

His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.

He has, when he pays a bill of exchange, the rights arising out of the bill of exchange against the person guaranteed and against those who are liable to the latter on the bill of exchange.

CHAPTER V. — MATURITY.

Article 33.

A bill of exchange may be drawn payable:

- At sight;
- At a fixed period after sight;
- At a fixed period after date;
- At a fixed date.

Bills of exchange at other maturities or payable by instalments are null and void.

Article 34.

A bill of exchange at sight is payable on presentment. It must be presented for payment within a year of its date. The drawer may abridge or extend this period. These periods may be abridged by the endorsers.

The drawer may prescribe that a bill of exchange payable at sight must not be presented for payment before a named date. In this case, the period for presentment begins from the said date.

Article 35.

The maturity of a bill of exchange payable at a fixed period after sight is determined either by the date of the acceptance or by the date of the protest.

In the absence of the protest, an undated acceptance is deemed, so far as regards the acceptor, to have been given on the last day of the limit of time for presentment for acceptance.

Article 36.

L'échéance d'une lettre de change tirée à un ou plusieurs mois de date ou de vue a lieu à la date correspondante du mois où le paiement doit être effectué. A défaut de date correspondante, l'échéance a lieu le dernier jour de ce mois.

Quand une lettre de change est tirée à un ou plusieurs mois et demi de date ou de vue, on compte d'abord les mois entiers.

Si l'échéance est fixée au commencement, au milieu (mi-janvier, mi-février, etc.) ou à la fin du mois, on entend par ces termes le premier, le quinze ou le dernier jour du mois.

Les expressions « huit jours » ou « quinze jours » s'entendent, non d'une ou deux semaines, mais d'un délai de huit ou de quinze jours effectifs.

L'expression « demi-mois » indique un délai de quinze jours.

Article 37.

Quand une lettre de change est payable à jour fixe dans un lieu où le calendrier est différent de celui du lieu de l'émission, la date de l'échéance est considérée comme fixée d'après le calendrier du lieu de paiement.

Quand une lettre de change tirée entre deux places ayant des calendriers différents est payable à un certain délai de date, le jour de l'émission est ramené au jour correspondant du calendrier du lieu de paiement et l'échéance est fixée en conséquence.

Les délais de présentation des lettres de change sont calculés conformément aux règles de l'alinéa précédent.

Ces règles ne sont pas applicables si une clause de la lettre de change, ou même les simples énonciations du titre, indiquent que l'intention a été d'adopter des règles différentes.

CHAPITRE VI. — DU PAIEMENT.

Article 38.

Le porteur d'une lettre de change payable à jour fixe ou à un certain délai de date ou de vue doit présenter la lettre de change au paiement, soit le jour où elle est payable, soit l'un des deux jours ouvrables qui suivent.

La présentation d'une lettre de change à une Chambre de compensation équivaut à une présentation au paiement.

Article 39.

Le tiré peut exiger, en payant la lettre de change, qu'elle lui soit remise acquittée par le porteur. Le porteur ne peut refuser un paiement partiel.

En cas de paiement partiel, le tiré peut exiger que mention de ce paiement soit faite sur la lettre et que quittance lui en soit donnée.

Article 40.

Le porteur d'une lettre de change ne peut être contraint d'en recevoir le paiement avant l'échéance.

Le tiré qui paie avant l'échéance le fait à ses risques et périls.

Celui qui paie à l'échéance est valablement libéré, à moins qu'il n'y ait de sa part une fraude ou une faute lourde. Il est obligé de vérifier la régularité de la suite des endossements mais non la signature des endosseurs.

Article 41.

Lorsqu'une lettre de change est stipulée payable en une monnaie n'ayant pas cours au lieu du paiement, le montant peut en être payé dans la monnaie du pays d'après sa valeur au jour de l'échéance. Si le débiteur est en retard, le porteur peut à son choix, demander que le montant de la lettre de change soit payé dans la monnaie du pays d'après le cours, soit du jour de l'échéance, soit du jour du paiement.

Les usages du lieu du paiement servent à déterminer la valeur de la monnaie étrangère. Toutefois, le tireur peut stipuler que la somme à payer sera calculée d'après un cours déterminé dans la lettre.

Les règles ci-énoncées ne s'appliquent pas au cas où le tireur a stipulé que le paiement devra être fait dans une certaine monnaie indiquée (clause de paiement effectif en une monnaie étrangère).

Si le montant de la lettre de change est indiqué dans une monnaie ayant la même dénomination, mais une valeur différente dans le pays d'émission et dans celui du paiement, on est présumé s'être référé à la monnaie du lieu du paiement.

Article 42.

A défaut de présentation de la lettre de change au paiement dans le délai fixé par l'article 38, tout débiteur a la faculté d'en remettre le montant en dépôt à l'autorité compétente, aux frais, risques et périls du porteur.

Article 36.

Where a bill of exchange is drawn at one or more months after date or after sight the bill matures on the corresponding date of the month when payment must be made. If there be no corresponding date, the bill matures on the last day of this month.

When a bill of exchange is drawn at one or more months and a-half after date or sight, entire months must first be calculated.

If the maturity is fixed at the commencement, in the middle (mid-January or mid-February, etc.) or at the end of the month, the first, fifteenth or last day of the month is to be understood.

The expressions "eight days" or "fifteen days" indicate not one or two weeks, but a period of eight or fifteen actual days.

The expression "half-month" means a period of fifteen days.

Article 37.

When a bill of exchange is payable on a fixed day in a place where the calendar is different from the calendar in the place of issue, the day of maturity is deemed to be fixed according to the calendar of the place of payment.

When a bill of exchange drawn between two places having different calendars is payable at a fixed period after date, the day of issue is referred to the corresponding day of the calendar in the place of payment, and the maturity is fixed accordingly.

The time for presenting bills of exchange is calculated in accordance with the rules of the preceding paragraph.

These rules do not apply if a stipulation in the bill or even the simple terms of the instrument indicate an intention to adopt some different rule.

CHAPTER VI. — PAYMENT.

Article 38.

The holder of a bill of exchange payable on a fixed day or at a fixed period after date or after sight must present the bill for payment either on the day on which it is payable or on one of the two business days which follow.

The presentment of a bill of exchange at a clearing-house is equivalent to a presentment for payment.

Article 39.

The drawee who pays a bill of exchange may require that it shall be given up to him receipted by the holder.

The holder may not refuse partial payment.

In case of partial payment the drawee may require that mention of this payment shall be made on the bill, and that a receipt therefor shall be given to him.

Article 40.

The holder of a bill of exchange cannot be compelled to receive payment thereof before maturity.

The drawee who pays before maturity does so at his own risk and peril.

He who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence. He is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

Article 41.

When a bill of exchange is drawn payable in a currency which is not that of the place of payment, the sum payable may be paid in the currency of the country, according to its value on the date of maturity. If the debtor is in default, the holder may at his option demand that the amount of the bill be paid in the currency of the country according to the rate on the day of maturity or the day of payment.

The usages of the place of payment determine the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the bill.

The foregoing rules shall not apply to the case in which the drawer has stipulated that payment must be made in a certain specified currency (stipulation for effective payment in foreign currency).

If the amount of the bill of exchange is specified in a currency having the same denomination, but a different value in the country of issue and the country of payment, reference is deemed to be made to the currency of the place of payment.

Article 42.

When a bill of exchange is not presented for payment within the limit of time fixed by Article 38, every debtor is authorised to deposit the amount with the competent authority at the charge, risk and peril of the holder.

CHAP. VII. — DES RECOURS FAUTE D'ACCEPTATION ET FAUTE DE PAIEMENT.

Article 43.

Le porteur peut exercer ses recours contre les endosseurs, le tireur et les autres obligés:

A l'échéance:

si le paiement n'a pas eu lieu;

Même avant l'échéance:

- 1^o s'il y a eu refus, total ou partiel, d'acceptation;
- 2^o dans les cas de faillite du tiré, accepteur ou non, de cessation de ses paiements, même non constatée par un jugement, ou de saisie de ses biens demeurée infructueuse;
- 3^o dans les cas de faillite du tireur d'une lettre non acceptable.

Article 44.

Le refus d'acceptation ou de paiement doit être constaté par un acte authentique (protêt faute d'acceptation ou faute de paiement).

Le protêt faute d'acceptation doit être fait dans les délais fixés pour la présentation à l'acceptation. Si, dans le cas prévu par l'article 24, premier alinéa, la première présentation a eu lieu le dernier jour du délai, le protêt peut encore être dressé le lendemain.

Le protêt faute de paiement d'une lettre de change payable à jour fixe ou à un certain délai de date ou de vue doit être fait l'un des deux jours ouvrables qui suivent le jour où la lettre de change est payable. S'il s'agit d'une lettre payable à vue, le protêt doit être dressé dans les conditions indiquées à l'alinéa précédent pour dresser le protêt faute d'acceptation.

Le protêt faute d'acceptation dispense de la présentation au paiement et du protêt faute de paiement.

En cas de cessation de paiements du tiré, accepteur ou non, ou en cas de saisie de ses biens demeurée infructueuse, le porteur ne peut exercer ses recours qu'après présentation de la lettre au tiré pour le paiement et après confection d'un protêt.

En cas de faillite déclarée du tiré, accepteur ou non, ainsi qu'en cas de faillite déclarée du tireur d'une lettre non acceptable, la production du jugement déclaratif de la faillite suffit pour permettre au porteur d'exercer ses recours.

Article 45.

Le porteur doit donner avis du défaut d'acceptation ou de paiement à son endosseur et au tireur dans les quatre jours ouvrables qui suivent le jour du protêt ou celui de la présentation en cas de clause de retour sans frais. Chaque endosseur doit, dans les deux jours ouvrables qui suivent le jour où il a reçu l'avis, faire connaître à son endosseur l'avis qu'il a reçu, en indiquant les noms et les adresses de ceux qui ont donné les avis précédents, et ainsi de suite, en remontant jusqu'au tireur. Les délais ci-dessus indiqués courent de la réception de l'avis précédent.

Lorsqu'en conformité de l'alinéa précédent un avis est donné à un signataire de la lettre de change, le même avis doit être donné dans le même délai à son avaliseur.

Dans le cas où un endosseur n'a pas indiqué son adresse ou l'a indiquée d'une façon illisible, il suffit que l'avis soit donné à l'endosseur qui le précède.

Celui qui a un avis à donner peut le faire sous une forme quelconque, même par un simple renvoi de la lettre de change.

Il doit prouver qu'il a donné l'avis dans le délai imparti. Ce délai sera considéré comme observé si une lettre missive donnant l'avis a été mise à la poste dans ledit délai.

Celui qui ne donne pas l'avis dans le délai ci-dessus indiqué n'encourt pas de déchéance; il est responsable, s'il y a lieu, du préjudice causé par sa négligence, sans que les dommages-intérêts puissent dépasser le montant de la lettre de change.

Article 46.

Le tireur, un endosseur ou un avaliseur peut, par la clause « retour sans frais », « sans protêt », ou toute autre clause équivalente, inscrite sur le titre et signée, dispenser le porteur de faire dresser, pour exercer ses recours, un protêt faute d'acceptation ou faute de paiement.

Cette clause ne dispense pas le porteur de la présentation de la lettre de change dans les délais prescrits ni des avis à donner. La preuve de l'inobservation des délais incombe à celui qui s'en prévaut contre le porteur.

Si la clause est inscrite par le tireur, elle produit ses effets à l'égard de tous les signataires; si elle est inscrite par un endosseur ou un avaliseur, elle produit ses effets seulement à l'égard de celui-ci. Si, malgré la clause inscrite par le tireur, le porteur fait dresser le protêt; les frais en restent à sa charge. Quand la clause émane d'un endosseur ou d'un avaliseur, les frais du protêt, s'il en est dressé un, peuvent être recouverts contre tous les signataires.

Article 47.

Tous ceux qui ont tiré, accepté, endossé ou avalisé une lettre de change sont tenus solidairement envers le porteur.

CHAPTER VII. — RECOURSE FOR NON-ACCEPTANCE OR NON-PAYMENT.

Article 43.

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable:

At maturity:

If payment has not been made;

Even before maturity:

- (1) If there has been total or partial refusal to accept;
- (2) In the event of the bankruptcy (*faillite*) of the drawee, whether he has accepted or not, or in the event of a stoppage of payment on his part, even when not declared by a judgment, or where execution has been levied against his goods without result;
- (3) In the event of the bankruptcy (*faillite*) of the drawer of a non-acceptable bill.

Article 44.

Default of acceptance or of payment must be evidenced by an authentic act (protest for non-acceptance or non-payment).

Protest for non-acceptance must be made within the limit of time fixed for presentment for acceptance. If, in the case contemplated by Article 24, paragraph 1, the first presentment takes place on the last day of that time, the protest may nevertheless be drawn up on the next day.

Protest for non-payment of a bill of exchange payable on a fixed day or at a fixed period after date or sight must be made on one of the two business days following the day on which the bill is payable. In the case of a bill payable at sight, the protest must be drawn up under the conditions specified in the foregoing paragraph for the drawing up of a protest for non-acceptance.

Protest for non-acceptance dispenses with presentment for payment and protest for non-payment.

If there is a stoppage of payment on the part of the drawee, whether he has accepted or not, or if execution has been levied against his goods without result, the holder cannot exercise his right of recourse until after presentment of the bill to the drawee for payment and after the protest has been drawn up.

If the drawee, whether he has accepted or not, is declared bankrupt (*faillite déclarée*), or in the event of the declared bankruptcy of the drawer of a non-acceptable bill, the production of the judgment declaring the bankruptcy suffices to enable the holder to exercise his right of recourse.

Article 45.

The holder must give notice of non-acceptance or non-payment to his endorser and to the drawer within the four business days which follow the day for protest or, in case of a stipulation "*retour sans frais*", the day for presentment. Every endorser must, within the two business days following the day on which he receives notice, notify his endorser of the notice he has received, mentioning the names and addresses of those who have given the previous notices, and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.

When, in conformity with the preceding paragraph, notice is given to a person who has signed a bill of exchange, the same notice must be given within the same limit of time to his *avaliseur*.

Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser.

A person who must give notice may give it in any form whatever, even by simply returning the bill of exchange.

He must prove that he has given notice within the time allowed. This time-limit shall be regarded as having been observed if a letter giving the notice has been posted within the prescribed time.

A person who does not give notice within the limit of time mentioned above does not forfeit his rights. He is responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the bill of exchange.

Article 46.

The drawer, an endorser, or a person guaranteeing payment by *aval* (*avaliseur*) may, by the stipulation "*retour sans frais*", "*sans protêt*", or any other equivalent expression written on the instrument and signed, release the holder from having a protest of non-acceptance or non-payment drawn up in order to exercise his right of recourse.

This stipulation does not release the holder from presenting the bill within the prescribed time, nor from the notices he has to give. The burden of proving the non-observance of the limits of time lies on the person who seeks to set it up against the holder.

If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the bill; if it is written by an endorser or an *avaliseur*, it is operative only in respect of such endorser or *avaliseur*. If, in spite of the stipulation written by the drawer, the holder has the protest drawn up, he must bear the expenses thereof. When the stipulation emanates from an endorser or *avaliseur*, the costs of the protest, if one is drawn up, may be recovered from all the persons who have signed the bill.

Article 47.

All drawers, acceptors, endorsers or guarantors by *aval* of a bill of exchange are jointly and severally liable to the holder.

Le porteur a le droit d'agir contre toutes ces personnes, individuellement ou collectivement, sans être astreint à observer l'ordre dans lequel elles se sont obligées.

Le même droit appartient à tout signataire d'une lettre de change qui a remboursé celle-ci.

L'action intentée contre un des obligés n'empêche pas d'agir contre les autres, même postérieurs à celui qui a été d'abord poursuivi.

Article 48.

Le porteur peut réclamer à celui contre lequel il exerce son recours :

1^o le montant de la lettre de change non acceptée ou non payée avec les intérêts, s'il en a été stipulé;

2^o les intérêts au taux de six pour cent à partir de l'échéance;

3^o les frais du protêt, ceux des avis donnés, ainsi que les autres frais.

Si le recours est exercé avant l'échéance, déduction sera faite d'un escompte sur le montant de la lettre. Cet escompte sera calculé, d'après le taux de l'escompte officiel (taux de la Banque), tel qu'il existe à la date du recours au lieu du domicile du porteur.

Article 49.

Celui qui a remboursé la lettre de change peut réclamer à ses garants :

1^o la somme intégrale qu'il a payée;

2^o les intérêts de ladite somme, calculés au taux de six pour cent, à partir du jour où il l'a déboursée;

3^o les frais qu'il a faits.

Article 50.

Tout obligé contre lequel un recours est exercé ou qui est exposé à un recours peut exiger, contre remboursement, la remise de la lettre de change avec le protêt et un compte acquitté.

Tout endosseur qui a remboursé la lettre de change peut biffer son endossement et ceux des endosseurs subséquents.

Article 51.

En cas d'exercice d'un recours après une acceptation partielle, celui qui rembourse la somme pour laquelle la lettre n'a pas été acceptée peut exiger que ce remboursement soit mentionné sur la lettre et qu'il lui en soit donné quittance. Le porteur doit, en outre, lui remettre une copie certifiée conforme de la lettre et le protêt pour permettre l'exercice des recours ultérieurs.

Article 52.

Toute personne ayant le droit d'exercer un recours, peut, sauf stipulation contraire, se rembourser au moyen d'une nouvelle lettre (retraite) tirée à vue sur l'un de ses garants et payable au domicile de celui-ci.

La retraite comprend, outre les sommes indiquées dans les articles 48 et 49, un droit de courtage et le droit de timbre de la retraite.

Si la retraite est tirée par le porteur, le montant en est fixé d'après le cours d'une lettre de change à vue, tirée du lieu où la lettre primitive était payable sur le lieu du domicile du garant. Si la retraite est tirée par un endosseur, le montant en est fixé d'après le cours d'une lettre à vue tirée du lieu où le tireur de la retraite a son domicile sur le lieu du domicile du garant.

Article 53.

Après l'expiration des délais fixés :

pour la présentation d'une lettre de change à vue ou à un certain délai de vue;

pour la confection du protêt faute d'acceptation ou faute de paiement;

pour la présentation au paiement en cas de clause de retour sans frais;

le porteur est déchu de ses droits contre les endosseurs, contre le tireur et contre les autres obligés, à l'exception de l'accepteur.

A défaut de présentation à l'acceptation dans le délai stipulé par le tireur, le porteur est déchu de ses droits de recours, tant pour défaut de paiement que pour défaut d'acceptation, à moins qu'il ne résulte des termes de la stipulation que le tireur n'a entendu s'exonérer que de la garantie de l'acceptation.

Si la stipulation d'un délai pour la présentation est contenue dans un endossement, l'endosseur, seul, peut s'en prévaloir.

Article 54.

Quand la présentation de la lettre de change ou la confection du protêt dans les délais prescrits est empêchée par un obstacle insurmontable (prescription légale d'un État quelconque ou autre cas de force majeure), ces délais sont prolongés.

Le porteur est tenu de donner, sans retard, avis du cas de force majeure à son endosseur et de mentionner cet avis, daté et signé de lui, sur la lettre de change ou sur une allonge : pour le surplus, les dispositions de l'article 45 sont applicables.

The holder has the right of proceeding against all these persons individually or collectively without being required to observe the order in which they have become bound.

The same right is possessed by any person signing the bill who has taken it up and paid it. Proceedings against one of the parties liable do not prevent proceedings against the others, even though they may be subsequent to the party first proceeded against.

Article 48.

The holder may recover from the person against whom he exercises his right of recourse:

- (1) The amount of the unaccepted or unpaid bill of exchange with interest, if interest has been stipulated for;
- (2) Interest at the rate of 6 per cent from the date of maturity;
- (3) The expenses of protest and of the notices given as well as other expenses.

If the right of recourse is exercised before maturity, the amount of the bill shall be subject to a discount. This discount shall be calculated according to the official rate of discount (bank-rate) ruling on the date when recourse is exercised at the place of domicile of the holder.

Article 49.

A party who takes up and pays a bill of exchange can recover from the parties liable to him:

- (1) The entire sum which he has paid;
- (2) Interest on the said sum calculated at the rate of 6 per cent, starting from the day when he made payment;
- (3) Any expenses which he has incurred.

Article 50.

Every party liable against whom a right of recourse is or may be exercised, can require, against payment, that the bill shall be given up to him with the protest and a receipted account. Every endorser who has taken up and paid a bill of exchange may cancel his own endorsement and those of subsequent endorsers.

Article 51.

In the case of the exercise of the right of recourse after a partial acceptance, the party who pays the sum in respect of which the bill has not been accepted can require that this payment shall be specified on the bill and that he shall be given a receipt therefor. The holder must also give him a certified copy of the bill, together with the protest, in order to enable subsequent recourse to be exercised.

Article 52.

Every person having the right of recourse may, in the absence of agreement to the contrary, reimburse himself by means of a fresh bill (redraft) to be drawn at sight on one of the parties liable to him and payable at the domicile of that party.

The redraft includes, in addition to the sums mentioned in Articles 48 and 49, brokerage and the cost of stamping the redraft.

If the redraft is drawn by the holder, the sum payable is fixed according to the rate for a sight bill drawn at the place where the original bill was payable upon the party liable at the place of his domicile. If the redraft is drawn by an endorser, the sum payable is fixed according to the rate for a sight bill drawn at the place where the drawer of the redraft is domiciled upon the place of domicile of the party liable.

Article 53.

After the expiration of the limits of time fixed:

- For the presentment of a bill of exchange drawn at sight or at a fixed period after sight;
- For drawing up the protest for non-acceptance or non-payment;
- For presentment for payment in the case of a stipulation *retour sans frais*,

the holder loses his rights of recourse against the endorsers, against the drawer and against the other parties liable, with the exception of the acceptor.

In default of presentment for acceptance within the limit of time stipulated by the drawer, the holder loses his right of recourse for non-payment, as well as for non-acceptance, unless it appears from the terms of the stipulation that the drawer only meant to release himself from the guarantee of acceptance.

If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser alone can avail himself of it.

Article 54.

Should the presentment of the bill of exchange or the drawing up of the protest within the prescribed limits of time be prevented by an insurmountable obstacle (legal prohibition (*prescription légale*) by any State or other case of *vis major*), these limits of time shall be extended.

The holder is bound to give notice without delay of the case of *vis major* to his endorser and to specify this notice, which he must date and sign, on the bill or on an *allonge*; in other respects the provisions of Article 45 shall apply.

Après la cessation de la force majeure, le porteur doit, sans retard, présenter la lettre à l'acceptation ou au paiement et, s'il y a lieu, faire dresser le protêt.

Si la force majeure persiste au delà de trente jours à partir de l'échéance, les recours peuvent être exercés, sans que ni la présentation ni la confection d'un protêt soit nécessaire.

Pour les lettres de change à vue ou à un certain délai de vue, le délai de trente jours court de la date à laquelle le porteur a, même avant l'expiration des délais de présentation, donné avis de la force majeure à son endosseur; pour les lettres de change à un certain délai de vue, le délai de trente jours s'augmente du délai de vue indiqué dans la lettre de change.

Ne sont point considérés comme constituant des cas de force majeure les faits purement personnels au porteur ou à celui qu'il a chargé de la présentation de la lettre ou de la confection du protêt.

CHAPITRE VIII. — DE L'INTERVENTION.

I. DISPOSITIONS GÉNÉRALES.

Article 55.

Le tireur, un endosseur ou un avaliseur peut indiquer une personne pour accepter ou payer au besoin.

La lettre de change peut être, sous les conditions déterminées ci-après, acceptée ou payée par une personne intervenant pour un débiteur quelconque exposé au recours.

L'intervenant peut être un tiers, même le tiré, ou une personne déjà obligée en vertu de la lettre de change, sauf l'accepteur.

L'intervenant est tenu de donner, dans un délai de deux jours ouvrables, avis de son intervention à celui pour qui il est intervenu. En cas d'inobservation de ce délai, il est responsable, s'il y a lieu, du préjudice causé par sa négligence sans que les dommages-intérêts puissent dépasser le montant de la lettre de change.

2. ACCEPTATION PAR INTERVENTION.

Article 56.

L'acceptation par intervention peut avoir lieu dans tous les cas où des recours sont ouverts, avant l'échéance, au porteur d'une lettre de change acceptable.

Lorsqu'il a été indiqué sur la lettre de change une personne pour l'accepter ou la payer au besoin au lieu du paiement, le porteur ne peut exercer avant l'échéance ses droits de recours contre celui qui a apposé l'indication et contre les signataires subséquents à moins qu'il n'ait présenté la lettre de change à la personne désignée et que, celle-ci ayant refusé l'acceptation, ce refus n'ait été constaté par un protêt.

Dans les autres cas d'intervention, le porteur peut refuser l'acceptation par intervention. Toutefois s'il l'admet, il perd les recours qui lui appartiennent avant l'échéance contre celui pour qui l'acceptation a été donnée et contre les signataires subséquents.

Article 57.

L'acceptation par intervention est mentionnée sur la lettre de change; elle est signée par l'intervenant. Elle indique pour le compte de qui elle a lieu; à défaut de cette indication, l'acceptation est réputée donnée pour le tireur.

Article 58.

L'accepteur par intervention est obligé envers le porteur et envers les endosseurs postérieurs à celui pour le compte duquel il est intervenu, de la même manière que celui-ci.

Malgré l'acceptation par intervention, celui pour lequel elle a été faite et ses garants peuvent exiger du porteur, contre remboursement de la somme indiquée à l'article 48, la remise de la lettre de change, du protêt et d'un compte acquitté, s'il y a lieu.

3. PAIEMENT PAR INTERVENTION.

Article 59.

Le paiement par intervention peut avoir lieu dans tous les cas où, soit à l'échéance, soit avant l'échéance, des recours sont ouverts au porteur.

Le paiement doit comprendre toute la somme qu'aurait à acquitter celui pour lequel il a lieu.

Il doit être fait au plus tard le lendemain du dernier jour admis pour la confection du protêt faute de paiement.

Article 60.

Si la lettre de change a été acceptée par des intervenants ayant leur domicile au lieu du paiement, ou si des personnes ayant leur domicile dans ce même lieu ont été indiquées pour payer au besoin, le porteur doit présenter la lettre à toutes ces personnes et faire dresser, s'il y a lieu,

When *vis major* has terminated, the holder must without delay present the bill of exchange for acceptance or payment and, if need be, draw up the protest.

If *vis major* continues to operate beyond thirty days after maturity, recourse may be exercised, and neither presentment nor the drawing up of a protest shall be necessary.

In the case of bills of exchange drawn at sight or at a fixed period after sight, the time-limit of thirty days shall run from the date on which the holder, even before the expiration of the time for presentment, has given notice of *vis major* to his endorser. In the case of bills of exchange drawn at a certain time after sight, the above time-limit of thirty days shall be added to the period after sight specified in the bill of exchange.

Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the bill or drawing up of the protest are not deemed to constitute cases of *vis major*.

CHAPTER VIII. — INTERVENTION FOR HONOUR.

I. GENERAL PROVISIONS.

Article 55.

The drawer, an endorser, or a person giving an *aval* may specify a person who is to accept or pay in case of need.

A bill of exchange may, subject as hereinafter mentioned, be accepted or paid by a person who intervenes for the honour of any debtor against whom a right of recourse exists.

The person intervening may be a third party, even the drawee, or, save the acceptor, a party already liable on the bill of exchange.

The person intervening is bound to give, within two business days, notice of his intervention to the party for whose honour he has intervened. In default, he is responsible for the injury, if any, due to his negligence, but the damages shall not exceed the amount of the bill of exchange.

2. ACCEPTANCE BY INTERVENTION (FOR HONOUR).

Article 56.

There may be acceptance by intervention in all cases where the holder has a right of recourse before maturity on a bill which is capable of acceptance.

When the bill of exchange indicates a person who is designated to accept or pay it in case of need at the place of payment, the holder may not exercise his rights of recourse before maturity against the person naming such referee in case of need and against subsequent signatories, unless he has presented the bill of exchange to the referee in case of need and until, if acceptance is refused by the latter, this refusal has been authenticated by a protest.

In other cases of intervention the holder may refuse an acceptance by intervention. Nevertheless, if he allows it, he loses his right of recourse before maturity against the person on whose behalf such acceptance was given and against subsequent signatories.

Article 57.

Acceptance by intervention is specified on the bill of exchange. It is signed by the person intervening. It mentions the person for whose honour it has been given and, in default of such mention, the acceptance is deemed to have been given for the honour of the drawer.

Article 58.

The acceptor by intervention is liable to the holder and to the endorsers, subsequent to the party for whose honour he intervened, in the same manner as such party.

Notwithstanding an acceptance by intervention, the party for whose honour it has been given and the parties liable to him may require the holder, in exchange for payment of the sum mentioned in Article 48, to deliver the bill, the protest, and a receipted account, if any.

3. PAYMENT BY INTERVENTION.

Article 59.

Payment by intervention may take place in all cases where, either at maturity or before maturity, the holder has a right of recourse on the bill.

Payment must include the whole amount payable by the party for whose honour it is made.

It must be made at the latest on the day following the last day allowed for drawing up the protest for non-payment.

Article 60.

If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need, the holder

un protêt faute de paiement au plus tard le lendemain du dernier jour admis pour la confection du protêt.

A défaut de protêt dans ce délai, celui qui a indiqué le besoin ou pour le compte de qui la lettre a été acceptée et les endosseurs postérieurs cessent d'être obligés.

Article 61.

Le porteur qui refuse le paiement par intervention perd ses recours contre ceux qui auraient été libérés.

Article 62.

Le paiement par intervention doit être constaté par un acquit donné sur la lettre de change avec indication de celui pour qui il est fait. A défaut de cette indication, le paiement est considéré comme fait pour le tireur.

La lettre de change et le protêt, s'il en a été dressé un, doivent être remis au payeur par l'intervention.

Article 63.

Le payeur par intervention acquiert les droits résultant de la lettre de change contre celui pour lequel il a payé et contre ceux qui sont tenus vis-à-vis de ce dernier en vertu de la lettre de change. Toutefois, il ne peut endosser la lettre de change à nouveau.

Les endosseurs postérieurs au signataire pour qui le paiement a eu lieu sont libérés.

En cas de concurrence pour le paiement par intervention, celui qui opère le plus de libération est préféré. Celui qui intervient, en connaissance de cause, contrairement à cette règle, perd ses recours contre ceux qui auraient été libérés.

CHAPITRE IX. — DE LA PLURALITÉ D'EXEMPLAIRES ET DES COPIES.

I. PLURALITÉ D'EXEMPLAIRES.

Article 64.

La lettre de change peut être tirée en plusieurs exemplaires identiques.

Ces exemplaires doivent être numérotés dans le texte même du titre; faute de quoi, chacun d'eux est considéré comme une lettre de change distincte.

Tout porteur d'une lettre n'indiquant pas qu'elle a été tirée en un exemplaire unique peut exiger à ses frais la délivrance de plusieurs exemplaires. A cet effet, il doit s'adresser à son endosseur immédiat, qui est tenu de lui prêter ses soins pour agir contre son propre endosseur, et ainsi de suite, en remontant jusqu'au tireur. Les endosseurs sont tenus de reproduire les endossements sur les nouveaux exemplaires.

Article 65.

Le paiement fait sur un des exemplaires est libératoire, alors même qu'il n'est pas stipulé que ce paiement annule l'effet des autres exemplaires. Toutefois, le tiré reste tenu à raison de chaque exemplaire accepté dont il n'a pas obtenu la restitution.

L'endosseur qui a transféré les exemplaires à différentes personnes, ainsi que les endosseurs subséquents, sont tenus à raison de tous les exemplaires portant leur signature et qui n'ont pas été restitués.

Article 66.

Celui qui a envoyé un des exemplaires à l'acceptation doit indiquer sur les autres exemplaires le nom de la personne entre les mains de laquelle cet exemplaire se trouve. Celle-ci est tenue de le remettre au porteur légitime d'un autre exemplaire.

Si elle s'y refuse, le porteur ne peut exercer de recours qu'après avoir fait constater par un protêt:

- 1^o que l'exemplaire envoyé à l'acceptation ne lui a pas été remis sur sa demande;
- 2^o que l'acceptation ou le paiement n'a pu être obtenu sur un autre exemplaire.

2. COPIES.

Article 67.

Tout porteur d'une lettre de change a le droit d'en faire des copies.

La copie doit reproduire exactement l'original avec les endossements et toutes les autres mentions qui y figurent. Elle doit indiquer où elle s'arrête.

Elle peut être endossée et avalisée de la même manière et avec les mêmes effets que l'original.

Article 68.

La copie doit désigner le détenteur du titre original. Celui-ci est tenu de remettre ledit titre au porteur légitime de la copie.

must present the bill to all these persons and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest.

In default of protest within this limit of time, the party who has named the referee in case of need, or for whose account the bill has been accepted, and the subsequent endorsers, are discharged.

Article 61.

The holder who refuses payment by intervention loses his right of recourse against any persons who would have been discharged thereby.

Article 62.

Payment by intervention must be authenticated by a receipt given on the bill of exchange mentioning the person for whose honour payment has been made. In default of such mention, payment is deemed to have been made for the honour of the drawer.

The bill of exchange and the protest, if any, must be given up to the person paying by intervention.

Article 63.

The person paying by intervention acquires the rights arising out of the bill of exchange against the party for whose honour he has paid and against persons who are liable to the latter on the bill of exchange. Nevertheless, he cannot re-endorse the bill of exchange.

Endorsers subsequent to the party for whose honour payment has been made are discharged.

In case of competition for payment by intervention, the payment which effects the greater number of releases has the preference. Any person who, with a knowledge of the facts, intervenes in a manner contrary to this rule, loses his right of recourse against those who would have been discharged.

CHAPTER IX. — PARTS OF A SET, AND COPIES.

I. PARTS OF A SET.

Article 64.

A bill of exchange can be drawn in a set of two or more identical parts.

These parts must be numbered in the body of the instrument itself; in default, each part is considered as a separate bill of exchange.

Every holder of a bill which does not specify that it has been drawn as a sole bill may, at his own expense, require the delivery of two or more parts. For this purpose he must apply to his immediate endorser, who is bound to assist him in proceeding against his own endorser, and so on in the series until the drawer is reached. The endorsers are bound to reproduce their endorsements on the new parts of the set.

Article 65.

Payment made on one part of a set operates as a discharge, even though there is no stipulation that this payment annuls the effect of the other parts. Nevertheless, the drawee is liable on each accepted part which he has not recovered.

An endorser who has transferred parts of a set to different persons, as well as subsequent endorsers, are liable on all the parts bearing their signature which have not been restored.

Article 66.

A party who has sent one part for acceptance must indicate on the other parts the name of the person in whose hands this part is to be found. That person is bound to give it up to the lawful holder of another part.

If he refuses, the holder cannot exercise his right of recourse until he has had a protest drawn up specifying:

- (1) That the part sent for acceptance has not been given up to him on his demand;
- (2) That acceptance or payment could not be obtained on another of the parts.

2. COPIES.

Article 67.

Every holder of a bill of exchange has the right to make copies of it.

A copy must reproduce the original exactly, with the endorsements and all other statements to be found therein. It must specify where the copy ends.

It may be endorsed and guaranteed by *aval* in the same manner and with the same effects as the original.

Article 68.

A copy must specify the person in possession of the original instrument. The latter is bound to hand over the said instrument to the lawful holder of the copy.

S'il s'y refuse, le porteur ne peut exercer de recours contre les personnes qui ont endossé ou avalisé la copie qu'après avoir fait constater par un protêt que l'original ne lui a pas été remis sur sa demande.

Si le titre original, après le dernier endossement survenu avant que la copie ne soit faite, porte la clause: « à partir d'ici l'endossement ne vaut que sur la copie » ou toute autre formule équivalente, un endossement signé ultérieurement sur l'original est nul.

CHAPITRE X. — DES ALTÉRATIONS.

Article 69.

En cas d'altération du texte d'une lettre de change, les signataires postérieurs à cette altération sont tenus dans les termes du texte altéré; les signataires antérieurs le sont dans les termes du texte originaire.

CHAPITRE XI. — DE LA PRESCRIPTION.

Article 70.

Toutes actions résultant de la lettre de change contre l'accepteur se prescrivent par trois ans à compter de la date de l'échéance.

Les actions du porteur contre les endosseurs et contre le tireur se prescrivent par un an à partir de la date du protêt dressé en temps utile ou de celle de l'échéance, en cas de clause de retour sans frais.

Les actions des endosseurs les uns contre les autres et contre le tireur se prescrivent par six mois à partir du jour où l'endosseur a remboursé la lettre ou du jour où il a été lui-même actionné.

Article 71.

L'interruption de la prescription n'a d'effet que contre celui à l'égard duquel l'acte interruptif a été fait.

CHAPITRE XII. — DISPOSITIONS GÉNÉRALES.

Article 72.

Le paiement d'une lettre de change dont l'échéance est à un jour férié légal ne peut être exigé que le premier jour ouvrable qui suit. De même, tous autres actes relatifs à la lettre de change notamment la présentation à l'acceptation et le protêt, ne peuvent être faits qu'un jour ouvrable.

Lorsqu'un de ces actes doit être accompli dans un certain délai dont le dernier jour est un jour férié légal, ce délai est prorogé jusqu'au premier jour ouvrable qui en suit l'expiration. Les jours fériés intermédiaires sont compris dans la computation du délai.

Article 73.

Les délais légaux ou conventionnels ne comprennent pas le jour qui leur sert de point de départ.

Article 74.

Aucun jour de grâce, ni légal ni judiciaire n'est admis.

TITRE II.

DU BILLET A ORDRE.

Article 75.

Le billet à ordre contient:

- 1^o la dénomination du titre insérée dans le texte même et exprimée dans la langue employée pour la rédaction de ce titre;
- 2^o la promesse pure et simple de payer une somme déterminée;
- 3^o l'indication de l'échéance;
- 4^o celle du lieu où le paiement doit s'effectuer;
- 5^o le nom de celui auquel ou à l'ordre duquel le paiement doit être fait;
- 6^o l'indication de la date et du lieu où le billet est souscrit;
- 7^o la signature de celui qui émet le titre (souscripteur).

If he refuses, the holder may not exercise his right of recourse against the persons who have endorsed the copy or guaranteed it by *aval* until he has had a protest drawn up specifying that the original has not been given up to him on his demand.

Where the original instrument, after the last endorsement before the making of the copy, contains a clause "commencing from here an endorsement is only valid if made on the copy" or some equivalent formula, a subsequent endorsement on the original is null and void.

CHAPTER X. — ALTERATIONS.

Article 69.

In case of alteration of the text of a bill of exchange, parties who have signed subsequent to the alteration are bound according to the terms of the altered text; parties who have signed before the alteration are bound according to the terms of the original text.

CHAPTER XI. — LIMITATION OF ACTIONS.

Article 70.

All actions arising out of a bill of exchange against the acceptor are barred after three years, reckoned from the date of maturity.

Actions by the holder against the endorsers and against the drawer are barred after one year from the date of a protest drawn up within proper time, or from the date of maturity where there is a stipulation *retour sans frais*.

Actions by endorsers against each other and against the drawer are barred after six months, reckoned from the day when the endorser took up and paid the bill or from the day when he himself was sued.

Article 71.

Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.

CHAPTER XII. — GENERAL PROVISIONS.

Article 72.

Payment of a bill of exchange which falls due on a legal holiday (*jour férié légal*) cannot be demanded until the next business day. So, too, all other proceedings relating to a bill of exchange, in particular, presentment] for acceptance and protest, can only be taken on a business day.

Where any of these proceedings must be taken within a certain limit of time the last day of which is a legal holiday (*jour férié légal*), the limit of time is extended until the first business day which follows the expiration of that time. Intermediate holidays (*jours fériés*) are included in computing limits of time.

Article 73.

Legal or contractual limits of time do not include the day on which the period commences.

Article 74.

No days of grace, whether legal or judicial, are permitted.

TITLE II.

PROMISSORY NOTES.

Article 75.

A promissory note contains:

- (1) The term "promissory note" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
- (2) An unconditional promise to pay a determinate sum of money;
- (3) A statement of the time of payment;
- (4) A statement of the place where payment is to be made;
- (5) The name of the person to whom or to whose order payment is to be made;
- (6) A statement of the date and of the place where the promissory note is issued;
- (7) The signature of the person who issues the instrument (maker).

Article 76.

Le titre dans lequel une des énonciations indiquées à l'article précédent fait défaut ne vaut pas comme billet à ordre, sauf dans les cas déterminés par les alinéas suivants.

Le billet à ordre dont l'échéance n'est pas indiquée est considéré comme payable à vue.

A défaut d'indication spéciale, le lieu de création du titre est réputé être le lieu du paiement et, en même temps, le lieu du domicile du souscripteur.

Le billet à ordre n'indiquant pas le lieu de sa création est considéré comme souscrit dans le lieu désigné à côté du nom du souscripteur.

Article 77.

Sont applicables au billet à ordre, en tant qu'elles ne sont pas incompatibles avec la nature de ce titre, les dispositions relatives à la lettre de change et concernant :

l'endossement (articles 11-20);
l'échéance (articles 33-37);
le paiement (articles 38-42);
les recours faute de paiement (articles 43-50, 52-54);
le paiement par intervention (articles 55, 59-63);
les copies (articles 67 et 68);
les altérations (article 69);
la prescription (articles 70-71);
les jours fériés, la computation des délais et l'interdiction des jours de grâce (articles 72, 73 et 74).

Sont aussi applicables au billet à ordre les dispositions concernant la lettre de change payable chez un tiers ou dans une localité autre que celle du domicile du tiré (articles 4 et 27), la stipulation d'intérêts (article 5), les différences d'énonciation relatives à la somme à payer (article 6), les conséquences de l'apposition d'une signature dans les conditions visées à l'article 7, celles de la signature d'une personne qui agit sans pouvoirs ou en dépassant ses pouvoirs (article 8), et la lettre de change en blanc (article 10).

Sont également applicables au billet à ordre, les dispositions relatives à l'aval (articles 30 à 32); dans le cas prévu à l'article 31, dernier alinéa, si l'aval n'indique pas pour le compte de qui il a été donné, il est réputé l'avoir été pour le compte du souscripteur du billet à ordre.

Article 78.

Le souscripteur d'un billet à ordre est obligé de la même manière que l'accepteur d'une lettre de change.

Les billets à ordre payables à un certain délai de vue doivent être présentés au visa du souscripteur dans les délais fixés à l'article 23. Le délai de vue court de la date du visa signé du souscripteur sur le billet. Le refus du souscripteur de donner son visa daté est constaté par un protêt (article 25) dont la date sert de point de départ au délai de vue.

ANNEXE II.

Article 1.

Chacune des Hautes Parties contractantes peut prescrire que l'obligation d'insérer dans les lettres de change créées sur son territoire la dénomination de « lettre de change » prévue par l'article I, N° I de la loi uniforme, ne s'appliquera que six mois après l'entrée en vigueur de la présente Convention.

Article 2.

Chacune des Hautes Parties contractantes a, pour les engagements pris en matière de lettre de change sur son territoire, la faculté de déterminer de quelle manière il peut être suppléé à la signature elle-même, pourvu qu'une déclaration authentique inscrite sur la lettre de change constate la volonté de celui qui aurait dû signer.

Article 3.

Chacune des Hautes Parties contractantes se réserve la faculté de ne pas insérer l'article 10 de la loi uniforme dans sa loi nationale.

Article 4.

Par dérogation à l'article 31, alinéa premier de la loi uniforme, chacune des Hautes Parties contractantes a la faculté d'admettre qu'un aval pourra être donné sur son territoire par un acte séparé indiquant le lieu où il est intervenu.

Article 76.

An instrument in which any of the requirements mentioned in the preceding article are wanting is invalid as a promissory note except in the cases specified in the following paragraphs.

A promissory note in which the time of payment is not specified is deemed to be payable at sight.

In default of special mention, the place where the instrument is made is deemed to be the place of payment and at the same time the place of the domicile of the maker.

A promissory note which does not mention the place of its issue is deemed to have been made in the place mentioned beside the name of the maker.

Article 77.

The following provisions relating to bills of exchange apply to promissory notes so far as they are not inconsistent with the nature of these instruments, viz.:

- Endorsement (Articles 11 to 20);
- Time of payment (Articles 33 to 37);
- Payment (Articles 38 to 42);
- Recourse in case of non-payment (Articles 43 to 50, 52 to 54);
- Payment by intervention (Articles 55, 59 to 63);
- Copies (Articles 67 and 68);
- Alterations (Article 69);
- Limitation of actions (Articles 70 and 71);
- Holidays, computation of limits of time and prohibition of days of grace (Articles 72, 73 and 74).

The following provisions are also applicable to a promissory note: The provisions concerning a bill of exchange payable at the address of a third party or in a locality other than that of the domicile of the drawee (Articles 4 and 27); stipulation for interest (Article 5); discrepancies as regards the sum payable (Article 6); the consequences of signature under the conditions mentioned in Article 7, the consequences of signature by a person who acts without authority or who exceeds his authority (Article 8); and provisions concerning a bill of exchange in blank (Article 10).

The following provisions are also applicable to a promissory note: Provisions relating to guarantee by *aval* (Articles 30-32); in the case provided for in Article 31, last paragraph, if the *aval* does not specify on whose behalf it has been given, it is deemed to have been given on behalf of the maker of the promissory note.

Article 78.

The maker of a promissory note is bound in the same manner as an acceptor of a bill of exchange.

Promissory notes payable at a certain time after sight must be presented for the visa of the maker within the limits of time fixed by Article 23. The limit of time runs from the date of the visa signed by the maker on the note. The refusal of the maker to give his visa with the date thereon must be authenticated by a protest (Article 25), the date of which marks the commencement of the period of time after sight.

ANNEX II.

Article 1.

Each of the High Contracting Parties may stipulate that the obligation to insert in bills of exchange issued in its territory the term "bill of exchange", as laid down in Article 1, 1, of the Uniform Law, shall not apply until six months after the entry into force of the present Convention.

Article 2.

Each of the High Contracting Parties has, as regards undertakings entered into in respect of bills of exchange in its own territory, the right to determine in what manner an actual signature may be replaced by an authentic declaration written on the bill which evidences the consent of the party who should have signed.

Article 3.

Each of the High Contracting Parties reserves the right not to embody Article 10 of the Uniform Law in its national law.

Article 4.

By way of derogation from Article 31, paragraph 1, of the Uniform Law, each of the High Contracting Parties shall have the right to decide that an *aval* may be given in its territory by a separate instrument specifying the place in which the instrument has been executed.

Article 5.

Chacune des Hautes Parties contractantes peut compléter l'article 38 de la loi uniforme en ce sens que, pour une lettre de change payable sur son territoire, le porteur sera obligé de la présenter le jour même de l'échéance; l'inobservation de cette obligation ne pourra donner lieu qu'à des dommages-intérêts.

Les autres Hautes Parties contractantes auront la faculté de déterminer les conditions sous lesquelles elles reconnaîtront une telle obligation.

Article 6.

Il appartiendra à chacune des Hautes Parties contractantes de déterminer, pour l'application du dernier alinéa de l'article 38 de la loi uniforme, les institutions qui, selon la loi nationale, sont à considérer comme chambres de compensation.

Article 7.

Chacune des Hautes Parties contractantes a la faculté de déroger si elle le juge nécessaire, en des circonstances exceptionnelles ayant trait au cours du change de la monnaie de cet Etat, aux effets de la clause prévue à l'article 41 et relative au paiement effectif en une monnaie étrangère en ce qui concerne les lettres de change payables sur son territoire. La même règle peut être appliquée pour ce qui concerne la création des lettres de change en monnaies étrangères sur le territoire national.

Article 8.

Chacune des Hautes Parties contractantes a la faculté de prescrire que les protêts à dresser sur son territoire peuvent être remplacés par une déclaration datée et écrite sur la lettre de change elle-même, signée par le tiré, sauf dans le cas où le tireur exige dans le texte de la lettre de change un protêt par acte authentique.

Chacune des Hautes Parties contractantes a également la faculté de prescrire que ladite déclaration soit transcrite sur un registre public dans le délai fixé pour les protêts.

Dans le cas prévu aux alinéas précédents l'endossement sans date est présumé avoir été fait antérieurement au protêt.

Article 9.

Par dérogation à l'article 44, alinéa 3 de la loi uniforme, chacune des Hautes Parties contractantes a la faculté de prescrire que le protêt faute de paiement doit être dressé soit le jour où la lettre de change est payable, soit l'un des deux jours ouvrables qui suivent.

Article 10.

Il est réservé à la législation de chacune des Hautes Parties contractantes de déterminer de façon précise les situations juridiques visées à l'article 43, numéros 2 et 3, et à l'article 44, alinéas 5 et 6 de la loi uniforme.

Article 11.

Par dérogation aux dispositions des articles 43, numéros 2 et 3, et 74 de la loi uniforme, chacune des Hautes Parties contractantes se réserve la faculté d'admettre dans sa législation la possibilité pour les garants d'une lettre de change d'obtenir, en cas de recours exercé contre eux, des délais, qui, en aucun cas, ne pourront dépasser l'échéance de la lettre de change.

Article 12.

Par dérogation à l'article 45 de la loi uniforme, chacune des Hautes Parties contractantes a la faculté de maintenir ou d'introduire le système d'avis à donner par l'officier public, savoir: qu'en effectuant le protêt faute d'acceptation ou faute de paiement, le notaire ou le fonctionnaire qui, d'après la loi nationale, est autorisé à dresser le protêt est tenu d'en donner avis par écrit à celles des personnes obligées dans la lettre de change dont les adresses sont soit indiquées sur la lettre de change, soit connues par l'officier public dressant le protêt, soit indiquées par les personnes ayant exigé le protêt. Les dépenses résultant d'un tel avis sont à ajouter aux frais de protêt.

Article 13.

Chacune des Hautes Parties contractantes a la faculté de prescrire en ce qui concerne les lettres de change qui sont à la fois émises et payables sur son territoire, que le taux d'intérêt, dont il est question à l'article 48, numéro 2 et à l'article 49, numéro 2 de la loi uniforme, pourra être remplacé par le taux légal en vigueur dans le territoire de cette Haute Partie contractante.

Article 14.

Par dérogation à l'article 48 de la loi uniforme chacune des Hautes Parties contractantes se réserve la faculté d'insérer dans la loi nationale une disposition prescrivant que le porteur peut réclamer à celui contre lequel il exerce son recours un droit de commission dont le montant sera déterminé par la loi nationale.

Il en est de même, par dérogation à l'article 49 de la loi uniforme, en ce qui concerne la personne qui, ayant remboursé la lettre de change, en réclame le montant à ses garants.

Article 5.

Each of the High Contracting Parties may supplement Article 38 of the Uniform Law so as to provide that the holder of a bill of exchange payable in its territory shall be obliged to present it on the actual day of maturity. Failure to comply with this obligation may only give rise to a right to damages.

The other High Contracting Parties shall have the right to determine the conditions subject to which such obligation will be recognised by them.

Article 6.

For the purpose of giving effect to the last paragraph of Article 38 of the Uniform Law, each of the High Contracting Parties shall determine the institutions which, according to its national law, are to be regarded as clearing-houses.

Article 7.

Each of the High Contracting Parties shall have the right, if it deems fit, in exceptional circumstances connected with the rate of exchange in such State, to derogate from the stipulation contained in Article 41 for effective payment in foreign currency as regards bills of exchange payable in its territory. The above rule may also be applied as regards the issue in the national territory of bills of exchange payable in foreign currencies.

Article 8.

Each of the High Contracting Parties may prescribe that protests to be drawn up in its territory may be replaced by a declaration dated and written on the bill itself, and signed by the drawee, except where the drawer stipulates in the body of the bill of exchange itself for an authenticated protest.

Each of the High Contracting Parties may also prescribe that the said declaration shall be inscribed in a public register within the limit of time fixed for protests.

In the case provided for in the preceding paragraphs, an undated endorsement is presumed to have been made prior to the protest.

Article 9.

By way of derogation from Article 44, paragraph 3, of the Uniform Law, each of the High Contracting Parties has the right to prescribe that a protest for non-payment must be drawn up either on the day when the bill is payable or on one of the two following business days.

Article 10.

It is reserved to the legislation of each of the High Contracting Parties to determine the exact legal situations referred to in Article 43, Nos. 2 and 3, and in Article 44, paragraphs 5 and 6, of the Uniform Law.

Article 11.

By way of derogation from the provisions of Article 43, Nos. 2 and 3, and Article 74 of the Uniform Law, each of the High Contracting Parties reserves the right to include in its legislation the possibility for persons guaranteeing a bill of exchange to obtain, in the event of recourse being exercised against them, periods of grace which may in no case extend beyond the maturity of the bill.

Article 12.

By way of derogation from Article 45 of the Uniform Law, each of the High Contracting Parties shall be entitled to maintain or introduce the following system of notification by the public official, viz., that, when protesting for non-acceptance or non-payment, the notary or official who, under the national law, is authorised to draw up the protest, is required to give notice in writing to the persons liable under the bill of exchange whose addresses are specified in the bill, or are known to the public official drawing up the protest, or are specified by the persons demanding the protest. The costs of such notice shall be added to the costs of the protest.

Article 13.

Each of the High Contracting Parties is entitled to prescribe, as regards bills of exchange which are both issued and payable in its territory, that the rate of interest mentioned in Article 48, No. 2, and Article 49, No. 2, of the Uniform Law may be replaced by the legal rate in force in the territory of that High Contracting Party.

Article 14.

By derogation from Article 48 of the Uniform Law each of the High Contracting Parties reserves the right to insert in its national law a rule prescribing that the holder may claim from the party against whom he is exercising his right of recourse a commission the amount of which shall be determined by the national law.

The same applies, by derogation from Article 49 of the Uniform Law, to a person who, having taken up and paid the bill of exchange, claims the amount from the parties liable to him.

Article 15.

Chacune des Hautes Parties contractantes est libre de décider que, dans le cas de déchéance ou de prescription, il subsistera sur son territoire une action contre le tireur qui n'a pas fait provision ou contre un tireur ou un endosseur qui se serait enrichi injustement. La même faculté existe, en cas de prescription, en ce qui concerne l'accepteur qui a reçu provision ou se serait enrichi injustement.

Article 16.

La question de savoir si le tireur est obligé de fournir provision à l'échéance et si le porteur a des droits spéciaux sur cette provision reste en dehors de la loi uniforme.

Il en est de même pour toute autre question concernant le rapport sur la base duquel a été émise la traite.

Article 17.

C'est à la législation de chacune des Hautes Parties contractantes qu'il appartient de déterminer les causes d'interruption et de suspension de la prescription des actions résultant d'une lettre de change dont ses tribunaux ont à connaître.

Les autres Hautes Parties contractantes ont la faculté de déterminer les conditions auxquelles elles reconnaîtront de pareilles causes. Il en est de même de l'effet d'une action comme moyen de faire courir le délai de prescription prévu par l'article 70, alinéa 3 de la loi uniforme.

Article 18.

Chacune des Hautes Parties contractantes a la faculté de prescrire que certains jours ouvrables seront assimilés aux jours fériés légaux en ce qui concerne la présentation à l'acceptation ou au paiement et tous autres actes relatifs à la lettre de change.

Article 19.

Chacune des Hautes Parties contractantes peut déterminer la dénomination à adopter dans les lois nationales pour les titres visés à l'article 75 de la loi uniforme ou dispenser ces titres de toute dénomination spéciale pourvu qu'ils contiennent l'indication expresse qu'ils sont à ordre.

Article 20.

Les dispositions des articles 1 à 18 de la présente annexe, relatives à la lettre de change, s'appliquent également au billet à ordre.

Article 21.

Chacune des Hautes Parties contractantes se réserve la faculté de restreindre l'engagement mentionné dans l'article premier de la Convention aux seules dispositions sur la lettre de change et de ne pas introduire dans son territoire les dispositions sur le billet à ordre contenues dans le titre II de la loi uniforme. Dans ce cas, la Haute Partie contractante qui a profité de cette réserve ne sera considérée comme partie contractante que pour ce qui concerne la lettre de change.

Chacune des Hautes Parties contractantes se réserve également la faculté de faire des dispositions concernant le billet à ordre l'objet d'un règlement spécial qui sera entièrement conforme aux stipulations du titre II de la loi uniforme et qui reproduira les règles sur la lettre de change auxquelles il est renvoyé, sous les seules modifications résultant des articles 75, 76, 77 et 78 de la loi uniforme et des articles 19 et 20 de la présente annexe.

Article 22.

Chacune des Hautes Parties contractantes a la faculté d'édicter des dispositions exceptionnelles d'ordre général relatives à la prorogation des délais concernant les actes conservatoires des recours et à la prorogation des échéances.

Article 23.

Chacune des Hautes Parties contractantes s'engage à reconnaître les dispositions adoptées par toute Haute Partie contractante en vertu des articles 1 à 4, 6, 8 à 16 et 18 à 21 de la présente annexe.

Article 15.

Each of the High Contracting Parties is free to decide that, in the event of extinctive prescription (*déchéance*) or limitation of actions (*prescription*), proceedings may be taken in its territory against a drawer who has not provided cover (*provision*) for the bill, or against a drawer or endorser who has made an inequitable gain. The same right exists in the case of limitation of action as regards an acceptor who has received cover or made an inequitable gain (*se serait enrichi injustement*).

Article 16.

The question whether the drawer is obliged to provide cover (*provision*) at maturity and whether the holder has special rights to this cover remains outside the scope of the Uniform Law. The same applies to any other question concerning the legal relations on the basis of which the bill was issued.

Article 17.

It is for the legislation of each of the High Contracting Parties to determine the causes of interruption or suspension of limitation (*prescription*) in the case of actions on bills of exchange which come before its courts.

The other High Contracting Parties are entitled to determine the conditions subject to which they will recognise such causes. The same applies to the effect of an action as a means of indicating the commencement of the period of limitation* (*prescription*) laid down in Article 70, paragraph 3, of the Uniform Law.

Article 18.

Each of the High Contracting Parties has the right to prescribe that certain business days shall be assimilated to legal holidays (*jours fériés légaux*) as regards presentment for acceptance or payment and all other acts relating to bills of exchange.

Article 19.

Each of the High Contracting Parties may determine the denomination to be adopted in the national laws for the instruments referred to in Article 75 of the Uniform Law, or may exempt them from any special denomination, provided that they contain an express mention that they are drawn to order.

Article 20.

The provisions of Articles 1 to 18 of the present Annex with regard to bills of exchange apply likewise to promissory notes.

Article 21.

Each of the High Contracting Parties reserves the right to restrict the undertaking mentioned in Article 1 of the Convention to the provisions dealing with bills of exchange only, and not to introduce into its territory the provisions dealing with promissory notes contained in Title II of the Uniform Law. In this case the High Contracting Party making use of this reservation shall only be regarded as a contracting party in respect of bills of exchange.

Each of the High Contracting Parties further reserves the right to embody the provisions concerning promissory notes in a special regulation, which shall exactly conform to the stipulations in Title II of the Uniform Law and which shall reproduce the rules on bills of exchange to which reference is made, subject only to the modifications resulting from Articles 75, 76, 77 and 78 of the Uniform Law and from Articles 19 and 20 of the present Annex.

Article 22.

Each of the High Contracting Parties has the right to adopt exceptional measures of a general nature relating to the extension of the limits of time for conservatory measures in relation to recourse (*actes conservatoires des recours*) and to the extension of maturities.

Article 23.

Each of the High Contracting Parties undertakes to recognise the provisions adopted by every other High Contracting Party in virtue of Articles 1 to 4, 6, 8 to 16 and 18 to 21 of the present Annex.

PROTOCOLE DE LA CONVENTION.

Au moment de procéder à la signature de la Convention, en date de ce jour, portant Loi uniforme sur les lettres de change et billets à ordre, les soussignés, dûment autorisés, sont convenus des dispositions suivantes:

A.

Les Membres de la Société des Nations et les Etats non membres qui n'auraient pas été en mesure d'effectuer avant le 1^{er} septembre 1932 le dépôt de leur ratification sur ladite Convention s'engagent à adresser, dans les quinze jours suivant cette date, une communication au Secrétaire général de la Société des Nations, pour lui faire connaître la situation dans laquelle ils se trouvent en ce qui concerne la ratification.

B.

Si, à la date du 1^{er} novembre 1932, les conditions prévues à l'article VI, alinéa 1, pour l'entrée en vigueur de la Convention, ne sont pas remplies, le Secrétaire général de la Société des Nations convoquera une réunion des Membres de la Société des Nations et des Etats non membres qui auraient signé la Convention ou y auraient adhéré.

Cette réunion aura pour objet l'examen de la situation et des mesures à prendre, le cas échéant, pour y faire face.

C.

Les Hautes Parties contractantes se communiqueront réciproquement dès leur mise en vigueur, les dispositions législatives qu'elles établiront sur leurs territoires respectifs en exécution de la Convention.

PROTOCOL TO THE CONVENTION.

At the time of signing the Convention of this day's date providing a Uniform Law for bills of exchange and promissory notes, the undersigned, duly authorised, have agreed upon the following provisions:

A.

The Members of the League of Nations and the non-Member States who may not have been able to deposit their ratifications of the said Convention before September 1st, 1932, undertake to forward, within fifteen days from that date, a communication to the Secretary-General of the League of Nations informing him of their situation as regards ratification.

B.

If on November 1st, 1932, the conditions laid down in the first paragraph of Article VI for the entry into force of the Convention are not fulfilled, the Secretary-General of the League of Nations shall convene a meeting of the Members of the League and the non-Member States which have signed the Convention or acceded to it.

The purpose of this meeting shall be to examine the situation and any measures to be taken to remedy it.

C.

The High Contracting Parties shall communicate to each other, immediately upon their coming into force, the legislative measures taken by them in execution of the Convention in their respective territories.

EN FOI DE QUOI, les plénipotentiaires ont signé le présent Protocole.

FAIT à Genève, le sept juin mil neuf cent trente, en simple expédition qui sera déposée dans les archives du Secrétariat de la Société des Nations; copie conforme en sera transmise à tous les Membres de la Société des Nations et à tous les Etats non membres représentés à la Conférence.

IN FAITH WHEREOF the Plenipotentiaries have signed the present Protocol.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

ALLEMAGNE

Leo QUASSOWSKI
D^r ALBRECHT
D^r ULLMANN

GERMANY

AUTRICHE

D^r STROBELE

AUSTRIA

BELGIQUE

V^{te} P. POULLET
DE LA VALLÉE-POUSSIN

BELGIUM

BRÉSIL

Deoclecio DE CAMPOS

BRAZIL

COLOMBIE

A. J. RESTREPO

COLOMBIA

DANEMARK

A. HELPER
V. EIGTVED

DENMARK

VILLE LIBRE DE DANTZIG

SUŁKOWSKI.

FREE CITY OF DANZIG

ÉQUATEUR

Alex. GASTELÚ

ECUADOR

ESPAGNE

Juan GOMEZ MONTEJO

SPAIN

FINLANDE

F. GRÖNVALL

FINLAND

FRANCE

J. PERCEROU

FRANCE

GRÈCE

R. RAPHAËL

GREECE

HONGRIE

D^r BARANYAI Zoltán

HUNGARY

ITALIE

Amedeo GIANNINI

ITALY

JAPON

M. OHNO
T. SHIMADA

JAPAN

LUXEMBOURG

Ch. G. VERMAIRE

LUXEMBURG

NORVÈGE

STUB HOLMBOE

NORWAY

PAYS-BAS

MOLENGRAAFF

THE NETHERLANDS

PÉROU

J. M. BARRETO

PERU

POLOGNE

SUŁKOWSKI

POLAND

PORTUGAL

José CAEIRO DA MATTA

PORTUGAL

SUÈDE

E. MARKS VON WÜRTEMBERG
Birger EKEBERG

SWEDEN

SUISSE

VISCHER

SWITZERLAND

TCHÉCOSLOVAQUIE

Prof. D^r Karel HERMANN-OTAVSKÝ

CZECHOSLOVAKIA

TURQUIE

Ad referendum
MEHMED MUNIR

TURKEY

YOUGOSLAVIE

I. CHOUMENKOVITCH

YUGOSLAVIA

**CONVENTION DESTINÉE A RÉGLER CERTAINS CONFLITS
DE LOIS EN MATIÈRE DE LETTRES DE CHANGE
ET DE BILLETS A ORDRE**
(avec Protocole).

LE PRÉSIDENT DU REICH ALLEMAND; LE PRÉSIDENT FÉDÉRAL DE LA RÉPUBLIQUE D'AUTRICHE; SA MAJESTÉ LE ROI DES BELGES; LE PRÉSIDENT DE LA RÉPUBLIQUE DES ETATS-UNIS DU BRÉSIL; LE PRÉSIDENT DE LA RÉPUBLIQUE DE COLOMBIE; SA MAJESTÉ LE ROI DE DANEMARK; LE PRÉSIDENT DE LA RÉPUBLIQUE DE POLOGNE, POUR LA VILLE LIBRE DE DANTZIG; LE PRÉSIDENT DE LA RÉPUBLIQUE DE L'ÉQUATEUR; SA MAJESTÉ LE ROI D'ESPAGNE; LE PRÉSIDENT DE LA RÉPUBLIQUE DE FINLANDE; LE PRÉSIDENT DE LA RÉPUBLIQUE FRANÇAISE; LE PRÉSIDENT DE LA RÉPUBLIQUE HELLÉNIQUE; SON ALTESSE SÉRÉNISSIME LE RÉGENT DU ROYAUME DE HONGRIE; SA MAJESTÉ LE ROI D'ITALIE; SA MAJESTÉ L'EMPEREUR DU JAPON; SON ALTESSE ROYALE LA GRANDE-DUCHESSE DE LUXEMBOURG; SA MAJESTÉ LE ROI DE NORVÈGE; SA MAJESTÉ LA REINE DES PAYS-BAS; LE PRÉSIDENT DE LA RÉPUBLIQUE DU PÉROU; LE PRÉSIDENT DE LA RÉPUBLIQUE DE POLOGNE; LE PRÉSIDENT DE LA RÉPUBLIQUE PORTUGAISE; SA MAJESTÉ LE ROI DE SUÈDE; LE CONSEIL FÉDÉRAL SUISSE; LE PRÉSIDENT DE LA RÉPUBLIQUE TCHÉCOSLOVAQUE; LE PRÉSIDENT DE LA RÉPUBLIQUE TURQUE; SA MAJESTÉ LE ROI DE YOUGOSLAVIE,

Désireux d'adopter des règles pour résoudre certains conflits de lois en matière de lettre de change et de billet à ordre, ont désigné pour leurs plénipotentiaires savoir:

Le Président du Reich allemand :

M. Leo QUASSOWSKI, Conseiller ministériel au Ministère de la Justice du Reich;
Le docteur Erich ALBRECHT, Conseiller de Légation au Ministère des Affaires étrangères du Reich;
Le docteur Fritz ULLMANN, Juge au Tribunal de Berlin.

Le Président fédéral de la République d'Autriche :

Le docteur Guido STROBELE, Conseiller ministériel au Ministère fédéral de la Justice.

Sa Majesté le Roi des Belges :

Le vicomte POULLET, Ministre d'Etat, membre de la Chambre des Représentants;
M. J. DE LA VALLÉE POUSSIN, Secrétaire général du Ministère des Sciences et des Arts.

Le Président de la République des Etats-Unis du Brésil :

M. Deoclecio DE CAMPOS, Attaché commercial à Rome, ancien Professeur à la Faculté de droit de Para.

CONVENTION FOR THE SETTLEMENT OF CERTAIN CONFLICTS
OF LAWS IN CONNECTION WITH BILLS OF EXCHANGE
AND PROMISSORY NOTES.

(with Protocol).

THE PRESIDENT OF THE GERMAN REICH; THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC; HIS MAJESTY THE KING OF THE BELGIANS; THE PRESIDENT OF THE REPUBLIC OF THE UNITED STATES OF BRAZIL; THE PRESIDENT OF THE REPUBLIC OF COLOMBIA; HIS MAJESTY THE KING OF DENMARK; THE PRESIDENT OF THE POLISH REPUBLIC, FOR THE FREE CITY OF DANZIG; THE PRESIDENT OF THE REPUBLIC OF ECUADOR; HIS MAJESTY THE KING OF SPAIN; THE PRESIDENT OF THE REPUBLIC OF FINLAND; THE PRESIDENT OF THE FRENCH REPUBLIC; THE PRESIDENT OF THE HELLENIC REPUBLIC; HIS SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY; HIS MAJESTY THE KING OF ITALY; HIS MAJESTY THE EMPEROR OF JAPAN; HER ROYAL HIGHNESS THE GRAND-DUCHESS OF LUXEMBURG; HIS MAJESTY THE KING OF NORWAY; HER MAJESTY THE QUEEN OF THE NETHERLANDS; THE PRESIDENT OF THE REPUBLIC OF PERU; THE PRESIDENT OF THE POLISH REPUBLIC; THE PRESIDENT OF THE PORTUGUESE REPUBLIC; HIS MAJESTY THE KING OF SWEDEN; THE SWISS FEDERAL COUNCIL; THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC; THE PRESIDENT OF THE TURKISH REPUBLIC; HIS MAJESTY THE KING OF YUGOSLAVIA,

Being desirous of adopting rules to settle certain conflicts of laws in connection with bills of exchange and promissory notes, have appointed as their Plenipotentiaries the following:

The President of the German Reich:

M. Leo QUASSOWSKI, Ministerial Counsellor in the Reich Ministry of Justice;
Dr. Erich ALBRECHT, Counsellor of Legation in the Reich Ministry for Foreign Affairs;
Dr. Fritz ULLMANN, Judge at the Court of Berlin.

The Federal President of the Austrian Republic:

Dr. Guido STROBELE, Ministerial Counsellor in the Federal Ministry of Justice.

His Majesty the King of the Belgians:

Viscount POULLET, Minister of State, Member of the House of Representatives;
M. J. DE LA VALLÉE POUSSIN, Secretary-General of the Ministry of Science and Arts.

The President of the Republic of the United States of Brazil:

M. Deoclecio DE CAMPOS, Commercial Attaché at Rome, formerly Professor in the Faculty of Law of Para.

Le Président de la République de Colombie :

M. A. José RESTREPO, Envoyé extraordinaire et Ministre plénipotentiaire, Délégué permanent auprès de la Société des Nations.

Sa Majesté le Roi de Danemark :

M. Axel HELPER, Conseiller ministériel au Ministère du Commerce et de l'Industrie;
M. Valdemar EIGTVED, Directeur de la « Privatbanken » à Copenhague.

Le Président de la République de Pologne, pour la Ville libre de Dantzig :

M. Józef SUŁKOWSKI, Professeur à l'Université de Poznan, Membre de la Commission de codification de Pologne.

Le Président de la République de l'Equateur :

Le docteur Alexandro GASTELÚ, Vice-Consul à Genève.

Sa Majesté le Roi d'Espagne :

Le docteur Juan GOMEZ MONTEJO, Chef de section du Corps des juristes du Ministère de la Justice.

Le Président de la République de Finlande :

M. Filip GRÖNVALL, Conseiller d'Etat, membre de la Haute Cour administrative de Helsinki.

Le Président de la République française :

M. L. J. PERCEROU, Professeur à la Faculté de droit de Paris.

Le Président de la République hellénique :

M. R. RAPHAËL, Délégué permanent auprès de la Société des Nations, Chargé d'affaires à Berne.

Son Altesse Sérénissime le Régent du Royaume de Hongrie :

M. Zoltán BARANYAI, Chargé d'affaires *a.i.* de la Délégation hongroise auprès de la Société des Nations.

Sa Majesté le Roi d'Italie :

M. Amedeo GIANNINI, Conseiller d'Etat, Ministre plénipotentiaire.

The President of the Republic of Colombia:

M. A. José RESTREPO, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

His Majesty the King of Denmark:

M. Axel HELPER, Ministerial Counsellor in the Ministry of Commerce and Industry;
M. Valdemar EIGTVED, General Manager of the "Privatbanken", Copenhagen.

The President of the Polish Republic, for the Free City of Danzig:

M. Józef SUŁKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

The President of the Republic of Ecuador:

Dr. Alexandro GASTELÚ, Vice-Consul at Geneva.

His Majesty the King of Spain:

Dr. Juan GOMEZ MONTEJO, Head of Section of the Corps of Jurists in the Ministry of Justice.

The President of the Republic of Finland:

M. Filip GRÖNVALL, Counsellor of State, Member of the Higher Administrative Court at Helsinki.

The President of the French Republic:

M. L. J. PERCEROU, Professor in the Faculty of Law of Paris.

The President of the Hellenic Republic:

M. R. RAPHAËL, Permanent Delegate accredited to the League of Nations, Chargé d'Affaires at Berne.

His Serene Highness the Regent of the Kingdom of Hungary:

M. Zoltán BARANYAI, Chargé d'Affaires *a.i.* of the Hungarian Delegation accredited to the League of Nations.

His Majesty the King of Italy:

M. Amedeo GIANNINI, Counsellor of State, Minister Plenipotentiary.

Sa Majesté l'Empereur du Japon :

M. Morie OHNO, Envoyé extraordinaire et Ministre plénipotentiaire près le Président fédéral de la République d'Autriche;
M. Tetsukichi SHIMADA, Juge à la Cour de Cassation de Tokio.

Son Altesse Royale la Grande-Duchesse de Luxembourg :

M. Ch. G. VERMAIRE, Consul à Genève.

Sa Majesté le Roi de Norvège :

M. C. STUB HOLMBOE, Avocat.

Sa Majesté la Reine des Pays-Bas :

Le docteur W. L. P. A. MOLENGRAAFF, Professeur émérite de l'Université d'Utrecht.

Le Président de la République du Pérou :

M. José Maria BARRETO, Chef du Bureau permanent du Pérou auprès de la Société des Nations.

Le Président de la République de Pologne :

M. Józef SUŁKOWSKI, Professeur à l'Université de Poznan, Membre de la Commission de codification de Pologne.

Le Président de la République portugaise :

Le docteur José CAEIRO DA MATTA, Recteur de l'Université de Lisbonne, Professeur à la Faculté de droit, Directeur de la Banque de Portugal.

Sa Majesté le Roi de Suède :

Le baron E. MARKS VON WÜRTEMBERG, Président de la Cour d'Appel de Stockholm, ancien Ministre des Affaires étrangères;
M. Birger EKEBERG, Président de la Commission de législation civile, ancien Ministre de la Justice, ancien membre de la Cour Suprême.

Le Conseil fédéral suisse :

Le docteur Max VISCHER, Avocat et notaire, premier Secrétaire de l'Association suisse des Banquiers.

His Majesty the Emperor of Japan:

M. Morie OHNO, Envoy Extraordinary and Minister Plenipotentiary accredited to the Federal President of the Austrian Republic;
M. Tetsukichi SHIMADA, Judge at the "Cour de Cassation" of Tokio.

Her Royal Highness the Grand-Duchess of Luxemburg:

M. Ch. G. VERMAIRE, Consul at Geneva.

His Majesty the King of Norway:

M. C. STUB HOLMBOE, Barrister-at-Law.

Her Majesty the Queen of the Netherlands:

Dr. W. L. P. A. MOLENGRAAFF, Professor Emeritus of the University of Utrecht.

The President of the Republic of Peru:

M. José Maria BARRETO, Head of the Permanent Office of Peru accredited to the League of Nations.

The President of the Polish Republic:

M. Józef SUŁKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

The President of the Portuguese Republic:

Dr. José CAEIRO DA MATTA, Rector of the University of Lisbon, Professor in the Faculty of Law, Director of the Bank of Portugal.

His Majesty the King of Sweden:

Baron E. MARKS VON WÜRTEMBERG, President of the Stockholm Court of Appeal, former Minister for Foreign Affairs;
M. Birger EKEBERG, President of the Civil Legislation Commission, former Minister of Justice, former Member of the Supreme Court.

The Swiss Federal Council:

Dr. Max VISCHER, Barrister-at-Law and Notary, First Secretary of the Swiss Bankers' Association.

Le Président de la République tchécoslovaque :

Le docteur Karel HERMANN-OTAVSKÝ, Professeur à l'Université de Prague, Président de la Commission de codification du droit commercial au Ministère de la Justice.

Le Président de la République turque :

MEHMED MUNIR Bey, Envoyé extraordinaire et Ministre plénipotentiaire près le Conseil fédéral suisse.

Sa Majesté le Roi de Yougoslavie :

M. Ilija CHOUMENKOVITCH, Délégué permanent auprès de la Société des Nations, Envoyé extraordinaire et Ministre plénipotentiaire près le Conseil fédéral suisse.

lesquels, après avoir communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus des dispositions suivantes :

Article premier.

Les Hautes Parties contractantes s'engagent, les unes vis-à-vis des autres, à appliquer pour la solution des conflits de lois ci-dessous énumérés, en matière de lettre de change et de billets à ordre, les règles indiquées dans les articles suivants.

Article 2.

La capacité d'une personne pour s'engager par lettre de change et billet à ordre est déterminée par sa loi nationale. Si cette loi nationale déclare compétente la loi d'un autre pays, cette dernière loi est appliquée.

La personne qui serait incapable, d'après la loi indiquée par l'alinéa précédent, est, néanmoins valablement tenue, si la signature a été donnée sur le territoire d'un pays d'après la législation duquel la personne aurait été capable.

Chacune des Hautes Parties contractantes a la faculté de ne pas reconnaître la validité de l'engagement pris en matière de lettre de change et de billet à ordre par l'un de ses ressortissants et qui ne serait tenu pour valable dans le territoire des autres Hautes Parties contractantes que par application de l'alinéa précédent du présent article.

Article 3.

La forme des engagements pris en matière de lettre de change et de billet à ordre est réglée par la loi du pays sur le territoire duquel ces engagements ont été souscrits.

Cependant, si les engagements souscrits sur une lettre de change ou un billet à ordre ne sont pas valables d'après les dispositions de l'alinéa précédent, mais qu'ils soient conformes à la législation de l'Etat où un engagement ultérieur a été souscrit, la circonstance que les premiers engagements sont irréguliers en la forme n'infirmes pas la validité de l'engagement ultérieur.

Chacune des Hautes Parties contractantes a la faculté de prescrire que les engagements pris en matière de lettre de change et de billet à ordre à l'étranger par un de ses ressortissants seront valables à l'égard d'un autre de ses ressortissants sur son territoire, pourvu qu'ils aient été pris dans la forme prévue par la loi nationale.

The President of the Czechoslovak Republic.

Dr. Karel HERMANN-OTAVSKÝ, Professor at the University of Prague, President of the Codification Commission for Commercial Law in the Ministry of Justice.

The President of the Turkish Republic:

MEHMED MUNIR Bey, Envoy Extraordinary and Minister Plenipotentiary accredited to the Swiss Federal Council.

His Majesty the King of Yugoslavia:

M. Ilia CHOUMENKOVITCH, Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary, accredited to the Swiss Federal Council.

Who, having communicated their full powers, found in good and due form, have agreed upon the following provisions:

Article 1.

The High Contracting Parties mutually undertake to apply, for the settlement of the conflicts of law hereinafter mentioned, in connection with bills of exchange and promissory notes, the rules set out in the following articles.

Article 2.

The capacity of a person to bind himself by a bill of exchange or promissory note shall be determined by his national law. If this national law provides that the law of another country is competent in the matter, this latter law shall be applied.

A person who lacks capacity, according to the law specified in the preceding paragraph, is nevertheless bound, if his signature has been given in any territory in which according to the law in force there, he would have the requisite capacity.

Each of the High Contracting Parties may refuse to recognise the validity of a contract by means of a bill of exchange or promissory note entered into by one of its nationals which would not be deemed valid in the territory of the other High Contracting Parties otherwise than by means of the application of the preceding paragraph of the present article.

Article 3.

The form of any contract arising out of a bill of exchange or promissory note is regulated by the laws of the territory in which the contract has been signed.

If, however, the obligations entered into by means of a bill of exchange or promissory note are not valid according to the provisions of the preceding paragraph, but are in conformity with the laws of the territory in which a subsequent contract has been entered into, the circumstance that the previous contracts are irregular in form does not invalidate the subsequent contract.

Each of the High Contracting Parties may prescribe that contracts by means of a bill of exchange and promissory note entered into abroad by one of its nationals shall be valid in respect of another of its nationals in its territory, provided that they are in the form laid down by the national law.

Article 15.

La présente Convention n'entrera en vigueur que lorsqu'elle aura été ratifiée ou qu'il y aura été adhéré au nom de sept Membres de la Société des Nations ou Etats non membres, parmi lesquels devront figurer trois des Membres de la Société des Nations représentés d'une manière permanente au Conseil.

La date de l'entrée en vigueur sera le quatre-vingt-dixième jour qui suivra la réception par le Secrétaire général de la Société des Nations de la septième ratification ou adhésion, conformément à l'alinéa premier du présent article.

Le Secrétaire général de la Société des Nations, en faisant les notifications prévues aux articles 13 et 14, signalera spécialement que les ratifications ou adhésions visées à l'alinéa premier du présent article ont été recueillies.

Article 16.

Chaque ratification ou adhésion qui interviendra après l'entrée en vigueur de la Convention conformément à l'article 15 sortira ses effets dès le quatre-vingt-dixième jour qui suivra la date de sa réception par le Secrétaire général de la Société des Nations.

Article 17.

La présente Convention ne pourra être dénoncée avant l'expiration d'un délai de deux ans à partir de la date à laquelle elle sera entrée en vigueur pour ce Membre de la Société des Nations ou pour cet Etat non membre; cette dénonciation produira ses effets dès le quatre-vingt-dixième jour suivant la réception par le Secrétaire général de la notification à lui adressée.

Toute dénonciation sera communiquée immédiatement par le Secrétaire général de la Société des Nations à toutes les autres Hautes Parties contractantes.

Chaque dénonciation n'aura d'effet qu'en ce qui concerne la Haute Partie contractante au nom de laquelle elle aura été faite.

Article 18.

Tout Membre de la Société des Nations et tout Etat non membre à l'égard duquel la présente Convention est en vigueur, pourra adresser au Secrétaire général de la Société des Nations, dès l'expiration de la quatrième année suivant l'entrée en vigueur de la Convention, une demande tendant à la revision de certaines ou de toutes les dispositions de cette Convention.

Si une telle demande, communiquée aux autres Membres de la Société des Nations ou Etats non membres entre lesquels la Convention est alors en vigueur, est appuyée dans un délai d'un an, par au moins six d'entre eux, le Conseil de la Société des Nations décidera s'il y a lieu de convoquer une Conférence à cet effet.

Article 19.

Les Hautes Parties contractantes peuvent déclarer au moment de la signature, de la ratification ou de l'adhésion, que, par leur acceptation de la présente Convention, elles n'entendent assumer aucune obligation en ce qui concerne l'ensemble ou toute partie de leurs colonies, protectorats ou territoires placés sous leur suzeraineté ou mandat; dans ce cas, la présente Convention ne sera pas applicable aux territoires faisant l'objet de pareille déclaration.

Les Hautes Parties contractantes pourront, dans la suite, notifier au Secrétaire général de la Société des Nations qu'elles entendent rendre la présente Convention applicable à l'ensemble ou à toute partie de leurs territoires ayant fait l'objet de la déclaration prévue à l'alinéa précédent. Dans ce cas, la Convention s'appliquera aux territoires visés dans la notification quatre-vingt-dix jours après la réception de cette dernière par le Secrétaire général de la Société des Nations.

De même, les Hautes Parties contractantes peuvent à tout moment déclarer qu'elles entendent que la présente Convention cesse de s'appliquer à l'ensemble ou à toute partie de leurs colonies, protectorats ou territoires placés sous leur suzeraineté ou mandat; dans ce cas, la Convention cessera d'être applicable aux territoires faisant l'objet de pareille déclaration un an après la réception de cette dernière par le Secrétaire général de la Société des Nations.

Article 20.

La présente Convention sera enregistrée par le Secrétaire général de la Société des Nations dès son entrée en vigueur. Elle sera ultérieurement publiée aussitôt que possible au *Recueil des Traités* de la Société des Nations.

Article 4.

Les effets des obligations de l'accepteur d'une lettre de change et du souscripteur d'un billet à ordre sont déterminés par la loi du lieu où ces titres sont payables.

Les effets que produisent les signatures des autres obligés par lettre de change ou billet à ordre sont déterminés par la loi du pays sur le territoire duquel les signatures ont été données.

Article 5.

Les délais de l'exercice de l'action en recours restent déterminés pour tous les signataires par la loi du lieu de la création du titre.

Article 6.

La loi du lieu de la création du titre détermine si le porteur d'une lettre de change acquiert la créance qui a donné lieu à l'émission du titre.

Article 7.

La loi du pays où la lettre de change est payable règle la question de savoir si l'acceptation peut être restreinte à une partie de la somme ou si le porteur est tenu ou non de recevoir un paiement partiel.

La même règle s'applique quant au paiement en matière de billet à ordre.

Article 8.

La forme et les délais du protêt, ainsi que la forme des autres actes nécessaires à l'exercice ou à la conservation des droits en matière de lettre de change et de billet à ordre, sont réglés par les lois du pays sur le territoire duquel doit être dressé le protêt ou passé l'acte en question.

Article 9.

La loi du pays où la lettre de change ou le billet à ordre sont payables détermine les mesures à prendre en cas de perte ou de vol de la lettre de change ou du billet à ordre.

Article 10.

Chacune des Hautes Parties contractantes se réserve la faculté de ne pas appliquer les principes de droit international privé consacrée par la présente Convention en tant qu'il s'agit:

- 1^o D'un engagement pris hors du territoire d'une des Hautes Parties contractantes;
- 2^o D'une loi qui serait applicable d'après ces principes et qui ne serait pas celle d'une des Hautes Parties contractantes.

Article 11.

Dans le territoire de chacune des Hautes Parties contractantes, les dispositions de la présente Convention ne seront pas applicables aux lettres de change et aux billets à ordre déjà créés au moment de la mise en vigueur de la présente Convention.

Article 12.

La présente Convention, dont les textes français et anglais feront également foi, portera la date de ce jour.

Elle pourra être signée ultérieurement jusqu'au 6 septembre 1930 au nom de tout Membre de la Société des Nations et de tout Etat non membre.

Article 13.

La présente Convention sera ratifiée.

Les instruments de ratification seront déposés avant le 1^{er} septembre 1932 auprès du Secrétaire général de la Société des Nations, qui en notifiera immédiatement la réception à tous les Membres de la Société des Nations et aux Etats non membres parties à la présente Convention.

Article 14.

A partir du 6 septembre 1930, tout Membre de la Société des Nations et tout Etat non membre pourront y adhérer.

Cette adhésion s'effectuera par une notification au Secrétaire général de la Société des Nations pour être déposée dans les archives du Secrétariat.

Le Secrétaire général notifiera ce dépôt immédiatement à tous ceux qui auront signé ou adhéré à la présente Convention.

Article 4.

The effects of the obligations of the acceptor of a bill of exchange or maker of a promissory note are determined by the law of the place in which these instruments are payable.

The effects of the signatures of the other parties liable on a bill of exchange or promissory note are determined by the law of the country in which is situated the place where the signatures were affixed.

Article 5.

The limits of time for the exercise of rights of recourse shall be determined for all signatories by the law of the place where the instrument was created.

Article 6.

The question whether there has been an assignment to the holder of the debt which has given rise to the issue of the instrument is determined by the law of the place where the instrument was issued.

Article 7.

The question whether acceptance may be restricted to part of the sum or whether the holder is bound to accept partial payment is governed by the law of the country in which the bill of exchange is payable.

The same rule governs the payment of promissory notes.

Article 8.

The form of and the limits of time for protest, as well as the form of the other measures necessary for the exercise or preservation of rights concerning bills of exchange or promissory notes, are regulated by the laws of the country in which the protest must be drawn up or the measures in question taken.

Article 9.

The measures to be taken in case of the loss or theft of a bill of exchange or promissory note are determined by the law of the country in which the bill of exchange or promissory note is payable.

Article 10.

Each of the High Contracting Parties reserves to itself the right not to apply the principles of private international law contained in the present Convention so far as concerns:

1. An obligation undertaken outside the territory of one of the High Contracting Parties;
2. Any law which may be applicable in accordance with these principles and which is not a law in force in the territory of any High Contracting Party.

Article 11.

In the territory of each of the High Contracting Parties the provisions of the present Convention shall not apply to bills of exchange or promissory notes already issued at the time of the coming into force of the present Convention.

Article 12.

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until September 6th, 1930, on behalf of any Member of the League of Nations or non-Member State.

Article 13.

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1st, 1932, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States parties to the present Convention.

Article 14.

As from September 6th, 1930, any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all States which have signed or acceded to the present Convention.

Article 15.

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, which shall include three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession, in accordance with the first paragraph of the present article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles 13 and 14, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present article have been received.

Article 16.

Every ratification or accession effected after the entry into force of the Convention in accordance with Article 15 shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article 17.

The present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or non-Member State; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

Article 18.

Every Member of the League of Nations and every non-Member State in respect of which the present Convention is in force may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of that Convention.

If such request after being communicated to the other Members of the League of Nations or non-Member States between whom the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article 19.

Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph and the Convention shall apply to all the territories named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.

Any High Contracting Party may at any time declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates or territories under suzerainty or mandate and the Convention shall cease to apply to the territories named in such declaration one year after its receipt by the Secretary-General of the League of Nations.

Article 20.

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force. It shall then be published as soon as possible in the League of Nations *Treaty Series*.

EN FOI DE QUOI les Plénipotentiaires susnommés ont signé la présente Convention.

IN FAITH WHEREOF the above-mentioned Plenipotentiaries have signed the present Convention.

FAIT à Genève le sept juin mil neuf cent trente, en simple expédition qui sera déposée dans les archives du Secrétariat de la Société des Nations; copie conforme en sera transmise à tous les Membres de la Société des Nations et à tous les Etats non membres représentés à la Conférence.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

ALLEMAGNE

Leo QUASSOWSKI
D^r ALBRECHT
D^r ULLMANN

GERMANY

AUTRICHE

D^r STROBELE

AUSTRIA

BELGIQUE

V^{te} P. POULLET
DE LA VALLÉE-POUSSIN

BELGIUM

BRÉSIL

Deoclecio DE CAMPOS

BRAZIL

COLOMBIE

A. J. RESTREPO

COLOMBIA

DANEMARK

A. HELPER
V. EIGTVED

DENMARK

VILLE LIBRE DE DANTZIG

Ad referendum

SUŁKOWSKI

FREE CITY OF DANZIG

ÉQUATEUR

Alex. GASTELÚ

ECUADOR

ESPAGNE

Juan GÓMEZ MONTEJO

SPAIN

FINLANDE

F. GRÖNVALL

FINLAND

FRANCE

J. PERCEROU

FRANCE

GRÈCE

R. RAPHAËL

GREECE

HONGRIE

D^r BARANYAI Zoltán

HUNGARY

ITALIE

Amedeo GIANNINI

ITALY

JAPON

M. OHNO
T. SHIMADA

JAPAN

LUXEMBOURG

Ch. G. VERMAIRE

LUXEMBURG

NORVÈGE

STUB HOLMBOE

NORWAY

PAYS-BAS

MOLENGRAAFF

THE NETHERLANDS

PÉROU

J. M. BARRETO

PERU

POLOGNE

Ad referendum
SULKOWSKI.

POLAND

PORTUGAL

José CAEIRO DA MATTA

PORTUGAL

SUÈDE

E. MARKS VON WÜRTEMBERG
Birger EKEBERG

SWEDEN

SUISSE

VISCHER

SWITZERLAND

TCHÉCOSLOVAQUIE

Prof. Dr Karel HERMANN-OTAVSKÝ

CZECHOSLOVAKIA

TURQUIE

Ad referendum
MEHMED MUNIR

TURKEY

YUGOSLAVIE

J. CHOUMENKOVITCH

YUGOSLAVIA

PROTOCOLE DE LA CONVENTION

Au moment de procéder à la signature de la Convention, en date de ce jour, destinée à régler certains conflits de lois en matière de lettre de change et de billet à ordre, les soussignés, dûment autorisés, sont convenus des dispositions suivantes :

A.

Les Membres de la Société des Nations et les Etats non membres qui n'auraient pas été en mesure d'effectuer avant le 1^{er} septembre 1932 le dépôt de leur ratification sur ladite Convention s'engagent à adresser, dans les quinze jours suivant cette date, une communication au Secrétaire général de la Société des Nations, pour lui faire connaître la situation dans laquelle ils se trouvent en ce qui concerne la ratification.

B.

Si, à la date du 1^{er} novembre 1932, les conditions prévues à l'article 15, alinéa 1, pour l'entrée en vigueur de la Convention, ne sont pas remplies, le Secrétaire général de la Société des Nations convoquera une réunion des Membres de la Société des Nations et des Etats non membres qui auraient signé la Convention ou y auraient adhéré.

Cette réunion aura pour objet l'examen de la situation et des mesures à prendre, le cas échéant, pour y faire face.

C.

Les Hautes Parties contractantes se communiqueront réciproquement, dès leur mise en vigueur, les dispositions législatives qu'elles établiront sur leurs territoires respectifs en exécution de la Convention.

PROTOCOL TO THE CONVENTION.

At the time of signing the Convention of this day's date for the settlement of certain conflicts of law in connection with bills of exchange and promissory notes, the undersigned, duly authorised, have agreed upon the following provisions:

A.

The Members of the League of Nations and the non-Member States who may not have been able to deposit their ratifications of the said Convention before September 1st, 1932, undertake to forward within fifteen days from that date a communication to the Secretary-General of the League of Nations informing him of their situation as regards ratification.

B.

If on November 1st, 1932, the conditions laid down in Article 15, paragraph 1, for the entry into force of the Convention are not fulfilled, the Secretary-General of the League of Nations shall convene a meeting of the Members of the League and the non-Member States which have signed the Convention or acceded to it.

The purpose of this meeting shall be to examine the situation and any measures to be taken to remedy it.

C.

The High Contracting Parties shall communicate to each other, immediately upon their coming into force, the legislative measures taken by them in execution of the Convention in their respective territories.

EN FOI DE QUOI les Plénipotentiaires ont
signé le présent Protocole.

FAIT à Genève, le sept juin mil neuf cent
trente, en simple expédition qui sera déposée
dans les archives du Secrétariat de la Société
des Nations; copie conforme en sera transmise
à tous les Membres de la Société des Nations
et à tous les Etats non membres représentés
à la Conférence.

IN FAITH WHEREOF the Plenipotentiaries
have signed the present Protocol.

DONE at Geneva, the seventh day of June,
one thousand nine hundred and thirty, in a
single copy, which shall be deposited in the
archives of the Secretariat of the League of
Nations, and of which authenticated copies
shall be delivered to all Members of the League
of Nations and non-Member States represented
at the Conference.

ALLEMAGNE

Leo QUASSOWSKI
D^r ALBRECHT
D^r ULLMANN

GERMANY

AUTRICHE

D^r STROBELE

AUSTRIA

BELGIQUE

V^{te} P. POULLET
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BELGIUM

BRÉSIL

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GRÈCE

R. RAPHAËL

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Ad referendum
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CZECHOSLOVAKIA

TURQUIE

Ad referendum
MEHMED MUNIR

TURKEY

YOUGOSLAVIE

J. CHOUMENKOVITCH

YUGOSLAVIA

**CONVENTION RELATIVE AU DROIT DE TIMBRE
EN MATIÈRE DE LETTRES DE CHANGE ET DE BILLETS A ORDRE**
(avec Protocole).

LE PRÉSIDENT DU REICH ALLEMAND; LE PRÉSIDENT FÉDÉRAL DE LA RÉPUBLIQUE D'AUTRICHE; SA MAJESTÉ LE ROI DES BELGES; LE PRÉSIDENT DE LA RÉPUBLIQUE DES ÉTATS-UNIS DU BRÉSIL; SA MAJESTÉ LE ROI DE GRANDE-BRETAGNE, D'IRLANDE ET DES TERRITOIRES BRITANNIQUES AU DELÀ DES MERS, EMPEREUR DES INDES; LE PRÉSIDENT DE LA RÉPUBLIQUE DE COLOMBIE; SA MAJESTÉ LE ROI DE DANEMARK; LE PRÉSIDENT DE LA RÉPUBLIQUE DE POLOGNE, POUR LA VILLE LIBRE DE DANTZIG; LE PRÉSIDENT DE LA RÉPUBLIQUE DE L'ÉQUATEUR; SA MAJESTÉ LE ROI D'ESPAGNE; LE PRÉSIDENT DE LA RÉPUBLIQUE DE FINLANDE; LE PRÉSIDENT DE LA RÉPUBLIQUE FRANÇAISE; SON ALTESSE SÉRÉNISSIME LE RÉGENT DU ROYAUME DE HONGRIE; SA MAJESTÉ LE ROI D'ITALIE; SA MAJESTÉ L'EMPEREUR DU JAPON; SON ALTESSE ROYALE LA GRANDE-DUCHESSE DE LUXEMBOURG; SA MAJESTÉ LE ROI DE NORVÈGE; SA MAJESTÉ LA REINE DES PAYS-BAS; LE PRÉSIDENT DE LA RÉPUBLIQUE DU PÉROU; LE PRÉSIDENT DE LA RÉPUBLIQUE DE POLOGNE; LE PRÉSIDENT DE LA RÉPUBLIQUE PORTUGAISE; SA MAJESTÉ LE ROI DE SUÈDE; LE CONSEIL FÉDÉRAL SUISSE; LE PRÉSIDENT DE LA RÉPUBLIQUE TCHÉCOSLOVAQUE; LE PRÉSIDENT DE LA RÉPUBLIQUE TURQUE; SA MAJESTÉ LE ROI DE YOUGOSLAVIE,

Désireux de régler certains problèmes du droit de timbre dans leurs rapports avec la lettre de change et le billet à ordre, ont désigné pour leurs plénipotentiaires, savoir:

Le Président du Reich allemand:

M. Leo QUASSOWSKI, Conseiller ministériel au Ministère de la Justice du Reich;
Le docteur Erich ALBRECHT, Conseiller de Légation au Ministère des Affaires étrangères du Reich;
Le docteur Fritz ULLMANN, Juge au Tribunal de Berlin.

Le Président fédéral de la République d'Autriche:

Le docteur Guido STROBELE, Conseiller ministériel au Ministère fédéral de la Justice.

Sa Majesté le Roi des Belges:

Le vicomte POULLET, Ministre d'Etat, membre de la Chambre des Représentants;
M. J. DE LA VALLÉE-POUSSIN, Secrétaire général du Ministère des Sciences et des Arts.

Le Président de la République des Etats-Unis du Brésil:

M. Deoclecio de CAMPOS, Attaché commercial à Rome, ancien Professeur à la Faculté de droit de Para.

**CONVENTION ON THE STAMP LAWS IN CONNECTION WITH
BILLS OF EXCHANGE AND PROMISSORY NOTES.**

(with Protocol).

THE PRESIDENT OF THE GERMAN REICH; THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC; HIS MAJESTY THE KING OF THE BELGIANS; THE PRESIDENT OF THE REPUBLIC OF THE UNITED STATES OF BRAZIL; HIS MAJESTY THE KING OF GREAT BRITAIN, IRELAND AND THE BRITISH DOMINIONS BEYOND THE SEAS, EMPEROR OF INDIA; THE PRESIDENT OF THE REPUBLIC OF COLOMBIA; HIS MAJESTY THE KING OF DENMARK; THE PRESIDENT OF THE POLISH REPUBLIC, FOR THE FREE CITY OF DANZIG; THE PRESIDENT OF THE REPUBLIC OF ECUADOR; HIS MAJESTY THE KING OF SPAIN; THE PRESIDENT OF THE REPUBLIC OF FINLAND; THE PRESIDENT OF THE FRENCH REPUBLIC; HIS SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY; HIS MAJESTY THE KING OF ITALY; HIS MAJESTY THE EMPEROR OF JAPAN; HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBURG; HIS MAJESTY THE KING OF NORWAY; HER MAJESTY THE QUEEN OF THE NETHERLANDS; THE PRESIDENT OF THE REPUBLIC OF PERU; THE PRESIDENT OF THE POLISH REPUBLIC; THE PRESIDENT OF THE PORTUGUESE REPUBLIC; HIS MAJESTY THE KING OF SWEDEN; THE SWISS FEDERAL COUNCIL; THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC; THE PRESIDENT OF THE TURKISH REPUBLIC; HIS MAJESTY THE KING OF YUGOSLAVIA,

Being desirous of settling certain problems concerning the stamp laws in their relation with bills of exchange and promissory notes, have appointed as their Plenipotentiaries the following:

The President of the German Reich:

M. Leo QUASSOWSKI, Ministerial Counsellor in the Reich Ministry of Justice;
Dr. Erich ALBRECHT, Counsellor of Legation in the Reich Ministry for Foreign Affairs;
Dr. Fritz ULLMANN, Judge at the Court of Berlin.

The Federal President of the Austrian Republic:

Dr. Guido STROBELE, Ministerial Counsellor in the Federal Ministry of Justice.

His Majesty the King of the Belgians:

Viscount POULLET, Minister of State, Member of the House of Representatives;
M. J. DE LA VALLÉE POUSSIN, Secretary-General of the Ministry of Science and Arts.

The President of the Republic of the United States of Brazil:

M. Deoclecio DE CAMPOS, Commercial Attaché at Rome, formerly Professor in the Faculty of Law of Para.

Sa Majesté le Roi de Grande-Bretagne, d'Irlande et des Territoires britanniques au delà des mers, Empereur des Indes :

Pour la Grande-Bretagne et l'Irlande du Nord, ainsi que toutes parties de l'Empire britannique non membres séparés de la Société des Nations.

Le professeur H. C. GUTTERIDGE, K.C., Professeur de droit commercial et industriel et Doyen de la Faculté de droit à l'Université de Londres.

Le Président de la République de Colombie :

M. A. José RESTREPO, Envoyé extraordinaire et Ministre plénipotentiaire, Délégué permanent auprès de la Société des Nations.

Sa Majesté le Roi de Danemark :

M. Axel HELPER, Conseiller ministériel au Ministère du Commerce et de l'Industrie;
M. Valdemar EIGTVED, Directeur de la « Privatbanken » à Copenhague.

Le Président de la République de Pologne, pour la Ville libre de Dantzig :

M. Józef SUŁKOWSKI, Professeur à l'Université de Poznan, Membre de la Commission de codification de Pologne.

Le Président de la République de l'Equateur :

Le docteur Alexandro GASTELÚ, Vice-Consul à Genève.

Sa Majesté le Roi d'Espagne :

Le docteur Juan GOMEZ MONTEJO, Chef de section du Corps des juristes du Ministère de la Justice.

Le Président de la République de Finlande :

M. Filip GRÖNVALL, Conseiller d'Etat, Membre de la Haute Cour administrative de Helsinki.

Le Président de la République française :

M. L.-J. PERCEROU, Professeur à la Faculté de droit de Paris.

Son Altesse Sérénissime le Régent du Royaume de Hongrie :

M. Zoltán BARANYAI, Chargé d'affaires *a.i.* de la Délégation hongroise auprès de la Société des Nations.

His Majesty the King of Great Britain, Ireland and the British Dominions Beyond the Seas, Emperor of India:

For Great Britain and Northern Ireland and all parts of the British Empire which are not Separate Members of the League of Nations:

Professor H. C. GUTTERIDGE, K.C., Professor of Commercial and Industrial Law and Dean of the Faculty of Laws in the University of London.

The President of the Republic of Colombia:

M. A. José RESTREPO, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

His Majesty the King of Denmark:

M. Axel HELPER, Ministerial Counsellor in the Ministry of Commerce and Industry;
M. Valdemar EIGTVED, General Manager of the "Privatbanken", Copenhagen.

The President of the Polish Republic, for the Free City of Danzig:

M. Józef SUŁKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

The President of the Republic of Ecuador:

Dr. Alexandro GASTELÚ, Vice-Consul at Geneva.

His Majesty the King of Spain:

Dr. Juan GOMEZ MONTEJO, Head of Section of the Corps of Jurists in the Ministry of Justice.

The President of the Republic of Finland:

M. Filip GRÖNVALL, Counsellor of State, Member of the Higher Administrative Court at Helsingfors.

The President of the French Republic:

M. L. J. PERCEROU, Professor in the Faculty of Law of Paris.

His Serene Highness the Regent of the Kingdom of Hungary:

M. Zoltán BARANYAI, Chargé d'Affaires *a.i.* of the Hungarian Delegation accredited to the League of Nations.

His Majesty the King of Italy:

M. Amedeo GIANNINI, Counsellor of State, Minister Plenipotentiary.

Sa Majesté le Roi d'Italie :

M. Amedeo GIANNINI, Conseiller d'Etat, Ministre plénipotentiaire.

Sa Majesté l'Empereur du Japon :

M. Morie OHNO, Envoyé extraordinaire et Ministre plénipotentiaire près le Président fédéral de la République d'Autriche;
M. Tetsukichi SHIMADA, Juge à la Cour de Cassation de Tokio.

Son Altesse Royale la Grande-Duchesse de Luxembourg :

M. Ch. G. VERMAIRE, Consul à Genève.

Sa Majesté le Roi de Norvège :

M. C. STUB HOLMBOE, Avocat.

Sa Majesté la Reine des Pays-Bas :

Le Docteur W. L. P. A. MOLENGRAAFF, Professeur émérite de l'Université d'Utrecht.

Le Président de la République du Pérou :

M. José Maria BARRETO, Chef du Bureau permanent du Pérou auprès de la Société des Nations.

Le Président de la République de Pologne :

M. Józef SUŁKOWSKI, Professeur à l'Université de Poznan, Membre de la Commission de codification de Pologne.

Le Président de la République portugaise :

Le docteur José CAEIRO DA MATTA, Recteur de l'Université de Lisbonne, Professeur à la Faculté de droit, Directeur de la Banque de Portugal.

Sa Majesté le Roi de Suède :

Le baron E. MARKS VON WÜRTEMBERG, Président de la Cour d'Appel de Stockholm, ancien Ministre des Affaires étrangères;
M. Birger EKEBERG, Président de la Commission de législation civile, ancien Ministre de la Justice, ancien Membre de la Cour Suprême.

Le Conseil fédéral suisse :

Le docteur Max VISCHER, Avocat et notaire, premier Secrétaire de l'Association suisse des Banquiers.

His Majesty the Emperor of Japan:

M. Morie OHNO, Envoy Extraordinary and Minister Plenipotentiary accredited to the Federal President of the Austrian Republic;
M. Tetsukichi SHIMADA, Judge at the " Cour de Cassation " of Tokio.

Her Royal Highness the Grand-Duchess of Luxemburg:

M. Ch. G. VERMAIRE, Consul at Geneva.

His Majesty the King of Norway:

M. C. STUB HOLMBOE, Barrister-at-Law.

Her Majesty the Queen of the Netherlands:

Dr. W. L. P. A. MOLENGRAAFF, Professor Emeritus of the University of Utrecht.

The President of the Republic of Peru:

M. José Maria BARRETO, Head of the Permanent Office of Peru accredited to the League of Nations.

The President of the Polish Republic:

M. Józef SUŁKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

The President of the Portuguese Republic:

Dr. José CAEIRO DA MATTA, Rector of the University of Lisbon, Professor in the Faculty of Law, Director of the Bank of Portugal.

His Majesty the King of Sweden:

Baron E. MARKS VON WÜRTEMBERG, President of the Stockholm Court of Appeal, former Minister for Foreign Affairs;
M. Birger EKEBERG, President of the Civil Legislation Commission, former Minister of Justice, former Member of the Supreme Court.

The Swiss Federal Council:

Dr. Max VISCHER, Barrister-at-Law and Notary, First Secretary of the Swiss Bankers' Association.

Le Président de la République tchécoslovaque :

Le docteur Karel HERMANN-OTAVSKÝ, Professeur à l'Université de Prague, Président de la Commission de codification du droit commercial au Ministère de la Justice.

Le Président de la République turque :

MEHMED MUNIR bey, Envoyé extraordinaire et Ministre plénipotentiaire près le Conseil fédéral suisse.

Sa Majesté le Roi de Yougoslavie :

M. Ilija CHOUMENKOVITCH, Délégué permanent auprès de la Société des Nations, Envoyé extraordinaire et Ministre plénipotentiaire près le Conseil fédéral suisse.

Lesquels, après avoir communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus des dispositions suivantes :

Article premier.

Dans le cas où telle ne serait pas déjà leur législation, les Hautes Parties contractantes s'engagent à modifier leurs lois de telle sorte que la validité des engagements pris en matière de lettres de change et de billets à ordre, ou l'exercice des droits qui en découlent, ne puissent être subordonnés à l'observation des dispositions sur le timbre.

Elles peuvent toutefois suspendre l'exercice de ces droits jusqu'à l'acquittement des droits de timbre qu'elles ont prescrits ainsi que des amendes encourues. Elles peuvent également décider que la qualité et les effets de titre immédiatement exécutoire qui, d'après leurs législations, seraient attribués à la lettre de change et au billet à ordre, seront subordonnés à la condition que le droit de timbre ait été, dès la création du titre, dûment acquitté conformément aux dispositions de leurs lois.

Chacune des Hautes Parties contractantes se réserve la faculté de restreindre l'engagement mentionné à l'alinéa premier aux seules lettres de change.

Article 2.

La présente Convention, dont les textes français et anglais feront également foi, portera la date de ce jour.

Elle pourra être signée ultérieurement jusqu'au 6 septembre 1930 au nom de tout Membre de la Société des Nations et de tout Etat non membre.

Article 3.

La présente Convention sera ratifiée,

Les instruments de ratification seront déposés avant le 1^{er} septembre 1932 auprès du Secrétaire général de la Société des Nations, qui en notifiera immédiatement la réception à tous les Membres de la Société des Nations et aux Etats non membres parties à la présente Convention.

The President of the Czechoslovak Republic.

Dr. Karel HERMANN-OTAVSKÝ, Professor at the University of Prague, President of the Codification Commission for Commercial Law in the Ministry of Justice.

The President of the Turkish Republic:

MEHMED MUNIR Bey, Envoy Extraordinary and Minister Plenipotentiary accredited to the Swiss Federal Council.

His Majesty the King of Yugoslavia:

M. Ilia CHOUMENKOVITCH, Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary accredited to the Swiss Federal Council.

Who, having communicated their full powers found in good and due form, have agreed upon the following provisions:

Article 1.

If their laws do not already make provision to this effect, the High Contracting Parties undertake to alter their laws so that the validity of obligations arising out of a bill of exchange or a promissory note or the exercise of the rights that flow therefrom shall not be subordinated to the observance of the provisions concerning the stamp.

Nevertheless, the Contracting Parties may suspend the exercise of these rights until payment of the stamp duties they prescribe or of any penalties incurred. They may also decide that the quality and effects of an instrument "immediately executory" which, according to their legislation may be attributed to a bill of exchange and promissory note, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.

Each of the High Contracting Parties reserves the right to restrict the undertaking mentioned in paragraph 1 to bills of exchange only.

Article 2.

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until September 6th, 1930, on behalf of any Member of the League of Nations or non-Member State.

Article 3.

The present Convention shall be ratified.

The instruments of ratification shall be deposited before September 1st, 1932, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States Parties to the present Convention.

Article 4.

A partir du 6 septembre 1930, tout Membre de la Société des Nations et tout Etat non membre pourront y adhérer.

Cette adhésion s'effectuera par une notification au Secrétaire général de la Société des Nations pour être déposée dans les archives du Secrétariat.

Le Secrétaire général notifiera ce dépôt immédiatement à tous ceux qui ont signé ou adhéré à la présente Convention.

Article 5.

La présente Convention n'entrera en vigueur que lorsqu'elle aura été ratifiée ou qu'il y aura été adhéré au nom de sept Membres de la Société des Nations ou Etats non membres, parmi lesquels devront figurer trois des Membres de la Société des Nations représentés d'une manière permanente au Conseil.

La date de l'entrée en vigueur sera le quatre-vingt-dixième jour qui suivra la réception par le Secrétaire général de la Société des Nations, de la septième ratification ou adhésion, conformément à l'alinéa premier du présent article.

Le Secrétaire général de la Société des Nations en faisant les notifications prévues aux articles 3 et 4 signalera, spécialement que les ratifications ou adhésions visées à l'alinéa premier du présent article ont été recueillies.

Article 6.

Chaque ratification ou adhésion qui interviendra après l'entrée en vigueur de la Convention conformément à l'article 5 sortira ses effets dès le quatre-vingt-dixième jour qui suivra la date de sa réception par le Secrétaire général de la Société des Nations.

Article 7.

La présente Convention ne pourra être dénoncée avant l'expiration d'un délai de deux ans à partir de la date à laquelle elle sera entrée en vigueur pour ce Membre de la Société des Nations ou pour cet Etat non membre; cette dénonciation produira ses effets dès le quatre-vingt-dixième jour suivant la réception par le Secrétaire général de la notification à lui adressée.

Toute dénonciation sera communiquée immédiatement par le Secrétaire général de la Société des Nations à toutes les autres Hautes Parties contractantes.

Chaque dénonciation n'aura d'effet qu'en ce qui concerne la Haute Partie contractante au nom de laquelle elle aura été faite.

Article 8.

Tout Membre de la Société des Nations et tout Etat non membre à l'égard duquel la présente Convention est en vigueur, pourra adresser au Secrétaire général de la Société des Nations, dès l'expiration de la quatrième année suivant l'entrée en vigueur de la Convention, une demande tendant à la révision de certaines ou de toutes les dispositions de cette Convention.

Si une telle demande, communiquée aux autres Membres ou Etats non membres entre lesquels la Convention est alors en vigueur, est appuyée dans un délai d'un an, par au moins six d'entre eux, le Conseil de la Société des Nations décidera s'il y a lieu de convoquer une Conférence à cet effet.

Article 9.

Les Hautes Parties contractantes peuvent déclarer, au moment de la signature de la ratification ou de l'adhésion, que, par leur acceptation de la présente Convention, elles n'entendent assumer aucune obligation en ce qui concerne l'ensemble ou toute partie de leurs colonies, protectorats ou territoires placés sous leur suzeraineté ou mandat; dans ce cas, la présente Convention ne sera pas applicable aux territoires faisant l'objet de pareille déclaration.

Les Hautes Parties contractantes pourront, dans la suite, notifier au Secrétaire général de la Société des Nations qu'elles entendent rendre la présente Convention applicable à l'ensemble ou à toute partie de leurs territoires ayant fait l'objet de la déclaration prévue à l'alinéa précédent. Dans ce cas, la Convention s'appliquera aux territoires visés dans la notification quatre-vingt-dix jours après la réception de cette dernière par le Secrétaire général de la Société des Nations.

De même, les Hautes Parties contractantes peuvent à tout moment déclarer qu'elles entendent que la présente Convention cesse de s'appliquer à l'ensemble ou à toute partie de leurs colonies, protectorats ou territoires placés sous leur suzeraineté ou mandat; dans ce cas, la Convention cessera d'être applicable aux territoires faisant l'objet de pareille déclaration un an après la réception de cette dernière par le Secrétaire général de la Société des Nations.

Article 10.

La présente Convention sera enregistrée par le Secrétaire général de la Société des Nations dès son entrée en vigueur. Elle sera ultérieurement publiée aussitôt que possible au *Recueil des Traités* de la Société des Nations.

Article 4.

As from September 6th, 1930, any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all States which have signed or acceded to the present Convention.

Article 5.

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, which shall include three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles 3 and 4, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

Article 6.

Every ratification or accession effected after the entry into force of the Convention in accordance with Article 5 shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article 7.

The present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or non-Member State; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

Article 8.

Every Member of the League of Nations and every non-Member State in respect of which the present Convention is in force, may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of that Convention.

If such request, after being communicated to the other Members or non-Member States between whom the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article 9.

Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph and the Convention shall apply to all the territories named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.

Any High Contracting Party may at any time declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates or territories under suzerainty or mandate and the Convention shall cease to apply to the territories named in such declaration one year after its receipt by the Secretary-General of the League of Nations.

Article 10.

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force. It shall then be published as soon as possible in the League of Nations *Treaty Series*.

EN FOI DE QUOI les plénipotentiaires susnommés ont signé la présente Convention.

FAIT à Genève, le sept juin mil neuf cent trente, en simple expédition qui sera déposée dans les archives du Secrétariat de la Société des Nations; copie conforme en sera transmise à tous les Membres de la Société des Nations et à tous les États non membres représentés à la Conférence.

IN FAITH WHEREOF the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva, the seventh day of June, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-Member States represented at the Conference.

ALLEMAGNE

Leo QUASSOWSKI
D^r ALBRECHT
D^r ULLMANN

GERMANY

AUTRICHE

D^r STROBELE

AUSTRIA

BELGIQUE

V^{te} P. POULLET
DE LA VALLÉE-POUSSIN

BELGIUM

BRÉSIL

Deoclecio DE CAMPOS

BRAZIL

GRANDE-BRETAGNE
ET IRLANDE DU NORD

GREAT BRITAIN
AND NORTHERN IRELAND

AINSI QUE TOUTES PARTIES DE L'EMPIRE BRITANNIQUE NON MEMBRES SÉPARÉS DE LA SOCIÉTÉ DES NATIONS.

AND ALL PARTS OF THE BRITISH EMPIRE WHICH ARE NOT SEPARATE MEMBERS OF THE LEAGUE OF NATIONS.

COLOMBIE

A. J. RESTREPO

COLOMBIA

DANEMARK

A. HELPER
V. EIGTVED

DENMARK

VILLE LIBRE DE DANTZIG

SUŁKOWSKI.

FREE CITY OF DANZIG

EQUATEUR

Alex. GASTELÚ

ECUADOR

ESPAGNE

Juan GOMEZ MONTEJO

SPAIN

FINLANDE

F. GRÖNVALL

FINLAND

FRANCE

J. PERCEROU

FRANCE

HONGRIE

D^r BARANYAI, Zoltán

HUNGARY

ITALIE

Amedeo GIANNINI

ITALY

JAPON

M. OHNO
T. SHIMADA

JAPAN

LUXEMBOURG

Ch. G. VERMAIRE

LUXEMBURG

NORVÈGE

STUB HOLMBOE

NORWAY

PAYS-BAS

MOLENGRAAFF

THE NETHERLANDS

PÉROU

J. M. BARRETO

PERU

POLOGNE

SULKOWSKI

POLAND

PORTUGAL

José CAEIRO DA MATTA

PORTUGAL

SUÈDE

E. MARKS VON WÜRTEMBERG
Birger EKEBERG

SWEDEN

SUISSE

VISCHER

SWITZERLAND

TCHÉCOSLOVAQUIE

Prof. Dr Karel HERMANN-OTAVSKÝ

CZECHOSLOVAKIA

TURQUIE

Ad referendum
MEHMED MUNIR

TURKEY

YUGOSLAVIE

J. CHOUMENKOVITCH

YUGOSLAVIA

PROTOCOLE DE LA CONVENTION

Au moment de procéder à la signature de la Convention, en date de ce jour, relative au droit de timbre en matière de lettre de change et de billet à ordre, les soussignés, dûment autorisés, sont convenus des dispositions suivantes:

A.

Les Membres de la Société des Nations et les Etats non membres qui n'auraient pas été en mesure d'effectuer avant le 1^{er} septembre 1932 le dépôt de leur ratification sur ladite Convention, s'engagent à adresser, dans les quinze jours suivant cette date, une communication au Secrétaire général de la Société des Nations, pour lui faire connaître la situation dans laquelle elles se trouvent en ce qui concerne la ratification.

B.

Si, à la date du 1^{er} novembre 1932, les conditions prévues à l'article 5, alinéa 1, pour l'entrée en vigueur de la Convention, ne sont pas remplies, le Secrétaire général de la Société des Nations convoquera une réunion des Membres de la Société des Nations et des Etats non membres qui auraient signé la Convention ou y auraient adhéré.

Cette réunion aura pour objet l'examen de la situation et des mesures à prendre, le cas échéant, pour y faire face.

C.

Les Hautes Parties contractantes se communiqueront réciproquement, dès leur mise en vigueur, les dispositions législatives qu'elles établiront sur leurs territoires respectifs en exécution de la Convention.

D.

1. Il est convenu que, pour ce qui concerne le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, les seuls titres auxquels s'appliquent les dispositions de la présente Convention sont les lettres de change présentées à l'acceptation, acceptées ou payables ailleurs que dans le Royaume-Uni.

2. La même limitation s'appliquera en ce qui concerne toute colonie, protectorat ou territoire placé sous la suzeraineté ou le mandat de Sa Majesté Britannique auquel la Convention deviendrait applicable en vertu de l'article 9, pourvu, cependant, qu'une notification ayant pour objet cette limitation soit adressée au Secrétaire général de la Société des Nations avant la date à laquelle l'application de ladite Convention entrera en vigueur pour ce territoire.

3. Il est également convenu que, pour ce qui concerne l'Irlande du Nord, les dispositions de la présente Convention ne s'appliqueront qu'avec telles modifications qui seraient estimées nécessaires.

4. Le gouvernement de tout Membre de la Société des Nations ou Etat non membre, désireux d'adhérer à la Convention en vertu de l'article 4 sous les limitations spécifiées à l'alinéa 1 ci-dessus, peut en informer le Secrétaire général de la Société des Nations. Celui-ci communiquera cette notification aux gouvernements de tous les Membres de la Société des Nations et des Etats non membres au nom desquels la Convention aura été signée et au nom desquels il y aura été adhéré, en leur demandant s'ils ont des objections à présenter. Si, sans un délai de six mois à partir de ladite communication, aucune objection n'a été soulevée, la participation à la Convention du pays invoquant la limitation en question sera considérée comme acceptée sous cette limitation.

PROTOCOL TO THE CONVENTION

At the time of signing the Convention of this day's date on the stamp laws in connection with bills of exchange and promissory notes, the undersigned, duly authorised, have agreed upon the following provisions:

A.

The Members of the League of Nations and the non-Member States which may not have been able to deposit their ratifications of the said Convention before September 1st, 1932, undertake to forward within fifteen days from that date a communication to the Secretary-General of the League of Nations informing him of their situation as regards ratification.

B.

If on November 1st, 1932, the conditions laid down in Article 5, paragraph 1, for the entry into force of the Convention are not fulfilled, the Secretary-General of the League of Nations shall convene a meeting of the Members of the League and the non-Member States which have signed the Convention or acceded to it.

The purpose of this meeting shall be to examine the situation and any measures to be taken to meet it.

C.

The High Contracting Parties shall communicate to each other, immediately upon their coming into force, the legislative measures taken by them in execution of the Convention in their respective territories.

D.

1. It is agreed that, in so far as concerns the United Kingdom of Great Britain and Northern Ireland, the only instruments to which the provisions of this Convention shall apply are bills of exchange presented for acceptance or accepted or payable elsewhere than in the United Kingdom.

2. A similar limitation shall apply in the case of any colonies, protectorates or territories under suzerainty or mandate of His Britannic Majesty to which the Convention may become applicable in virtue of Article 9, provided that a notification claiming such limitation is addressed to the Secretary-General of the League of Nations before the date on which the application of the Convention to such territory takes effect.

3. It is further agreed that in so far as concerns Northern Ireland the provisions of this Convention shall only apply with such modifications as may be found necessary.

4. The Government of any Member of the League of Nations or non-Member States which is ready to accede to the Convention under Article 4, but desires to be allowed the limitation specified in paragraph 1 above, may inform the Secretary-General of the League of Nations to this effect, and the Secretary-General shall forthwith communicate this notification to the Governments of all Members of the League and non-Member States on whose behalf the Convention has been signed or accessions thereto deposited and enquire if they have any objection thereto. If within six months of the date of the communication of the Secretary-General no objections have been received, the limitation shall be deemed to have been accepted.

EN FOI DE QUOI les Plénipotentiaires ont
signé le présent Protocole.

FAIT à Genève, le sept juin mil neuf cent
trente, en simple expédition qui sera déposée
dans les archives du Secrétariat de la Société
des Nations; copie conforme en sera transmise
à tous les Membres de la Société des Nations
et à tous les Etats non membres représentés à
la Conférence.

IN FAITH WHEREOF the Plenipotentiaries have
signed the present Protocol.

DONE at Geneva, the seventh day of June,
one thousand nine hundred and thirty, in a
single copy, which shall be deposited in the
archives of the Secretariat of the League of
Nations, and of which authenticated copies
shall be delivered to all Members of the League
of Nations and non-Member States represented
at the Conference.

ALLEMAGNE

Leo QUASSOWSKI
D^r ALBRECHT
D^r ULLMANN

GERMANY

AUTRICHE

D^r STROBELE

AUSTRIA

BELGIQUE

V^{te} P. POULLET
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AINSI QUE TOUTES PARTIES DE L'EMPIRE
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F. GRÖNVALL

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HONGRIE

D^r BARANYAI, Zoltán

HUNGARY

ITALIE

Amedeo GIANNINI

ITALY

JAPON

M. OHNO
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LUXEMBOURG

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NORVÈGE

STUB HOLMBOE

NORWAY

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PÉROU

J. M. BARRETO

PERU

POLOGNE

SUŁKOWSKI

POLAND

PORTUGAL

José CAEIRO DA MATTA

PORTUGAL

SUÈDE

E. MARKS VON WÜRTEMBERG
Birger EKEBERG

SWEDEN

SUISSE

VISCHER

SWITZERLAND

TCHÉCOSLOVAQUIE

Prof. Dr Karel HERMANN-OTAVSKÝ

CZECHOSLOVAKIA

TURQUIE

Ad referendum
MEHMED MUNIR

TURKEY

YUGOSLAVIE

J. CHOUMENKOVITCH

YUGOSLAVIA

ACTE FINAL

Les Gouvernements de l'ALLEMAGNE, de l'AUTRICHE, de la BELGIQUE, du ROYAUME-UNI de GRANDE-BRETAGNE et d'IRLANDE DU NORD, des ETATS-UNIS DU BRÉSIL, de la COLOMBIE, du DANEMARK, de la VILLE LIBRE DE DANTZIG, de l'EQUATEUR, de l'ESPAGNE, de la FINLANDE, de la FRANCE, de la GRÈCE, de la HONGRIE, de l'ITALIE, du JAPON, de la LETTONIE, du LUXEMBOURG, de la NORVÈGE, des PAYS-BAS, du PÉROU, de la POLOGNE, du PORTUGAL, de la ROUMANIE, du SIAM, de la SUÈDE, de la SUISSE, de la TCHÉCOSLOVAQUIE, de la TURQUIE, du VENEZUELA et de la YOUGOSLAVIE,

Ayant accepté l'invitation qui leur a été adressée en vertu d'une décision du Conseil de la Société des Nations, en date du 14 juin 1929, pour prendre part à une Conférence internationale pour l'unification du droit en matière de lettres de change, billets à ordre et chèques,

Ont, en conséquence, désigné comme délégués, conseillers techniques et secrétaires:

ALLEMAGNE.

Délégués:

M. Leo QUASSOWSKI,
Le docteur Erich ALBRECHT,
Le docteur Fritz ULLMANN,

Conseiller ministériel au Ministère de la Justice du Reich.
Conseiller de Légation au Ministère des Affaires étrangères du Reich.
Juge au Tribunal de Berlin.

AUTRICHE.

Délégués:

Le docteur Guido STROBELE,
Le docteur Paul HAMMERSCHLAG,

Conseiller ministériel au Ministère fédéral de la Justice.
Membre du Conseil d'administration et ancien Directeur de l'Institut de Crédit pour le Commerce et l'Industrie, Vice-Président de la Chambre de Commerce et d'Industrie à Vienne.

Délégué adjoint:

Le docteur Max SOKAL,

Directeur de la Société de Virement et d'Encaissement à Vienne.

BELGIQUE.

Délégués:

Son Excellence le vicomte POULLET,
M. J. DE LA VALLÉE POUSSIN,
Le baron Edmond CARTON DE WIART,
M. Paul VAN ZEELAND,

Ministre d'Etat, membre de la Chambre des Représentants.
Secrétaire général du Ministère des Sciences et des Arts.
Docteur en droit et en sciences politiques et sociales,
Directeur de la Société générale de Belgique.
Professeur à l'Université de Louvain, Directeur de la Banque nationale de Belgique.

Délégué adjoint:

M. Jean-Jacques VINCENT,

Docteur en droit, Chef du Service des études à la Banque nationale de Belgique.

Secrétaire:

Le docteur François-Xavier SIMONIS,

Industriel.

FINAL ACT.

The Governments of GERMANY, AUSTRIA, BELGIUM, the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, the UNITED STATES OF BRAZIL, COLOMBIA, DENMARK, the FREE CITY OF DANZIG, ECUADOR, SPAIN, FINLAND, FRANCE, GREECE, HUNGARY, ITALY, JAPAN, LATVIA, LUXEMBURG, NORWAY, THE NETHERLANDS, PERU, POLAND, PORTUGAL, ROUMANIA, SIAM, SWEDEN, SWITZERLAND, CZECHOSLOVAKIA, TURKEY, VENEZUELA and YUGOSLAVIA,

Having accepted the invitation extended to them in virtue of a decision by the Council of the League of Nations, dated June 14th, 1929, to take part in an international Conference for the unification of laws on bills of exchange, promissory notes and cheques,

Have in consequence appointed as delegates, technical advisers and secretaries:

	GERMANY.
<i>Delegates:</i>	
M. Leo QUASSOWSKI,	Ministerial Counsellor in the Reich Ministry of Justice.
Dr. Erich ALBRECHT,	Counsellor of Legation in the Reich Ministry for Foreign Affairs.
Dr. Fritz ULLMANN,	Judge at the Court of Berlin.
	AUSTRIA.
<i>Delegates:</i>	
Dr. Guido STROBELE,	Ministerial Counsellor in the Federal Ministry of Justice.
Dr. Paul HAMMERSCHLAG,	Member of the Board of Directors and former Director of the Credit Bank for Commerce and Industry, Vice-President of the Vienna Chamber of Commerce and Industry.
<i>Substitute:</i>	
Dr. Max SOKAL,	Director of the Clearing and Collections Company at Vienna.
	BELGIUM.
<i>Delegates:</i>	
His Excellency Viscount POULLET,	Minister of State, Member of the House of Representatives.
M. J. DE LA VALLÉE POUSSIN,	Secretary-General of the Ministry of Science and Arts.
Baron Edmond CARTON DE WIART,	Doctor of Law and Political and Social Science, Director of the " Société Générale de Belgique ".
M. Paul VAN ZEELAND,	Professor at the University of Louvain; Director of the National Bank of Belgium.
<i>Substitute:</i>	
M. Jean-Jacques VINCENT,	Doctor of Law, Head of the Investigations Department of the National Bank of Belgium.
<i>Secretary:</i>	
Dr. François-Xavier SIMONIS,	Industrialist.

GRANDE-BRETAGNE ET IRLANDE DU NORD

AINSI QUE TOUTES PARTIES DE L'EMPIRE BRITANNIQUE NON MEMBRES SÉPARÉS DE LA SOCIÉTÉ
DES NATIONS.

Délégué:

Le Professeur H. C. GUTTERIDGE, K.C., Professeur de droit commercial et industriel et Doyen
de la Faculté de droit à l'Université de Londres.

ÉTATS-UNIS DU BRÉSIL.

Délégué:

M. Deoclecio DE CAMPOS, Attaché commercial à Rome, ancien Professeur à la
Faculté de droit de Para.

COLOMBIE.

Délégué:

Son Excellence
M. Antonio José RESTREPO, Envoyé extraordinaire et Ministre plénipotentiaire,
Délégué permanent auprès de la Société des Nations.

Conseiller:

M. J. M. YEPES, Docteur en droit, Conseiller juridique au Ministère des
Affaires étrangères.

Secrétaires:

Le docteur German ABADIA, Secrétaire permanent de la Délégation auprès de la
Société des Nations.
M. E. VASCO, Attaché.

DANEMARK.

Délégués:

M. Axel HELPER, Conseiller ministériel au Ministère du Commerce et de
l'Industrie.
M. Valdemar EIGTVED, Directeur de la « Privatbanken » à Copenhague.

Secrétaire:

M. F. C. L. NEERGAARD-PETERSEN, Secrétaire au Ministère du Commerce et de l'Industrie.

VILLE LIBRE DE DANTZIG.

Délégués:

M. Józef SUŁKOWSKI, Professeur à l'Université de Poznan, Membre de la
Commission de codification de Pologne, chef de
la Délégation.
M. Richard KETTLITZ, Conseiller supérieur de Justice de la Ville libre.

ÉQUATEUR.

Délégué:

Le docteur Alexandro GASTELÚ, Vice-Consul à Genève.

ESPAGNE.

Délégué:

Le docteur GOMEZ MONTEJO, Chef de section du Corps des juristes du Ministère de
la Justice.

FINLANDE.

Délégué:

M. Filip GRÖNVALL, Conseiller d'Etat, Membre de la Haute Cour adminis-
trative de Helsinki.

GREAT BRITAIN AND NORTHERN IRELAND

AND ALL PARTS OF THE BRITISH EMPIRE WHICH ARE NOT SEPARATE MEMBERS
OF THE LEAGUE OF NATIONS.

Delegate:

Professor H. C. GUTTERIDGE, K.C., Professor of Commercial and Industrial Law and Dean
of the Faculty of Laws in the University of London.

UNITED STATES OF BRAZIL.

Delegate:

M. Deoclecio DE CAMPOS, Commercial Attaché at Rome, formerly Professor in
the Faculty of Law of Pará.

COLOMBIA.

Delegate:

His Excellency M. Antonio José RESTREPO, Envoy Extraordinary and Minister Plenipotentiary,
Permanent Delegate accredited to the League of Nations.

Adviser:

M. J. M. YEPES, Doctor of Law, Legal Adviser in the Ministry for
Foreign Affairs.

Secretaries:

Dr. German ABADIA, Permanent Secretary of the Delegation accredited to
the League of Nations.
M. E. VASCO, Attaché.

DENMARK.

Delegates:

M. Axel HELPER, Ministerial Counsellor in the Ministry of Commerce
and Industry.
M. Valdemar EIGTVED, General Manager of the "Privatbanken", Copenhagen.

Secretary:

M. F. C. L. NEERGAARD-PETERSEN, Secretary in the Ministry of Commerce and Industry.

FREE CITY OF DANZIG.

Delegates:

M. Józef SUŁKOWSKI, Professor at the University of Poznań, Member of the
Polish Codification Commission, Head of the
Delegation.
M. Richard KETTLITZ, "Conseiller Supérieur" of Justice of the Free City.

ECUADOR.

Delegate:

Dr. Alexandro GASTELU, Vice-Consul at Geneva.

SPAIN.

Delegate:

Dr. GOMEZ MONTEJO, Head of Section of the Corps of Jurists in the Ministry
of Justice.

FINLAND.

Delegate:

M. Filip GRÖNVALL, Counsellor of State, Member of the Higher Adminis-
trative Court at Helsingfors.

FRANCE.

Délégués:

M. Charles LYON-CAEN¹,

M. L. J. PERCEROU,

Conseiller technique:

M. Jacques BOUTERON,

Secrétaire:

M. Gaston J. L. LIBERSAT,

Secrétaire perpétuel de l'Académie des Sciences morales et politiques, Doyen honoraire de la Faculté de droit de Paris.

Professeur à la Faculté de droit de Paris.

Inspecteur de la Banque de France.

Sous-chef de bureau au Ministère du Commerce.

GRÈCE.

Délégué:

M. R. RAPHAEL,

Délégué permanent auprès de la Société des Nations, Chargé d'affaires à Berne.

Délégué:

Le docteur Eugène ASZTALOS,

HONGRIE.

Conseiller ministériel au Ministère de la Justice.

Délégués:

Son Excellence M. Amedeo GIANNINI,

M. Ageo ARCANGELI,

M. Giulio DIENA,

M. Isidoro LA LUMIA,

M. Lorenzo MOSSA,

Experts:

M. Auguste WEILLER,

M. Luigi BIAMONTI,

M. Antonio NAVARRA,

M. Giovanni ZAPPALÁ,

M. Giuseppe DE MAJO,

Secrétaire:

M. Gian Battista TOFFOLO,

ITALIE.

Conseiller d'Etat, Ministre plénipotentiaire de 1^{re} classe, Président de la Délégation.

Membre de la Chambre des Députés, Professeur de droit à l'Université de Rome, Vice-président de la Délégation.

Professeur de droit à l'Université de Pavie.

Professeur de droit à l'Université de Milan.

Professeur de droit à l'Université de Pise.

Avocat, Représentant de la Confédération générale bancaire fasciste.

Avocat, Directeur du Bureau juridique de la Confédération générale fasciste de l'Industrie italienne.

Avocat, Représentant de la Confédération générale fasciste des Commerçants.

Avocat, Représentant du ministre des Finances.

Avocat, Représentant de la Banque d'Italie.

Attaché diplomatique consulaire.

JAPON.

Délégués:

Son Excellence M. Morie OHNO,

M. Tetsukichi SHIMADA,

Délégués adjoints:

M. Tamotsu KOBORI,

M. Yoshiro ANDO,

Le vicomte Seiichi MOTONO,

Envoyé extraordinaire et Ministre plénipotentiaire auprès du Président fédéral de la République d'Autriche.

Juge à la Cour de Cassation de Tokio.

Juge au Tribunal de district de Yokohama.

Secrétaire à l'Ambassade du Japon auprès du Comité central exécutif de l'Union des Républiques soviétistes socialistes.

Secrétaire à l'Ambassade du Japon auprès de Sa Majesté le Roi des Belges.

¹ M. Lyon-Caen a été empêché de prendre part à la Conférence.

FRANCE.

Delegate:

M. Charles LYON-CAEN,¹

M. L. J. PERCEROU,

Technical Adviser:

M. Jacques BOUTERON,

Secretary:

M. Gaston J. L. LIBERSAT,

Permanent Secretary of the Academy of Moral and Political Sciences, Honorary Dean of the Faculty of Law of Paris.
Professor in the Faculty of Law of Paris.

Inspector of the Bank of France.

Assistant Head of Service in the Ministry of Commerce.

GREECE.

Delegate:

M. R. RAPHAEL,

Permanent Delegate accredited to the League of Nations, Chargé d'Affaires at Berne.

HUNGARY.

Delegate:

Dr. Eugène ASZTALOS,

Ministerial Counsellor in the Ministry of Justice.

ITALY.

Delegates:

His Excellency M. Amedeo GIANNINI,

M. Ageo ARCANGELI,

M. Giulio DIENA,

M. Isidoro LA LUMIA,

M. Lorenzo MOSSA,

Counsellor of State, First Class Minister Plenipotentiary, President of the Delegation.

Member of Parliament, Professor of Law at the University of Rome, Vice-President of the Delegation.

Professor of Law in the University of Pavia.

Professor of Law in the University of Milan.

Professor of Law in the University of Pisa.

Experts:

M. Auguste WEILLER,

M. Luigi BIAMONTI,

M. Antonio NAVARRA,

M. Giovanni ZAPPALÁ,

M. Giuseppe DE MAJO,

Barrister-at-Law, Representative of the Fascist General Banking Confederation.

Barrister-at-Law, Director of the Legal Bureau of the Fascist General Confederation of Italian Industry.

Barrister-at-Law, Representative of the Fascist General Merchants' Confederation.

Barrister-at-Law, Representative of the Minister of Finance.

Barrister-at-Law, Representative of the Bank of Italy.

Secretary:

M. Gian Battista TOFFOLO,

Diplomatic Consular Attaché.

JAPAN.

Delegates:

His Excellency M. Morie OHNO,

M. Tetsukichi SHIMADA,

Envoy Extraordinary and Minister Plenipotentiary accredited to the Federal President of the Austrian Republic.

Judge at the "Cour de Cassation" of Tokio.

Substitutes:

M. Tamotsu KOBORI,

M. Yoshiro ANDO,

Viscount Seiichi MOTONO,

Judge at the District Court of Yokohama.

Secretary at the Japanese Embassy accredited to the Central Executive Committee of the Union of Soviet Socialist Republics.

Secretary at the Japanese Embassy accredited to His Majesty the King of the Belgians.

¹ M. Lyon-Caen was prevented from attending the Conference.

LETTONIE.

Délégués :
Son Excellence M. Charles DUZMANS,

Le docteur Auguste LOEBER,
M. Wilis BANDREVIČS,

Délégué permanent auprès de la Société des Nations,
Envoyé extraordinaire et Ministre plénipotentiaire
auprès de Sa Majesté le Roi de Yougoslavie, Pré-
sident de la Délégation.
Conseiller à la Cour de Cassation, Professeur à la Faculté
de droit de l'Université de Riga.
Directeur général adjoint de la Banque de Lettonie.

LUXEMBOURG.

Délégué :
M. Charles VERMAIRE,

Consul à Genève.

Délégué :
M. C. Stub HOLMBOE,

NORVÈGE.

Avocat.

Délégués :
M. W. L. P. A. MOLENGRAAFF,
M. C. D. ASSER,

M. F. G. SCHELTEMA,
M. H. A. VAN NIEROP,

M. G. A. DUNLOP,

PAYS-BAS.

Docteur en droit, Professeur émérite de l'Université
d'Utrecht, chef de la Délégation.
Avocat à Amsterdam, Docteur en droit, Président
des Tribunaux arbitraux mixtes franco-allemand,
gréco-allemand, franco-turc et turco-belge.
Docteur en droit, Professeur à l'Université d'Amsterdam.
Docteur en droit, Administrateur-Directeur de l' « Ams-
terdamsche Bank ».
Directeur de la « Nederlandsch-Indische Handelsbank »
à Amsterdam.

Secrétaire :
M. Max FRANSSSEN,

Docteur en droit.

Délégué :
Don José Maria BARRETO,

PÉROU

Chef du Bureau permanent du Pérou auprès de la
Société des Nations, ancien Chargé d'affaires à
Berlin.

Délégués :
M. Józef SUŁKOWSKI,

M. Jan NAMITKIEWICZ,

POLOGNE.

Professeur à l'Université de Poznan, Membre de la
Commission de codification de Pologne, chef de
la Délégation.
Professeur à l'Université de Varsovie, Juge au Tribunal
arbitral mixte germano-polonais.

Délégué :
Le docteur José CAEIRO DA MATTA,

PORTUGAL.

Recteur de l'Université de Lisbonne, Professeur à la
Faculté de droit, Directeur de la Banque de
Portugal.

Delegates:

His Excellency M. Charles DUZMANS,

Dr. Auguste LOEBER,

M. Wilis BANDREVICS,

LATVIA.

Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary accredited to His Majesty the King of Yugoslavia, President of the Delegation. Counsellor of the Court of Cassation, Professor in the Faculty of Law of the University of Riga. Deputy-Director-General of the Bank of Latvia.

Delegate:

M. Charles VERMAIRE,

LUXEMBURG.

Consul at Geneva.

Delegate:

M. C. Stub HOLMBOE,

NORWAY.

Barrister-at-Law.

Delegates:

M. W. L. P. A. MOLENGRAAFF,

M. C. D. ASSER,

M. F. G. SCHELTEMA,

M. H. A. VAN NIEROP,

M. G. A. DUNLOP,

Secretary:

M. Max FRANSEN,

THE NETHERLANDS.

Doctor of Law, Professor Emeritus of the University of Utrecht, Head of the Delegation.

Barrister-at-Law at Amsterdam, Doctor of Law, President of the Franco-German, Greco-German, Franco-Turkish, and Turco-Belgian Mixed Arbitral Tribunals.

Doctor of Law, Professor at the University of Amsterdam.

Doctor of Law, Managing Director of the "Amsterdamsche Bank".

Director of the "Nederlandsch-Indische Handelsbank" at Amsterdam.

Doctor of Law.

Delegate:

Don José Maria BARRETO,

PERU.

Head of the Permanent Office of Peru accredited to the League of Nations, former Chargé d'Affaires at Berlin.

Delegates:

M. Jozef SUŁKOWSKI,

M. Jan NAMITKIEWICZ,

POLAND.

Professor at the University of Poznań, Member of the Polish Codification Commission, Head of the Delegation.

Professor at the University of Warsaw, Judge at the Germano-Polish Mixed Arbitral Tribunal.

Delegate:

Dr. José CAEIRO DA MATTA,

PORTUGAL.

Rector of the University of Lisbon, Professor in the Faculty of Law, Director of the Bank of Portugal.

ROUMANIE.

Délégués :

Son Excellence
M. Constantin ANTONIADE,
Son Excellence M. Eugène NECULCEA,

Envoyé extraordinaire et Ministre plénipotentiaire
auprès de la Société des Nations.
Ministre plénipotentiaire, Docteur ès sciences (Paris),
ancien Directeur général au Ministère des Finances,
ancien Professeur à l'Université de Jassy, Membre
du Comité économique de la Société des Nations.

SIAM.

Délégué :

Son Altesse Sérénissime
le prince VARNVAIDYA,

Délégué permanent auprès de la Société des Nations,
Envoyé extraordinaire et Ministre plénipotentiaire
auprès de Sa Majesté Britannique.

SUÈDE.

Délégués :

Son Excellence le baron
MARKS VON WÜRTEMBERG,
Son Excellence M. Birger EKEBERG,

Président de la Cour d'Appel de Stockholm, ancien
Ministre des Affaires étrangères.
Ancien Ministre de la Justice, Président de la Commission
de législation civile, ancien membre de la Cour
Suprême.

Secrétaire :

M. Eric DE POST,

Attaché au Ministère royal des Affaires étrangères.

SUISSE.

Délégué :

Le docteur Max VISCHER,

Avocat et notaire, Premier secrétaire de l'Association
suisse des Banquiers, à Bâle.

TCHÉCOSLOVAQUIE.

Délégué :

Le docteur Karel HERMANN-OTAVSKÝ,

Professeur à l'Université de Prague, Président de la
Commission de codification du droit commercial au
Ministère de la Justice, chef de la Délégation.

Délégué et expert :

Le docteur Jan SRB,

Conseiller de Section au Ministère de la Justice.

Secrétaire :

Le docteur Henri NOSEK,

Commissaire au Ministère des Affaires étrangères.

TURQUIE.

Délégué :

Son Excellence MUNIR Bey,

Envoyé extraordinaire et Ministre plénipotentiaire au-
près du Conseil fédéral suisse.

VENEZUELA.

Délégué :

M. Carlos Eduardo DE LA MADRIZ
DE MONTEMAYOR,

Consul général en Suisse, Docteur ès sciences physiques
et mathématiques.

ROUMANIA.

Delegates:
His Excellency M. Constantin ANTONIADE, Envoy Extraordinary and Minister Plenipotentiary accredited to the League of Nations.
His Excellency M. Eugène NECULCEA, Minister Plenipotentiary, Doctor of Science (Paris), former Director-General at the Ministry of Finances, former Professor at the University of Jassy, Member of the Economic Committee of the League of Nations.

SIAM.

Delegate:
His Serene Highness Prince VARNVAIDYA, Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary accredited to His Britannic Majesty.

SWEDEN.

Delegates:
His Excellency Baron MARKS VON WÜRTEMBERG, President of the Stockholm Court of Appeal, former Minister for Foreign Affairs.
His Excellency M. Birger EKEBERG, Former Minister of Justice, President of the Civil Legislation Commission, former Member of the Supreme Court.
Secretary:
M. Eric DE POST, Attaché to the Royal Ministry for Foreign Affairs.

SWITZERLAND.

Delegate:
Doctor Max VISCHER, Barrister-at-Law and Notary, First Secretary of the Swiss Bankers' Association at Basle.

CZECHOSLOVAKIA.

Delegate:
Dr. Karel HERMANN-OTAVSKÝ, Professor at the University of Prague, President of the Codification Commission for Commercial Law in the Ministry of Justice, Head of the Delegation.
Delegate and Expert:
Dr. Jan SRB, Departmental Counsellor in the Ministry of Justice
Secretary:
Dr. Henri NOSEK, Commissioner in the Ministry for Foreign Affairs.

TURKEY.

Delegate:
His Excellency MÜNIR Bey, Envoy Extraordinary and Minister Plenipotentiary accredited to the Swiss Federal Council.

VENEZUELA.

Delegate:
M. Carlos Eduardo DE LA MADRIZ DE MONTEMAYOR, Consul-General in Switzerland, Doctor of Science and Mathematics.

YOUgosLAVIE.

Délégué:
Le docteur Berthold EISNER, Président de Chambre à la Cour suprême de Saraïevo

Délégué adjoint:
M. Yvo ANDRITCH, Premier secrétaire de la Délégation permanente auprès de la Société des Nations.

ÉTATS-UNIS D'AMÉRIQUE.

(A participé à la Conférence à titre d'observateur.)

M. Martin Herbert KENNEDY, Expert technique, Membre de l' « American Bar Association » et Membre de l' « American Association of International Law ».

Adjoint:
M. James W. RIDDLEBERGER.

Ont pris part à la Conférence à titre consultatif:

REPRÉSENTANT DU COMITÉ ÉCONOMIQUE DE LA SOCIÉTÉ DES NATIONS.

M. J. A. BARBOZA-CARNEIRO, Attaché commercial à l'Ambassade du Brésil auprès de Sa Majesté Britannique, Membre du Comité économique.

CHAMBRE DE COMMERCE INTERNATIONALE.

Délégués:
M. Albert TROULLIER, Ancien Président du Tribunal de Commerce de la Seine, ancien Président de la Société de législation comparée, Vice-Président de la Société d'études législatives, chef de la Délégation.
M. Geh. Kom. Richard SCHMIDT, Président de la Chambre de Commerce de Leipzig, i/Fa. Hammer & Schmidt, Bank-Geschäft, membre du Bureau du Congrès allemand du Commerce et de l'Industrie, Président du Tribunal d'honneur de la Bourse, Président du Sénat de l'École supérieure du Commerce.
M. Virgilio DEL RIO, Directeur du Service financier de la Chambre de Commerce internationale.

YUGOSLAVIA.

Delegate:

Dr. Berthold EISNER,

President of Chamber at the Supreme Court of Sarajevo.

Substitute:

M. Yvo ANDRITCH,

First Secretary of the Permanent Delegation accredited to the League of Nations.

UNITED STATES OF AMERICA.

(Attended the Conference as an Observer.)

Mr. Martin Herbert KENNEDY,

Technical expert. Member of the American Bar Association and Member of the American Association of International Law.

Substitute:

Mr. James W. RIDDLEBERGER.

Attended the Conference in an Advisory Capacity.

REPRESENTATIVE OF THE ECONOMIC COMMITTEE OF THE LEAGUE OF NATIONS.

M. J. A. BARBOZA-CARNEIRO,

Commercial Attaché to the Brazilian Embassy accredited to His Britannic Majesty, member of the Economic Committee.

INTERNATIONAL CHAMBER OF COMMERCE.

Delegates:

M. Albert TROULLIER,

Former President of the Commercial Tribunal of the Seine, ex-President of the " Société de législation comparée ", Vice-President of the " Société d'études législatives ", Head of the Delegation

M. Geh. Kom. Richard SCHMIDT,

President of the Leipzig Chamber of Commerce, of " Hammer und Schmidt Bank-Geschäft ", Member of the Bureau of the German Congress of Commerce and Industry, President of the Stock Exchange Court of Honour, President of the Senate of the Higher School of Commerce.

M. Virgilio DEL RIO,

Director of the Financial Department of the International Chamber of Commerce.

INSTITUT INTERNATIONAL DE ROME POUR L'UNIFICATION DU
DROIT PRIVÉ.

M. René DAVID,

Secrétaire général adjoint de l'Institut.

Qui se sont réunis à Genève, le 13 mai 1930, sous la présidence de M. le Dr J. Limburg, Membre du Conseil d'Etat des Pays-Bas, désigné par le Conseil de la Société des Nations.

M. Ch. Smets, membre de la Section économique du Secrétariat, a assumé les fonctions de Secrétaire général de la Conférence. Il a été assisté de MM. Arcoleo, Bernier et Xenakis, membres du Secrétariat de la Société des Nations.

La Conférence a désigné un comité de rédaction composé de :

M. Giannini, président, M. Percerou, rapporteur général, M. Ekeberg, M. Quassowski et M. Sułkowski.

M. Joseph Nisot, membre de la Section juridique du Secrétariat, a agi comme conseiller juridique.

A la suite des délibérations consignées aux procès-verbaux des séances, la Conférence a élaboré, avec les protocoles y relatifs, les trois Conventions suivantes :

1. Convention portant loi uniforme sur les lettres de change et billets à ordre;
2. Convention destinée à régler certains conflits de lois en matière de lettre de change et de billet à ordre;
3. Convention relative au droit de timbre en matière de lettre de change et de billet à ordre.

La Conférence a également émis les vœux ci-après :

I.

La Conférence, dans le but d'éviter que soient adoptés des textes de la loi uniforme dans la même langue, qui présentent des divergences de traduction, émet le vœu que les Etats qui ont la même langue officielle veuillent établir d'un commun accord la traduction officielle de la loi uniforme.

II.

La Conférence émet le vœu que les Hautes Parties contractantes se notifient entre elles les listes des jours fériés légaux et des autres jours où le paiement ne peut être exigé dans leurs pays respectifs.

III.

La Conférence émet également le vœu que les parties à la Convention, portant loi uniforme sur les lettres de change et billets à ordre, se communiquent entre elles le texte des plus importantes décisions judiciaires intervenues sur leurs territoires respectifs et tombant sous l'application de ladite Convention.

IV.

La Conférence, considérant le développement que prennent dans la pratique les garanties extra-cambiales des titres de crédit, émet le vœu que l'Institut international de Rome pour l'unification du Droit privé mette à l'étude les problèmes concernant la fidéjussion et l'assurance des créances cambiales en connexion avec le système général de la lettre de change et particulièrement avec l'aval.

V.

La Conférence, ayant terminé la première partie du programme de ses travaux, décide de renvoyer à une session ultérieure la discussion des projets de convention relatifs au chèque, et demande au président de la Conférence de fixer, avec l'autorisation du Conseil de la Société des Nations, la date de la seconde session de la présente Conférence qui, autant que possible, devrait avoir lieu dans le courant du mois de janvier 1931.

INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
AT ROME.

M. René DAVID,

Deputy-Secretary-General of the Institute.

Who assembled at Geneva on May 13th, 1930, under the presidency of Dr. J. Limburg, Member of the Netherlands Council of State, appointed by the Council of the League of Nations.

M. Ch. Smets, member of the Economic Section of the Secretariat, acted as Secretary-General of the Conference and was assisted by M. Arcoleo, M. Bernier and M. Xenakis, members of the Secretariat of the League of Nations.

The Conference appointed a Drafting Committee consisting of M. Giannini (*Chairman*), M. Percerou, General Rapporteur, M. Ekeberg, M. Quassowski and M. Sulkowski.

M. Joseph Nisot, member of the Legal Section of the Secretariat, acted as legal adviser.

In the course of discussions, which are recorded in the Minutes of the Meetings, the Conference ramed, together with the protocols relating thereto, the three following conventions:

1. Convention providing uniform law on bills of exchange and promissory notes;
2. Convention for the settlement of certain conflicts of laws in connection with bills of exchange and promissory notes;
3. Convention on stamp laws in connectfon with bills of exchange and promissory notes.

The Conference also made the following recommendations:

I.

In order to avoid the adoption of texts of the Uniform Law translated in different ways in the same language, the Conference recommends that countries whose official language is the same should agree to establish an official translation of the Uniform Law.

II.

The Conference recommends that the High Contracting Parties should communicate to one another a list of the legal holidays and other days on which payment cannot be demanded in their respective countries.

III.

The Conference further recommends that the Parties to the Convention providing Uniform Law for Bills of Exchange and Promissory Notes should communicate to one another the text of the most important judgments given in their respective territories coming under the application of the said Convention.

IV.

The Conference, having regard to the development of the practice of giving guarantees for instruments of credit in a form not coming under the law of negotiable instruments, recommends that the International Institute for the Unification of Private Law at Rome should study the problems concerning the guaranteeing (*fidejussio*) and insurance of debts in connection with bills of exchange in their relation to the general system of bills of exchange and the "aval" in particular.

V.

The Conference, having concluded the first part of its programme, decides to postpone to another session the discussion of the draft conventions on cheques, and asks the President of the Conference to fix, with the authorisation of the Council of the League of Nations, the date of the second session of the present Conference, if possible, in January 1931.

Dans l'intervalle, et afin de faciliter les travaux ultérieurs:

I. Les gouvernements représentés à la présente Conférence, tenant compte de l'expérience de cette première session, soumettront les projets dont la Conférence est saisie relativement au chèque à un examen supplémentaire en consultant, le cas échéant, les milieux intéressés. Cet examen pourrait notamment porter sur l'état de la législation et sur les points suivants:

1. Convient-il d'interdire l'émission des chèques sur des personnes n'exerçant pas la profession de banquiers ?

2. Le tireur doit-il avoir une disponibilité liquide auprès du tiré et à quel moment, à la présentation ou au paiement ?

3. « Guthabenklausel » (mention obligatoire de la provision).

4. Le chèque doit-il être toujours à vue ?

5. De quelle manière doivent être réglés les délais pour la présentation ?

6. Faut-il reconnaître au tireur, et dans quelle mesure, le droit de faire opposition au paiement du chèque (révocation) ?

7. Quels sont les effets du barrement ? Ne serait-il pas possible de ramener à un type unique le chèque barré et le chèque seulement pour compensation (nur zur Verrechnung) pratiqué par certains pays ?

8. Le tireur est-il responsable, même si le chèque n'est pas dûment présenté dans le délai fixé ?

9. Quels sont les effets du transfert de la provision au porteur ? — Action d'enrichissement.

10. A la charge de qui faut-il imputer les risques de faux et d'altération ?

11. Le tiré peut-il refuser le paiement partiel d'un chèque qui ne serait pas entièrement couvert ?

12. N'y a-t-il pas lieu de prescrire des règles spéciales et lesquelles pour le cas où un titre, remplissant par ailleurs toutes les conditions requises pour la validité d'une lettre de change, stipule qu'il est payable, non en espèces, mais par un chèque, spécialement par un chèque sur l'étranger ?

13. Chèque rédigé à la machine à écrire.

14. Perte ou vol du chèque (procédure d'amortisation).

15. Conflits entre les clauses de transmission.

16. Chèque domicilié.

17. Duplicata (pluralité d'exemplaires).

18. Prescription.

19. Exonération de garantie de l'endosseur.

20. Effets des chèques postdatés.

21. Acceptation, certification et visa.

II. Les délégations communiqueront au Secrétaire général de la Société des Nations, avant le 15 octobre 1930, le résultat de l'examen visé au N° I, en y joignant tous amendements, propositions ou considérations qu'elles jugeraient utiles.

III. La documentation supplémentaire ainsi obtenue sera coordonnée, classée et réunie en un document, par les soins du Secrétaire général de la Société des Nations.

Le Président de la Conférence, M. le Dr Limburg, est prié de revoir le document établi par le Secrétariat et de donner à celui-ci toutes directives utiles avant la transmission dudit document aux gouvernements représentés à la présente Conférence.

IV. La Conférence prie le Conseil de la Société des Nations d'autoriser le Secrétaire général de la Société à entreprendre les tâches que comporte l'exécution des dispositions ci-dessus.

Meanwhile, and in order to facilitate subsequent work:

I. The Governments represented at the present Conference will, in the light of the experience of this first session, devote further examination to the draft conventions on cheques submitted to the Conference and will, if necessary, consult circles technically concerned. This examination might deal in particular with the present state of legislation and with the following points:

1. Is it desirable to prohibit the drawing of cheques on persons who do not carry on the profession of banking ?

2. Must the drawer have funds in the hands of the drawee, and at what moment, at the time of presentation or at the time of payment ?

3. " Guthabenklausel " (compulsory mention of cover in the cheque).

4. Must a cheque always be payable on demand ?

5. How must the time-limits for presentation be fixed ?

6. Must the drawer be given the right to object to payment of the cheque (withdrawal) and how far ?

7. What are the effects of a crossing ? Would it not be possible to combine in a single type the crossed cheque and the cheque only for collection (nur zur Verrechnung) in use by certain countries ?

8. Is the drawer liable even if the cheque has not been presented within the fixed period of time ?

9. What are the effects of the transfer of cover to the holder ? — Action for inequitable gain ?

10. Upon whom do the risks of forgery and alteration fall ?

11. Can the drawee refuse partial payment of a cheque when there are not sufficient funds to meet it ?

12. Is it not desirable to prescribe special rules to meet the case in which an instrument which otherwise satisfies all the conditions required for the validity of a bill of exchange stipulates that it is payable not in money, but by a cheque, especially by a cheque drawn on a bank abroad ? If so, what rules should be prescribed ?

13. A type-written cheque.

14. Loss or theft of a cheque (amortisation procedure).

15. Conflicts between transmission clauses.

16. Domiciled cheque.

17. Duplicates (parts of a set).

18. Limitation of actions.

19. Release of the endorser from his liability.

20. Consequences ensuing from post-dated cheques.

21. Acceptation, certification and visa.

II. The delegations will communicate to the Secretary-General of the League of Nations, before October 15th, 1930, the result of the examination referred to in I, adding thereto any amendments, proposals or considerations they may deem fit.

III. The additional documentation thus obtained will be co-ordinated, classified and incorporated in a single document on the instructions of the Secretary-General.

The President of the Conference, Dr. Limburg, is requested to revise the document prepared by the Secretariat and to furnish the latter with any useful instructions before the document is transmitted to the Governments represented at the present Conference.

IV. The Conference requests the Council of the League of Nations to authorise the Secretary-General of the League to undertake the duties necessary for the execution of the above provisions.

EN FOI DE QUOI, les délégués susmentionnés ont signé le présent Acte final.

IN FAITH WHEREOF, the above-mentioned delegates have signed the present Final Act.

FAIT à Genève, le sept juin mil neuf cent trente en un seul exemplaire, qui sera déposé dans les archives du Secrétariat de la Société des Nations. Une copie certifiée conforme sera transmise par les soins du Secrétaire général de la Société à tous les Membres de la Société des Nations et à tous les Etats non membres invités à la Conférence.

DONE at Geneva the seventh day of June one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations. Authenticated copies shall be delivered by the Secretary-General of the League to all Members of the League of Nations and to all Non-Member States invited to the Conference.

Le Président de la Conférence:

The President of the Conference:

LIMBURG

Le Secrétaire général de la Conférence:

The Secretary-General of the Conference:

C. SMETS

ALLEMAGNE

GERMANY

Leo QUASSOWSKI
D^r ALBRECHT.
D^r ULLMANN

AUTRICHE

AUSTRIA

D^r STROBELE

BELGIQUE

BELGIUM

Vte POULLET
DE LA VALLÉE POUSSIN

GRANDE-BRETAGNE
et IRLANDE DU NORD

GREAT BRITAIN
and NORTHERN IRELAND

AINSI QUE TOUTES PARTIES DE L'EMPIRE
BRITANNIQUE NON MEMBRES SÉPARÉS DE LA
SOCIÉTÉ DES NATIONS

AND ALL PARTS OF THE BRITISH EMPIRE WHICH
ARE NOT SEPARATE MEMBERS OF THE LEAGUE
OF NATIONS.

H. C. GUTTERIDGE

BRÉSIL

BRAZIL

Deoclecio DE CAMPOS

COLOMBIE

COLOMBIA

A. J. RESTREPO

DANEMARK

DENMARK

A. HELPER
V. EIGTVED

VILLE LIBRE DE DANTZIG

SUŁKOWSKI
Richard KETTLITZ

FREE CITY OF DANZIG

ÉQUATEUR

Alex. GASTELÚ

ECUADOR

ESPAGNE

Juan GOMEZ MONTEJO

SPAIN

FINLANDE

F. GRÖNVALL

FINLAND

FRANCE

J. PERCEROU
BOUTERON
Gaston LIBERSAT

FRANCE

GRÈCE

R. RAPHAEL

GREECE

HONGRIE

E. ASZTALOS

HUNGARY

ITALIE

Amedeo GIANNINI
Gian Battista TOFFOLO

ITALY

JAPON

M. OHNO
T. SHIMADA

JAPAN

LETTONIE

Charles DUZMANS
Auguste LOEBER
W. BANDREVICS

LATVIA

LUXEMBOURG

Ch. G. VERMAIRE

LUXEMBURG

NORVÈGE

Stub HOLMBOE

NORWAY

PAYS-BAS

MOLENGRAAFF
SCHELTEMA
G. A. DUNLOP
Max. FRANSSEN

THE NETHERLANDS

PÉROU	J. M. BARRETO	PERU
POLOGNE	SUŁKOWSKI	POLAND
PORTUGAL	José CAEIRO DA MATTA	PORTUGAL
ROUMANIE	E. NECULCEA	ROUMANIA
SIAM	VARNVAIDYA	SIAM
SUÈDE	E. MARKS VON WÜRTEMBERG Birger EKEBERG	SWEDEN
SUISSE	VISCHER	SWITZERLAND
TCHÉCOSLOVAQUIE	Prof. D ^r Karel HERMANN-OTAVSKÝ Jean SRB D ^r H. NOSEK	CZECHOSLOVAKIA
TURQUIE	MEHMED MUNIR	TURKEY
VENEZUELA	Carlos E. DE LA MADRIZ	VENEZUELA
YUGOSLAVIE	D ^r B. EISNER	YUGOSLAVIA
COMITÉ ÉCONOMIQUE DE LA SOCIÉTÉ DES NATIONS	ECONOMIC COMMITTEE OF THE LEAGUE OF NATIONS	
J. A. BARBOZA CARNEIRO		
INSTITUT INTERNATIONAL DE ROME POUR L'UNIFICATION DU DROIT PRIVÉ	INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW AT ROME	

René DAVID

D. REPORT BY THE DRAFTING COMMITTEE.

Chairman: M. GIANNINI (Italy).
General Rapporteur: M. PERCEROU (France).
Members: M. EKEBERG (Sweden).
M. QUASSOWSKI (Germany).
M. SUŁKOWSKI (Poland).

I.

GENERAL REMARKS.

1. The Council of the League of Nations, rightly anxious to avoid leaving the task of unifying the laws on bills of exchange unfinished, and to bring to fruition the hopes that had been raised by the Conferences held at The Hague in 1910 and 1912, convened a third International Conference at Geneva for the purpose of unifying the laws on bills of exchange, promissory notes and cheques. The present report deals only with bills of exchange and promissory notes.

2. In 1912, the Hague Conference drew up a unifying instrument in two parts.

One part, entitled "Uniform Regulation", contained a statute for bills of exchange and promissory notes.

The other part was in the form of a Convention whereby the contracting parties undertook to introduce the regulation into their respective territories, either in the original text or in their national tongues, with the force of a law of the country. The Convention further contained a number of reservations enabling the contracting parties to adhere to their own laws on the points to which the reservations related, and it also laid down that the contracting parties could not subordinate the validity of obligations arising out of a bill of exchange to the observance of the provisions concerning the stamp. A very small number of rules of private international law relating to conflicts of laws were embodied in the Regulation (Articles 74 to 76) and in the Convention (Article 18). Lastly, it was agreed that the Convention could not be denounced until the lapse of three years from the date of the first deposit of ratifications, and that denunciation would not take effect until one year after it had been notified.

3. In actual fact, this Convention, which was signed on July 23rd, 1912, was not ratified. The great war was undoubtedly the main cause of this, but it was not the only one. In some countries the view was taken that the formula that had been adopted for the introduction of the uniform text into the national laws was a violation of parliamentary prerogative, and could, indeed, hardly be reconciled with constitutional law, because its effect was to deprive the Parliaments for four years (three years during which denunciation could not take place and one year before it could take effect) of the right to amend an internal law.

4. The question was left in that position until, in 1921, as a result of a recommendation by the International Financial Conference held at Brussels in 1920, the League of Nations instructed its Economic Committee to consider how the work of unification might be resumed. After various preliminary investigations, a Committee of Legal Experts appointed by the Economic Committee drafted a Uniform Regulation directly based on the Hague Regulation. Realising, however, the parliamentary difficulties that had interfered with the ratification of the Hague Convention, and being anxious to avoid encountering them a second time, the Committee of Legal Experts proposed a much safer method, namely, the establishment of a model law, it being intended that the Governments of the different countries should simply undertake to bring in Bills based on this uniform text, but not necessarily reproducing it word for word, and that the Parliaments could amend it from the outset.

5. The Conference held that this system was not adequate to ensure the unification of the laws on bills of exchange. Desiring, however, like the Committee of Experts, to secure effective ratification, it agreed upon a system that had been proposed at the start of its proceedings by two delegations. Briefly, this system, after undergoing certain modifications of detail introduced by way of compromise, now works as follows: The Governments undertake, as at The Hague, to introduce in their territory the Uniform Law as adopted by the Conference, and at the outset

¹ Adopted by the Conference at the meeting of June 5th, 1930.

this text cannot be amended except on those points on which—now, as at The Hague—reservations have been allowed. It is stipulated in the Convention, however, that the period that must elapse before denunciation is reduced to two years (instead of three years, as at The Hague), denunciation to take effect one year later. Furthermore, “urgent cases”, which are left to the discretion of each State, are reserved, and in such cases—which it is to be hoped will not arise, and which do not seem at all likely to arise—denunciation may take place without a time-limit and will have immediate effect. This system combines the two advantages of ensuring genuine and effective unification—inasmuch as it is the actual text of the Uniform Law which is to be introduced into the legislation of each country—and complying with the legitimate desire that may be felt by Parliaments to preserve unimpaired their right to amend an internal law at any moment.

6. The instruments established by the Conference for the purpose of putting this system into effect are three in number, the first having two annexes.

A. A Convention whereby the Parties undertake to introduce, as it stands, the text known as the Uniform Law in their respective territories. This Convention has two annexes:

(a) The text of the Uniform Law;

(b) The text of the reservations and assimilated articles—the number of which is approximately the same as in the Hague Regulation—enabling the contracting parties, with reference to the points dealt with, to substitute the special rules of their own laws for the provisions of the Uniform Law, to specify the conditions for the application of those provisions, or in some cases to amplify them.

B. A Convention embodying a few provisions with reference to the solution of certain conflicts of laws on bills of exchange or promissory notes.

C. A Fiscal Convention, whereby the contracting parties undertake not to subordinate the validity of obligations arising out of a bill of exchange or promissory note to the observance of the provisions concerning the stamp.

These three Conventions are mutually independent, that is to say, a country can be a party to one without being a party to the others.

II.

CONVENTION PROVIDING A UNIFORM LAW FOR BILLS OF EXCHANGE AND PROMISSORY NOTES.

7. Under Article I, the contracting parties undertake to introduce the Uniform Law in their respective territories either in their own languages (with the elasticity necessary to reproduce the terms of the provisions in their own legal terminology) or in the original text (French or English); this is the system adopted at The Hague. There is, further, the recommendation passed by the Conference (Final Act, I) to the effect that States which have the same official language should adopt translations of the Uniform Law to be established by joint agreement.

8. The acceptance of the Uniform Law may not be made subject to any reservations other than those indicated in Annex II of the Convention. The reservations which any one of the contracting parties may desire to adopt must be notified at the time of ratification or accession. Certain reservations—those mentioned in Articles 12 and 18 of Annex II—may, however, become necessary by reason of particular situations which could not be foreseen at the time of ratification or accession; accordingly, any contracting party is allowed to submit such reservations after the aforesaid date, provided that they are notified to the Secretary-General of the League of Nations, who will communicate them to the other contracting parties.

Lastly, the reservations mentioned in Articles 7 and 22 of Annex II may be made at any time, but they must immediately be communicated direct to all the contracting parties and to the Secretary-General of the League of Nations, and shall take effect two days after the receipt of the notification.

9. Article II contains a provision regulating the situation as regards bills of exchange and promissory notes created before the entry-into-force of the Convention.

10. The other provisions governing signature, ratification, accession, entry-into-force of the Convention, etc., are based on similar provisions adopted for the international Conventions concluded in recent years. They are sanctioned by experience and do not seem to call for comment.

11. Article VIII alone would appear to acquire special mention. Apart from the usual procedure of denunciation, provision is made for denunciation in urgent cases, with immediate effect. Economic developments in the different States may give rise to exceptional situations demanding complete and absolute liberty of action. In such a case the State concerned cannot be required to observe the ordinary period laid down for denunciation. Again, it is necessary, in such a contingency, to safeguard the interests of the other contracting States, which must be duly informed when States intend to employ this procedure of urgent denunciation in order to release themselves from their obligations under the Convention. That is why a State which finds it necessary to make use of this right is required itself immediately to inform the other States that are bound by the Treaty. It must also notify its decision to the Secretary-General of the League of Nations. Urgent denunciation, the necessity for which it is left to the several contracting parties to determine, takes effect two days after the receipt of the relevant notification by the other contracting parties. This period of two days represents the minimum required to enable the contracting parties, when thus informed to issue the necessary notices in their respective territories.

12. It was observed that, as the exceptional situations in question might be only of a transitory and temporary character, it was possible to contemplate the provisional suspension of the Convention. This possibility, however, was rejected on the grounds that it might readily lend itself to abuse, to the detriment of States which, in conformity with the Convention, had decided not to employ the procedure of urgent denunciation except in case of absolute necessity.

13. The Protocol embodies two rules designed to obviate certain difficulties which might occur at the moment of ratification (A and B).

14. It stipulates that the contracting parties shall communicate to one another the texts of legislation enacted in the matter of bills of exchange (C). This last-named provision is based on the principle that every contracting party has the right to see that the Treaty is being integrally applied by the other contracting parties; it also embodies a principle of co-operation and agreement, which is in the interests of the unification of laws. There is, further, the recommendation (Final Act, III) to the effect that the contracting parties should also inform one another of the chief legal decisions relating to the application of the Convention. The value of such a practice is obvious. Not only does it make it possible to follow the future application of agreements, but it should lead to useful suggestions, on the basis of practical everyday experience, as regards both the interpretation of the uniform law and its possible revision under the terms of Article IX.

Annex I.

UNIFORM LAW ON BILLS OF EXCHANGE AND PROMISSORY NOTES.

15. The text of the Uniform Law follows very closely that previously adopted at The Hague. Title I, however, contains only twelve chapters instead of the thirteen in the Hague Regulation, Chapter XIII—dealing with conflicts of laws—having been dropped. Some advance has also been made towards greater uniformity. For example, all the countries have agreed (which was not found possible at The Hague) to require the term “bill of exchange” to be inserted in the body of the instrument.

TITLE I. — BILLS OF EXCHANGE.

CHAPTER I. — ISSUE AND FORM OF A BILL OF EXCHANGE.

Article 1 (old Article 1, U.R. and Exp).¹

“A bill of exchange contains:

- “1. The term ‘bill of exchange’ inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
- “2. An unconditional order to pay a determinate sum of money;
- “3. The name of the person who is to pay (drawee);
- “4. A statement of the time of payment;

¹ The initials “U.R.” indicate the Uniform Regulation adopted by the Hague Conference of 1912. The abbreviation “Exp.” indicates the text of the Regulation proposed by the League of Nations legal experts which served as the basis for discussion at the Conference of Jurists in 1930.

- “ 5. A statement of the place where payment is to be made;
- “ 6. The name of the person to whom or to whose order payment is to be made;
- “ 7. A statement of the date and of the place where the bill is issued;
- “ 8. The signature of the person who issues the bill (drawer).”

16. Article 1 enumerates the particulars that must be given in the instrument to make it a bill of exchange. This article is a reproduction of the corresponding text in the draft of the Committee of Experts, which itself was taken from the Hague draft. The position has, however, been changed by the omission of a reservation, and certain explanations must be given with regard to the scope of the text adopted.

17. The Hague Convention of 1912 contained a reservation whereby “ In derogation of Article 1, 1^o of the Regulation, every Contracting State may provide that bills of exchange issued in its own territory which do not contain the expression ‘ bill of exchange ’ shall be valid, provided that they contain an express statement that they are payable ‘ to order ’ ”. This reservation had been inserted at the request of France, where it is not necessary to mention the expression “ bill of exchange ” in the instrument, but where it is necessary for every bill of exchange to contain the “ to order ” clause. An amendment to the same effect had been put forward at Geneva by another delegation. In order to facilitate the unification of laws on bills of exchange, and also for practical reasons (because the clause provides a formal mark to distinguish a bill of exchange at once from a cheque), France announced that she would no longer ask for that reservation. As regards the amendment, it was rejected. Accordingly, it becomes obligatory for all contracting parties that the words “ bill of exchange ” shall be embodied in the instrument. This is a noteworthy advance in the direction of unification. As, however, some time must elapse before those countries in which this measure is an innovation can take the necessary steps to put it into effect, it was laid down that each of the contracting parties might stipulate that the obligation to insert in bills of exchange issued in its territory the term “ bill of exchange ” should not apply until six months after the entry-into-force of the Convention (Annex II, Article 1).

18. Again, in the first paragraph of Article 1, it had been proposed to replace the words “ employed in drawing up the instrument ” by the words: “ employed in formulating the order to pay ”. This proposal was made by countries in which bills of exchange are sometimes drawn up in more than one language; but the proposed formula “ order to pay ” was too comprehensive, because the order itself consists of several words (“ pay to Mr. . . . the sum of . . . ”), which may be in different languages. It was therefore agreed to revert to the original formula of Article 1, 1^o but the Conference unanimously recognised that the term “ bill of exchange ” must be written in the same language as the word “ pay ”, which is the essential word in a bill of exchange.

19. The word “ order ” is not taken here in the strict legal sense, and the use of the word does not predetermine the exact nature of the operation of which the legal issue of a bill of exchange consists.

20. The Japanese delegation observed that, in Japan, the national custom is to affix to the instrument, not a written signature, but the private seal of the drawer beside or beneath his written name, and asked that that custom should be respected by the Uniform Law. It did not seem necessary to introduce a special clause for the purpose, but it is clearly understood that the word “ signature ” is used here in a wide sense, meaning any material sign serving, according to the custom of the country, to identify in papers or deeds the person affixing it. The Japanese delegation’s wish has therefore been met. The same remark, it may be added, applies not only to the signature of the drawer but to all signatures that may be affixed to a bill of exchange (signatures of the endorser, acceptor, the giver of an *aval*, etc.).

The question thus settled arises not only in regard to bills of exchange issued in Japan, but to those issued in the colonies of various countries as well.

21. Further, this question should not be confused with that of the form—generally an authentic act—in which a person physically incapable of signing—through sickness, disablement, illiteracy, etc.—can bind himself by a bill of exchange. This problem is left to be settled by the laws of each individual country, as laid down in Article 2 of Annex II of the Convention.

22. The question was raised in connection with Article 1 (6) whether the beneficiary could be designated simply by indicating his office (*e.g.*, “ Please pay to the Mayor of such-and-such a commune ”), and a text in that sense was proposed, on the basis of the British Act of August 18th, 1882, Article 7, section 2. The Conference did not think it necessary to draft a text to settle this question, but preferred to leave it to the judges to decide whether the beneficiary was clearly enough identified.

Article 2 (old Article 2, U.R. and Exp.).

“ An instrument in which any of the requirements mentioned in the preceding article is wanting is invalid as a bill of exchange, except in the cases specified in the following paragraphs:

“ A bill of exchange in which the time of payment is not specified is deemed to be payable at sight.

“ In default of special mention, the place specified beside the name of the drawee is deemed to be the place of payment, and at the same time the place of the domicile of the drawee.

“ A bill of exchange which does not mention the place of its issue is deemed to have been drawn in the place mentioned beside the name of the drawer.”

23. Article 2 lays down the rule that the omission of any of the particulars enumerated in Article 1 invalidates the instrument as a bill of exchange except where the omissions are made good by this Article 2. This article, which also reproduces the texts of the Uniform Regulation of The Hague and the Committee of Experts' draft, was adopted without change.

24. Some delegations, however, asked in connection with Article 2 that the Uniform Law should also contain provisions for the case where an instrument is originally issued without all the essential requirements of the bill of exchange but with the maker's authorisation to the holder to complete the instrument (bill of exchange in blank), and accordingly special provisions to meet this case are contained in Article 10.

Article 3 (old Article 3, U.R. and Exp.).

“ A bill of exchange may be drawn payable to drawer's order.

“ It may be drawn on the drawer himself.

“ It may be drawn for account of a third person.”

25. Article 3 prescribes how a bill of exchange may be drawn. It simply reproduces Article 3 of the Hague draft and of the experts' draft. Its adoption gave rise to no difficulty.

Article 4 (old Article 4, U.R. and Exp.).

“ A bill of exchange may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality.”

26. The word “ locality ” was substituted in the text for the word “ place ”, which appeared in the Hague draft. The object of this substitution is to indicate that in any one locality—town, commune, etc.—there may be a number of places of payment (the exact address at which the instrument must be presented for payment). It was proposed to substitute the word “ commune ” for “ locality ”, but that term was rejected because this administrative area does not exist in every country.

27. Further, the words “ domiciled bill ”, which appeared in the Hague text and in the Committee of Experts' text, were omitted, because the idea of domiciliation seems not to be quite the same in the different countries. In some, the term “ domiciled bill ” even covers bills payable without specifying any third person at whose address payment is to be made, the bill being drawn payable in a locality other than that of the drawee's domicile. Other countries, on the other hand, do not regard a bill of exchange as domiciled unless it is payable at the address of a third person. In order to make due allowance for these different conceptions, the term “ domiciled bill ” was dropped. Article 22, which relates to acceptance, was modified accordingly.

The question as to the exact meaning of “ domicile ” is left to be settled by the national laws.

Article 5 (old Article 5, U.R. and Exp.).

“ When a bill of exchange is payable at sight, or at a fixed period after sight, the drawer may stipulate that the sum payable shall bear interest. In the case of any other bill of exchange, this stipulation is deemed not to be written (*non écrite*).

“ The rate of interest must be specified in the bill; in default of such specification, the stipulation shall be deemed not to be written (*non écrite*).

“ Interest runs from the date of the bill of exchange, unless some other date is specified.”

28. The Conference adopted the text proposed by the experts, which differs from that of The Hague in that the latter provided that, in default of specification of the rate of interest in the instrument, that rate would be 5 per cent. The reason for this change is the difficulty of agreeing upon the rate of interest to be prescribed by law by interpreting the presumed intention of the parties, if the bill is not explicit on the point. Some proposed the legal rate, others a fixed rate of 5 or 6 per cent, others again the rate of the bank of issue or the market rate. The Conference rejected these proposals as being all more or less arbitrary or likely to raise great difficulties in their application, and ultimately adopted the experts' text.

Article 6 (old Article 6, U.R. and Exp.)

“ When the sum payable by a bill of exchange is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.

“ Where the sum payable by a bill of exchange is expressed more than once in words or more than once in figures, and there is a discrepancy, the smaller sum is the sum payable.”

29. This text, which is simply a reproduction of the Hague and experts' text, was adopted without discussion.

Article 7 (old Articles 7 and 68, U.R. and Exp.).

“ If a bill of exchange bears signatures of persons incapable of binding themselves by a bill of exchange, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the bill of exchange or on whose behalf it was signed, the obligations of the other persons who have signed it are none the less valid.”

30. The text of the Committee of Experts simply provided that “ if a bill of exchange bears the signature of persons incapable of contracting, the obligations of the other persons who have signed it are none the less valid.” It thus restricted to the special case of the incapacity of a signatory the principle that signatures are independent of one another, with the consequence, in this particular connection, that notwithstanding the invalidity of the obligation of a person incapable of binding himself by a bill of exchange, the other signatories are still bound by the bill. Actually, however, this principle of the independence of signatures has a much more general scope, and Article 68 of the Hague Uniform Regulation applied it also to the case of a bill bearing a forged signature. Other applications of the same principle will readily be conceived. It was therefore decided that all these cases, coming under the same rule (the independence of the signatures on a bill of exchange), must be brought under a single provision. The text of this provision is this Article 7, the adoption of which, as indicated above, involves the omission of Article 68 of the Hague text. Chapter X, although it thus contains only Article 69, is none the less useful, because, apart from the case of forged signatures, other alterations are possible in the text of a bill of exchange (increase of the amount and so on).

Article 8 (old Article 8, U.R. and Exp.).

“ Whosoever puts his signature on a bill of exchange as representing a person for whom he had no power to act is bound himself as a party to the bill and, if he pays, has the same rights as the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.”

31. Two points must be explained in regard to this article:

(a) When the drawer (or any other signatory) has put his signature on a bill of exchange, signifying that he is acting as representative for a person for whom he had no power to act, and has paid the bill, the question arises again whether he has the same right of recourse in the matter of bills of exchange as the party represented would have had. This might seem doubtful, as the bill is not in the name of the representative. The Conference, however, did not retain this objection. If the representative takes the place of the party represented from the standpoint of liabilities, that is, from the standpoint of obligations arising out of the bill of exchange, it is only right that he should take his place also from the standpoint of assets, that is of the rights flowing from the bill. Accordingly, when he has paid he is entitled, under the text, to the rights (including the right of recourse in the matter of bills of exchange) which the party represented would have had.

(b) When the signatory has not acted without having power to act, but has exceeded his powers (when, for example, having power to draw a bill of exchange for 10,000 francs he has drawn one for 20,000 francs) he is bound personally in respect of the whole amount (hence, to continue the above example, in respect of the 20,000 francs and not the 10,000 francs only); this was the sense in which the Conference interpreted paragraph 2 of Article 8. The relations between the representative and the party represented are still governed by the rules of common law.

Article 9 (old Article 9, U.R. and Exp.)

“ The drawer guarantees both acceptance and payment.

“ He may release himself from guaranteeing acceptance; every stipulation by which he releases himself from the guarantee of payment is deemed not to be written (*non écrite*).”

32. This text was adopted without modification, but not without discussion. One proposal to the effect that the drawer might release himself from guaranteeing payment was rejected as being contrary to the very essence of the bill of exchange. An amendment as follows had been submitted: “ Every stipulation by which the drawer releases himself from his guarantee is deemed not to be written”, which would have implied the impossibility of release not only from the guarantee of payment but also from guaranteeing acceptance, or, in other words, the impossibility of creating non-acceptable bills of exchange. It was pointed out that the acceptance of a bill of exchange was one of the principal bases of its credit and that to provide for the possibility of creating non-acceptable drafts facilitated the putting into circulation of instruments of doubtful value. These arguments did not prevail; it is for the persons discounting bills of exchange to decide whether, despite the stipulation “ non-acceptable”, such bills, in their opinion, offer adequate guarantees of payment. Further, the drawer may have very legitimate reasons for prohibiting presentment for acceptance before maturity. Lastly, non-acceptable bills of exchange are in current use in many countries. These various considerations appeared decisive to the Conference, which agreed to keep the experts' text as it stood.

Article 10 (new).

“ If a bill of exchange, which was incomplete when issued, has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the bill of exchange in bad faith or, in acquiring it, has been guilty of gross negligence.”

33. This article is new. The Conference thought it expedient to recognise incomplete instruments and instruments in blank and to establish rules determining their value as bills of exchange. Although certain countries do not use this type of security, in many others it is employed as a useful instrument for purposes of credit and guarantee. It thus appeared necessary to establish legislative rules applicable to this particular institution, in order to eliminate as far as possible any drawbacks to which it might give rise. The Conference therefore decided not to adopt the course agreed upon at the Hague Conference (1912), namely to leave the question outside the Uniform Regulation.

34. Some delegations, however, having stated that it was not their countries' intention to legislate on bills of exchange in blank on account of the abuses to which they might give rise, a reservation was introduced into the Convention whereby any one of the contracting parties is free not to embody Article 10 of the Uniform Law in its national law (Annex II, Article 3).

35. As regards the substance of Article 10, the underlying principle may be summed up as follows:

The Conference considered the case of an instrument designed to become a bill of exchange according to the express intention of its signatory, even if such instrument was not originally complete in every particular (*e.g.*, maturity, amount, etc.).

An instrument in blank raises numerous questions, the most important being whether, when the holder has filled in the blanks improperly, that is to say, otherwise than in accordance with the agreements entered into between himself and the signatory, and when the instrument thus improperly filled in has passed into the hands of a third holder acting in good faith, an objection can be set up against the holder on the grounds of such improper action.

The text decides this question in the negative, by providing that if the instrument, after being completed, has been acquired without proof of bad faith or gross negligence, objections on the grounds of the insertion of stipulations which are not in accordance with the agreements entered into cannot be set up against a holder in good faith. This is a consequence of the more general principle (consideration for the legitimate confidence of the holder) which is found in a different connection in Article 16.

A further question was whether, when the instrument was acquired before the blanks had been filled in, the person acquiring it had the right, like the original recipient, to fill in those blanks. It was laid down simply that if the acquirer filled in the blanks, even improperly, and if, after so doing, he passed on the bill to a third party in good faith, objections on the grounds of the insertion of improper stipulations could not be set up against that third party.

36. The foregoing considerations also apply *mutatis mutandis* to the insertion in the instrument of any non-essential stipulation not in accordance with the agreements entered into.

CHAPTER II. — ENDORSEMENT.

Article 11 (old Article 10, U.R. and Exp.).

“ Every bill of exchange, even if not expressly drawn to order, may be transferred by means of endorsement.

“ When the drawer has inserted in a bill of exchange the words ‘ not to order ’ or an equivalent expression, the instrument can only be transferred according to the form, and with the effects, of an ordinary assignment.

“ The bill may be endorsed even in favour of the drawee, whether he has accepted or not, or of the drawer, or of any other party to the bill. These persons may re-endorse the bill.”

37. Paragraphs 1 and 2 of this article, which merely reproduce the text of The Hague and that of the experts, were adopted without discussion.

38. As regards the third paragraph, it was proposed to substitute for the last sentence—“ These persons may re-endorse the bill ”—the words “ If the bill is endorsed to the drawee, the latter may no longer endorse it ”. This proposal was based on the idea that, if the bill was endorsed in favour of the drawee himself, the debt was extinguished by reason of the identity of persons. Against this, it was urged that the idea was highly questionable from a theoretical point of view owing to the impersonal character of exchange debts, and that it might be very useful in practice, if the drawee, who was frequently a bank, was able, after buying a bill of exchange which had been drawn on himself but had not yet matured, to put it into circulation again in order to facilitate the mobilisation of his holdings. Again, such a device is likely to be of great service in most countries, the more so since an endorsement made by the drawee in such circumstances is not regarded, even from a fiscal point of view, as involving the issue of a new instrument of exchange, and does not entail the payment of fresh stamp duty. The proposed amendment was therefore rejected and the text adopted without change.

Article 12 (old Article 11, U.R. and Exp.).

“ An endorsement must be unconditional. Any condition to which it is made subject is deemed not to be written* (*non écrite*).

“ A partial endorsement is null and void.

“ An endorsement ‘ to bearer ’ is equivalent to an endorsement in blank.”

39. The first two paragraphs, which reproduce the text of the Hague Regulation and that of the experts, were adopted without discussion. Whereas, however, the third paragraph of the text of The Hague and of the experts did not recognise an endorsement “ to bearer ”, the present text assimilates an endorsement “ to bearer ” to an endorsement in blank. This change was made

with the desire to give effect as liberally as possible to the clauses contained in the bill of exchange and in consideration of the fact that, in practice, blank endorsements enable the instrument to circulate almost as though it were a bearer security.

40. This provision has the further advantage of bringing the Uniform Law into closer accord with English law on this point.

Article 13 (old Article 12, U.R. and Exp.).

“ An endorsement must be written on the bill of exchange or on a slip affixed thereto (*allonge*). It must be signed by the endorser.

“ The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank). In the latter case, the endorsement, to be valid must be written on the back of the bill of exchange or on the slip attached thereto (*allonge*).”

41. This text was substituted for that of The Hague and of the experts in order to make it clear that, if the endorsement consists merely of the affixing of the signature, and may therefore be confused with other exchange entries (*aval*, acceptance), the endorsement, thus limited to signature, should be written on the back of the bill in order to avoid this confusion. When, however, it contains, in addition to the signature, any particulars which are characteristic of endorsement and distinguish it from any other exchange transaction (*e.g.*, “ pay to the order of . . . ”), such an endorsement can be written even on the face of the bill and remains none the less valid.

Article 14 (old Article 13, U.R. and Exp.).

“ An endorsement transfers all the rights arising out of a bill of exchange.

“ If the endorsement is in blank, the holder may:

“ 1. Fill up the blank either with his own name or with the name of some other person;

“ 2. Re-endorse the bill in blank, or to some other person;

“ 3. Transfer the bill to a third person without filling up the blank, and without endorsing it.”

Article 15 (old Article 14, U.R. and Exp.).

“ In the absence of any contrary stipulation, the endorser guarantees acceptance and payment.

“ He may prohibit any further endorsement; in this case, he gives no guarantee to the persons to whom the bill is subsequently endorsed.”

42. These articles, which correspond exactly to the texts of The Hague and of the Experts, were adopted without change.

Article 16 (old Article 15, U.R. and Exp.).

“ The possessor of a bill of exchange is deemed to be the lawful holder if he establishes his title to the bill through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements are deemed not to be written (*non écrits*). When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the bill by the endorsement in blank.

“ Where a person has been dispossessed of a bill of exchange, in any manner whatsoever, the holder who establishes his right thereto in the manner mentioned in the preceding paragraph is not bound to give up the bill unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.”

43. With respect to this article, one delegation submitted a proposal to the effect that the second paragraph should be worded as follows:

“ When a person has lost a bill of exchange in any manner whatever, the holder who shows his right thereto in the manner mentioned in the preceding paragraph is not bound to give up the bill unless he has acquired it in bad faith.

“ He has acted in bad faith if, in acquiring the bill, he was aware, or through negligence, unaware, of the fact that the transferer was not the legitimate holder or his representative, or else that he was not entitled or legally able to dispose of the bill.”

After discussion, this amendment was rejected, since it appeared impossible to give an accurate definition of bad faith which would meet the views prevailing on the subject in various countries and, further, because the amendment seeks to give a ruling as to the fate of an endorsement given by a legally incapable person, a question which has been left to the various national legislations (Convention on Conflicts of Laws, Article 9).

44. It was, moreover, understood that, when a first endorsee was unaware of the loss or theft of the bill of exchange (or more generally of the fact that the holder was unlawfully dispossessed of it), the defect thus attaching to the bill is thereby eliminated and the bill can subsequently be transferred to another endorsee, even though the latter should be aware that it had previously been unlawfully appropriated.

Article 17 (old Article 16, U.R. and Exp.).

“ Persons sued on a bill of exchange cannot set up against the holder defences founded on their personal relations with the drawer or with previous holders, unless the holder, in acquiring the bill, has knowingly acted to the detriment of the debtor.”

45. The last part of this text: “. . . unless the holder, in acquiring the bill, has knowingly acted to the detriment of the debtor”, differs both from the Hague text and from that of the experts.

The Hague text read as follows: “. . . unless the transfer has taken place in pursuance of a fraudulent understanding.” The Committee of Experts thought that this wording was too limited and they therefore suggested: “. . . unless the holder has acquired the bill in bad faith”. The latter phrase, however, was held by the Conference to be too comprehensive. Finally, after a long discussion, the Conference agreed to the compromise worded as above. It wished to make it clear that it is not sufficient for the holder to have been aware of the defences but that he must also, when acquiring the bill, with knowledge of the defences, have knowingly acted to the detriment of the debtor. The actual facts to which this formula (*exceptio doli generalis*) might apply are left to the decision of the Court.

Article 18 (old Article 17, U.R. and Exp.).

“ When an endorsement contains the statements ‘ value in collection ’ (*valeur en recouvrement*), ‘ for collection ’ (*pour encaissement*), ‘ by procuration ’ (*par procuration*) or any other phrase implying a simple mandate, the holder may exercise all rights arising out of the bill of exchange, but he can only endorse it in his capacity as agent.

“ In this case, the parties liable can only set up against the holder defences which could be set up against the endorser.

“ The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.”

46. The first and second paragraphs of this article, which agree with the same paragraphs of the corresponding article of the Hague Regulation, were adopted without change. The Conference also adopted the third paragraph added by the Committee of Experts; but, in order to make the wording more precise, the words “ does not terminate ” were inserted instead of “ is not revoked ”.

47. It was pointed out that with the present wording of this article there might be some doubt whether the bill of exchange, after endorsement by procuration, could be validly transferred by endorsement. Such endorsement could not be regarded as null and void; moreover it must and can only be regarded as endorsement by procuration. Consequently, the proposal was made that the following sentence should be added to supplement this article: “ An endorsement by this party shall be equivalent to endorsement by procuration, even if it does not mention the mandate ”. The Conference agreed that this was the correct interpretation, but deemed it unnecessary to state the fact in the text.

Article 19 (old Article 18, U.R. and Exp.).

“ When an endorsement contains the statements ‘ value in security ’ (*valeur en garantie*), ‘ value in pledge ’ (*valeur en gage*), or any other statement implying a pledge, the holder may exercise all the rights arising out of the bill of exchange, but an endorsement by him has the effects only of an endorsement by an agent.

“ The parties liable cannot set up against the holder defences founded on their personal relations with the endorser, unless the holder, in receiving the bill, has knowingly acted to the detriment of the debtor.”

48. According to the first paragraph of this article, which reproduces the Hague text, the person who has accepted the bill of exchange in pledge may exercise all the rights flowing from the bill, but an endorsement by him has only the effects of an endorsement by an agent.

49. Nevertheless, in the course of the discussion it was pointed out that, in certain circumstances, when it is a question of realising the pledge, it is very important that the person holding the bill as collateral security should be able to transmit the bill by means of an ordinary endorsement. On the assumption that the effects of endorsement should be regulated uniformly, it was proposed that the pledgee should be granted an unlimited option to make ordinary endorsements, and, consequently, that the words “ but an endorsement by him has the effects only of an endorsement by an agent ” should be deleted. But it was objected that this would diminish the degree of protection afforded to the debtor. In addition, as, in many laws, this question is not expressly regulated, and as even in countries which make special provision for a pledgee’s endorsement, the matter does not assume any particular importance, it was also proposed to omit all reference to this matter, leaving the question to be settled by the law of the various countries. The Conference rejected both these proposals.

50. The Conference, however, approved a proposal to the effect that the phrase: “ without prejudice to the right of the creditor who holds the pledge to realise the pledge when the debt falls due ”, which the Committee of Experts suggested as an addition to the Hague Regulation, should be omitted. The Conference felt that the question of realising the pledge was a matter coming within the domain of the ordinary law, and not within that of the law on bills of exchange.

51. The Conference also approved the second paragraph of this article. In order, however, to bring the text into line with Article 17, it substituted for the words “ unless the holder has acquired the bill in bad faith ”, the phrase: “ in receiving the bill, has knowingly acted to the detriment of the debtor ”.

52. It is understood that the holder mentioned in the second paragraph is the pledgee.

Article 20 (old Article 19, U.R. and Exp.).

“ An endorsement after maturity has the same effects as an endorsement before maturity. Nevertheless, an endorsement after protest for non-payment, or after the expiration of the limit of time fixed for drawing up the protest, operates only as an ordinary assignment.

“ Failing proof to the contrary, an endorsement without date is deemed to have been placed on the bill before the expiration of the limit of time fixed for drawing up the protest.”

53. As regards the first paragraph it should be noted that the Conference endorsed the interpretation proposed by one delegation to the effect that, when a bill of exchange payable at sight is presented for payment and when, after refusal of payment, the protest has not been drawn up, the limit of time for drawing up such protest has not expired according to Article 20.

54. The second paragraph puts a case which does not need any justification.

55. It was at first proposed to add a third paragraph containing certain rules for establishing that the endorsement was prior or subsequent to the protest, but, as the application of these rules is complicated by the fact that, in some countries, the protest does not reproduce all the endorsements, the Conference thought it unnecessary to enter into these details and considered that on this point each country should adapt its legislation to the particular features of the protest.

CHAPTER III. — ACCEPTANCE.

Article 21 (old Article 20, U.R. and Exp.).

“ Until maturity, a bill of exchange may be presented to the drawee for acceptance at his domicile, either by the holder or by a person who is merely in possession of the bill.”

56. This article reproduces the corresponding text of The Hague and the experts.

Article 22 (old Article 21, U.R. and Exp.).

“ In any bill of exchange, the drawer may stipulate that it shall be presented for acceptance, with or without fixing a limit of time for presentment.

“ Except in the case of a bill payable at the address of a third party or in a locality other than that of the domicile of the drawee, or, except in the case of a bill drawn payable at a fixed period after sight, the drawer may prohibit presentment for acceptance.

“ He may also stipulate that presentment for acceptance shall not take place before a named date.

“ Unless the drawer has prohibited acceptance, every endorser may stipulate that the bill shall be presented for acceptance, with or without fixing a limit of time for presentment.”

57. This article, which corresponds to the text of The Hague Regulation and the experts, contains only a purely formal change, in the second paragraph. As it was desired in the Uniform Law to avoid the expression “ domiciled bill ”, it was necessary to specify the different cases referred to in the present article.

58. Some doubts were expressed as to the usefulness of a non-acceptable bill of exchange, it being feared that by this means bills might be made out to fictitious persons. It was decided, however, to allow the possibility of prohibiting the presentment of a bill of exchange for acceptance, as this clause is applied in some countries and is of recognised utility. The debtor is sometimes afraid to accept a bill of exchange drawn on himself, in view of the strictness of the obligation it entails. He would be prepared, however, to pay the bill at maturity, even though he were unwilling to accept it. Moreover, it is important to the creditors to be able to dispose of the debt before maturity, by means of a bill of exchange. For these reasons it was decided to allow the issue of bills stipulated to be non-acceptable.

Article 23 (old Article 22, U.R. and Exp.).

“ Bills of exchange payable at a fixed period after sight must be presented for acceptance within one year of their date.

“ The drawer may abridge or extend this period.

“ These periods may be abridged by the endorsers.”

59. This text reproduces that of The Hague and the experts, except that the period of six months provided in the first paragraph has been extended to a year.

60. It was further proposed to say in the third paragraph: “ These periods may be abridged by the endorsers in respect of the effects of their endorsement ”, the intention being to show that the reduction of time was operative only in respect of the endorser inserting it. This stipulation, however, seemed unnecessary, as the question is settled in the last paragraph of Article 53.

Article 24 (old Article 23, U.R. and Exp.).

“ The drawee may demand that a bill shall be presented to him a second time on the day after the first presentment. Parties interested are not allowed to set up that this demand has not been complied with unless this request is mentioned in the protest.

“ The holder is not obliged to surrender to the drawee a bill presented for acceptance.”

61. The text of this article corresponds to that of the Hague Regulation and the experts, except that, for the sake of clearness, the order of the paragraphs is reversed. The Hague text and that of the experts laid down first the principle that the holder is not bound to leave the bill in the hands of the drawee, and add a second paragraph according to which the drawee may demand that a bill be presented to him a second time on the day after the first presentment, but that the parties interested are not allowed to set up that this demand has not been complied with unless this fact is specified in the protest. According to the former order of the paragraphs, it might have been assumed that the drawee could only claim the period for reflection mentioned above if the drawer had not surrendered the bill. This interpretation, however, would be unreasonable. The reasons in favour of allowing the drawee time for reflection are the same whether the drawer surrenders the bill or not. For these reasons the drawee must, if he so requests, be granted time for reflection in all circumstances, and in order to obviate the possibility of a different interpretation the order of the paragraphs was reversed. The general principle is first laid down that the drawee may claim time for reflection until the day after the first presentation, and then follows the special provision whereby the drawer is not bound to surrender the bill to the drawee.

Article 25 (old Article 24, U.R. and Exp.).

“An acceptance is written on the bill of exchange. It is expressed by the word ‘accepted’ or any other equivalent term. It is signed by the drawee. The simple signature of the drawee on the face of the bill constitutes an acceptance.

“When the bill is payable at a certain time after sight, or when it must be presented for acceptance within a certain limit of time in accordance with a special stipulation, the acceptance must be dated as of the day when the acceptance is given, unless the holder requires that it shall be dated as of the day of presentment. If it is undated, the holder, in order to preserve his right of recourse against the endorsers and the drawer, must authenticate the omission by a protest drawn up within the proper time.”

62. This article reproduces unchanged Article 24 of the Hague text and that of the experts.

Article 26 (old Article 25, U.R. and Exp.).

“An acceptance is unconditional, but the drawee may restrict it to part of the sum payable.

“Every other modification introduced by an acceptance into the tenor of the bill of exchange operates as a refusal to accept. Nevertheless, the acceptor is bound according to the terms of his acceptance.”

63. This article reproduces the text of the Committee of experts, which in the first paragraph differs slightly from that of The Hague. The change of wording by the experts is intended to avoid any error of interpretation as to the meaning of the clause.

64. By “modification” is meant both limitation, to an amount less than that of the bill, of the figure for which the acceptance is given, and the introduction of a condition into the acceptance.

65. The question was discussed whether the Uniform Law should not contain the Anglo-Saxon principle that the holder is not bound to admit a partial acceptance. After discussion, the principle was rejected, because the primary consideration must be the interests of the guarantors, whose liability is discharged to the extent of the partial acceptance.

Article 27 (old Article 26, U.R. and Exp.).

“When the drawer of a bill has indicated a place of payment other than the domicile of the drawee without specifying a third party at whose address payment must be made, the drawee may name such third party at the time of acceptance. In default of this indication, the acceptor is deemed to have undertaken to pay the bill himself at the place of payment.

“If a bill is payable at the domicile of the drawee, the latter may in his acceptance indicate an address in the same place where payment is to be made.”

66. The change in the first paragraph of this text was made in order to bring it into line with Articles 4 and 22 above.

67. The word “place” is, of course, used here as synonymous with “locality”, and the text means that in the case provided for, the drawee may, when accepting, specify another address in the same locality where payment is to be made.

68. It is also laid down that, in the case mentioned in paragraph 2, when the drawer has not specified a third party at whose address payment must be made, the drawee may name such third party at the time of acceptance.

Article 28 (old Article 27, U.R. and Exp.).

“By accepting, the drawee undertakes to pay the bill of exchange at its maturity.

“In default of payment, the holder, even if he is the drawer, has a direct action on the bill of exchange against the acceptor for all that can be demanded in accordance with Articles 48 and 49.”

69. No change.

Article 29 (old Article 28, U.R. and Exp.).

“ Where the drawee who has put his acceptance on a bill has cancelled it before restoring the bill, acceptance is deemed to be refused. Failing proof to the contrary, the cancellation is deemed to have taken place before the bill was restored.

“ Nevertheless, if the drawee has notified his acceptance in writing to the holder or to any party who has signed the bill, he is liable to such parties according to the terms of his acceptance.”

70. This article includes several changes, compared with the Hague text, which was accepted without change by the Committee of Experts. It was only adopted after long discussion. It was first proposed that a rule should be adopted to the effect that acceptance once given could not be withdrawn. This rule, however, was considered too strict, as the drawee might have affixed his signature in error and there is no reason in such a case to hold him responsible. Further, such a solution would have meant that, acceptance being deemed to hold good despite cancellation, the holder would have no right of recourse against the guarantors, which would be contrary to his interests. In point of fact, if the drawee cancels his acceptance, the likelihood is that he will not pay the bill of exchange at its maturity. In these circumstances there is no valid reason for depriving the holder of the right of recourse before maturity. It was decided, for these reasons, to maintain in principle the solution embodied in the Hague Regulation and by the Experts', namely, that the drawee can cancel his acceptance before the delivery of the bill. The words “ before the bill has left his hands ” were, however, replaced by the words “ before restoring the bill ”.

71. The fact of having cancelled acceptance before the delivery of the bill to the holder is not shown by the bill of exchange, and it was accordingly considered expedient to add a rule relating to proof, namely: “ Failing proof to the contrary the cancellation is deemed to have taken place before the bill was restored ”.

72. Paragraph 2 deals with the case of a drawee who has notified his acceptance in writing and provides that in such a case the drawee is liable according to the terms of his acceptance. The bill of exchange does not show at what moment such notification was given, that is, whether it was before or after the cancellation of acceptance, and accordingly it was decided to delete the words “ after he has in writing informed . . . ”, to be found in the Hague and the Experts' texts. For the sake of clearness, it was specified, further, that the drawee remains liable in such a case according to the terms of his acceptance only to those signatories to whom notification has been given.

CHAPTER IV. — “ AVALS ”.

Article 30 (old Article 29, U.R. and Exp.).

“ Payment of a bill of exchange may be guaranteed by an *aval* as to the whole or part of its amount.

“ This guarantee may be given by a third person or even by a person who has signed as a party to the bill.”

73. The Conference modified the corresponding article of the Hague Regulation and the experts' text by adding in the first paragraph the words “ as to the whole or part of its amount ”. It thus recognised the validity of an *aval* limited to part of the sum. The principle, moreover, has also been adopted in connection with the acceptor, under the first paragraph of Article 26. This last-named provision was designed to cover possible relations between the drawee and the drawer, and there are practical reasons for adopting the same rule in the case of *avals*.

Article 31 (old Article 30, U.R. and Exp.).

“ The *aval* is given either on the bill itself or on an *allonge*.

“ It is expressed by the words ‘ good as *aval* ’ (‘ *bon pour aval* ’) or by any other equivalent formula. It is signed by the giver of the *aval*.

“ It is deemed to be constituted by the mere signature of the giver of the *aval* placed on the face of the bill, except in the case of the signature of the drawee or of the drawer.

“ An *aval* must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.”

74. This article is the same as the Hague and the experts' texts.

75. One delegation had proposed that express provision should be made for the case of several *avals* being given for the same person and that the legal right of recourse as between givers of *avals* should be determined. The Conference was of opinion that no relations could be deemed to exist between them in regard to bills of exchange, the only relations being those existing under common law, a question which the Uniform Law on bills of exchange was not intended to regulate.

76. In order to enable countries which employ what is known as “ *aval* by separate document ” to retain this institution, the Committee of Experts (which had avoided the system of reservations) had proposed an Article, 31bis, as follows: “ The above provisions do not apply to what is known as “ *aval* by separate document ” (“ *aval par acte séparé* ”). The Conference simply to reproduce the reservation on this point already framed in Article 5 of the Hague Convention, whereby any contracting party has the right to prescribe that an *aval* may be given in its territory by a separate document indicating the place in which it has been given.

Article 32 (old Article 31, U.R. and Exp.).

“ The giver of an *aval* is bound in the same manner as the person for whom he has become guarantor.

“ His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.

“ He has, when he pays a bill of exchange, the rights arising out of the bill of exchange against the person guaranteed and against those who are liable to the latter on the bill of exchange.”

77. This article reproduces the Hague and the experts' texts, except for a formal modification introduced in the third paragraph, stating expressly that the giver of an *aval* has the right of recourse not only against the endorsers but also against the drawee who has accepted the bill.

CHAPTER V. — MATURITY.

Article 33 (old Article 32, U.R. and Exp.).

“ A bill of exchange may be drawn payable:

“ At sight;

“ At a fixed period after sight;

“ At a fixed period after date;

“ At a fixed date.

“ Bills of exchange at other maturities or payable by instalments are null and void.”

78. This article, which indicates the various methods of determining the time of payment, is, except for the order of the paragraphs, identical to the corresponding Hague and experts' texts.

Article 34 (old Article 33, U.R. and Exp.).

“ A bill of exchange at sight is payable on presentment. It must be presented for payment within a year of its date. The drawer may abridge or extend this period. These periods may be abridged by the endorsers.

“ The drawer may prescribe that a bill of exchange payable at sight must not be presented for payment before a named date. In this case, the period for presentment begins from the said date.”

79. This article differs in some respects from the corresponding Hague and experts' texts. In those texts, reference was made, as regards presentment for payment, to the legal or contractual limits of time fixed for the presentment for acceptance of bills payable at a fixed period after sight. This reference has been replaced by an explicit provision. On account of the amendment to Article 23 (old Article 22), the legal time-limit has been fixed at one year instead of six months.

80. In certain countries, there are bills of exchange drawn at sight which are only payable after a fixed date or after the expiry of a certain period, starting from the date of issue. In connection with bills of this type, the following questions arise: (a) Should effect be given to the prohibition to present the bill before the named date? (b) If so, how should the periods for presentment be calculated?

If these points had not been mentioned in the text, doubts might have arisen in regard to them; to obviate that possibility, a provision has been inserted in the second paragraph of Article 34 expressly authorising the drawer to prohibit the presentment of a bill of exchange for payment before the date named in the bill and stipulating that, in this case, the period for presentment begins from the said date. The wording of the text also makes it clear that an endorser may neither abridge nor extend the period before the expiry of which presentment for payment is not allowed, but that, as is always the case, the endorser has the right to abridge the period for presentment.

Article 35 (old Article 34, U.R. and Exp.).

“ The maturity of a bill of exchange payable at a fixed period after sight is determined either by the date of the acceptance or by the date of the protest.

“ In the absence of the protest, an undated acceptance is deemed, so far as regards the acceptor, to have been given on the last day of the limit of time for presentment for acceptance.

81. If this article is compared with the Hague Regulation and the text of the Committee of Experts, it will be found that there is only one drafting amendment at the end of the second paragraph for the purpose of bringing it into line with the preceding article.

Article 36 (old Article 35, U.R. and Exp.).

“ Where a bill of exchange is drawn at one or more months after date or after sight, the bill matures on the corresponding date of the month when payment must be made. If there be no corresponding date, the bill matures on the last day of this month.

“ When a bill of exchange is drawn at one or more months and a-half after date or sight, entire months must first be calculated.

“ If the maturity is fixed at the commencement, in the middle (mid-January or mid-February, etc.) or at the end of the month, the first, fifteenth or last day of the month is to be understood.

“ The expressions ‘ eight days ’ or ‘ fifteen days ’ indicate not one or two weeks, but a period of eight or fifteen actual days.
“ The expression ‘ half-month ’ means a period of fifteen days.”

Article 37 (old Article 36, U.R. and Exp.).

“ When a bill of exchange is payable on a fixed day in a place where the calendar is different from the calendar in the place of issue, the day of maturity is deemed to be fixed according to the calendar of the place of payment.

“ When a bill of exchange drawn between two places having different calendars is payable at a fixed period after date, the day of issue is referred to the corresponding day of the calendar in the place of payment, and the maturity is fixed accordingly.

“ The time for presenting bills of exchange is calculated in accordance with the rules of the preceding paragraph.

“ These rules do not apply if a stipulation in the bill or even the simple terms of the instrument indicate an intention to adopt some different rule.”

82. These two articles are identical in substance with the Hague Regulation and the experts' text.

CHAPTER VI. — PAYMENT.

Article 38 (old Article 37, U.R. and Exp.).

“ The holder of a bill of exchange payable on a fixed day or at a fixed period after date or after sight must present the bill for payment either on the day on which it is payable or on one of the two business days which follow.

“ The presentment of a bill of exchange at a clearing-house is equivalent to a presentment for payment.”

83. This text differs on two important points from the experts' text.

84. Whereas, in the first paragraph of the experts' text, it was provided that “ the holder must present a bill of exchange for payment ”, the present text stipulates that “ the holder of a bill of exchange payable on a fixed day or at a fixed period after date or after sight must present . . . ” The object of this stipulation was to make it clear that the first paragraph of Article 37 does not refer to bills of exchange payable at sight, which are governed in this respect by Article 34 (old Article 33). On the other hand, the second paragraph covers all bills of exchange.

85. The experts' text contained a third paragraph providing that the contracting States should themselves designate the institutions to be regarded as clearing houses. The Conference thought it better to deal with this question in a reservation (Annex II, Article 6).

86. In certain countries, the law makes it compulsory for a bill of exchange to be presented for payment on the actual day of maturity. The holder who fails to comply with this legal requirement is liable in certain cases to damages. This requirement is considered to be of great utility in those countries and to ensure, on the part of traders, respect for the date of maturity, since they know that the bill must be presented to them on that day. The delegations of those countries requested that their law should be respected in this connection. It should also be noted that the obligation to present the bill of exchange at maturity is imposed not only in countries which propose to adopt the Uniform Law, but also in Great Britain and the United States of America.

To enable countries whose laws stipulate that bills shall be presented on the actual day of maturity to retain this provision, a reservation has been inserted in the Convention (Annex II, Article 5).

Article 39 (old Article 38, U.R. and Exp.).

“ The drawee who pays a bill of exchange may require that it shall be given up to him receipted by the holder.

“ The holder may not refuse partial payment.

“ In case of partial payment the drawee may require that mention of this payment shall be made on the bill, and that a receipt therefor shall be given to him.”

87. This article has been adopted without alteration. The question whether the holder can be obliged to accept partial payment against his will was, however, discussed at length. As against this, it was pointed out that, in general a creditor is not obliged to accept partial payment. It was also remarked that in some cases the debtor omits to pay a small part of the amount, alleging various reasons, but with the real intention of tiring the holder, because he knows that the latter will not have recourse to the drawee and endorsers and invoke their responsibility on account of a trifling sum. Lastly, it was argued that most bills of exchange are presented for payment by banks and that the clerks who give receipts are not allowed to give a partial receipt, unless they have received special instructions—which would make the service of collection very much more complicated. In reply, it was stated that partial acceptance had been allowed by Article 26, and that it would accordingly be difficult to prohibit partial payment without inconsistency. Some delegates also pointed out that, in principle, the endorsers should be relieved as far as possible of their responsibility. If the possibility of partial payment were ruled out, recourse might be had to the endorsers for the payment of the whole amount of the bill of exchange.

The Conference therefore decided to adhere to the solution proposed in Article 38 of the Hague and the experts' drafts, namely, to require the holder, if necessary, to accept partial payment.

Article 40 (old Article 39, U.R. and Exp.).

"The holder of a bill of exchange cannot be compelled to receive payment thereof before maturity.

"The drawee who pays before maturity does so at his own risk and peril.

"He who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence. He is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers."

88. As regards paragraphs 1 and 2, the provision to the effect that the holder of a bill of exchange is not obliged to receive payment before maturity, and that the drawee who pays before maturity does so at his own risk and peril, is in conformity with the principle laid down in various laws (see in particular Articles 144 and 146 of the French Commercial Code).

89. A suggestion was made that in paragraph 2 the words "at his own risk and peril" should be replaced by the words "makes himself responsible for the validity of the payment", which seemed to be more precise from a juridical point of view and clearer; nevertheless, this suggestion was not adopted since the phrase "at his own risk and peril", as ordinarily interpreted, seemed to be a clearer warning to the drawee who pays before maturity of the possible consequences of his act.

90. When paragraph 2 was being discussed, the point was raised as to how payment by the drawee, after maturity, but before protest, should be regarded. It was decided without opposition that in that case the drawee should be placed on the same footing as the debtor who pays on the date of maturity.

91. In the third paragraph, the experts' draft substituted for the last words of the phrase: "He who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence", the words: "unless he has been guilty of *bad faith* or gross negligence". This change was made in order to bring the phraseology of Article 40 into line with that of Article 16 (old Article 15); but it was rightly observed that the situation of the drawee who is called upon to make payment is different from that of the person who acquires the bill of exchange, and who is referred to in Article 16 (old Article 15). The acquirer has not acquired the bill of exchange in order to carry out an imperative prior obligation, whereas the drawee is bound to fulfil, by payment, an obligation of this kind which is implied by his acceptance. If he refuses to fulfil this undertaking, he exposes himself to rigorous proceedings at law, which, if he loses his case, will not only involve him in heavy expense but will adversely affect his commercial and personal reputation when it becomes known that he has only fulfilled his obligation after the bill has been protested against him. In this case, therefore, account has to be taken not only of the material damage that the drawee may suffer, but also of the moral injury which may be done him. The drawee finds himself in a situation which has, so to speak, been imposed upon him owing to the particular nature of the instrument. He cannot therefore be required to investigate every doubt he may have as to the rights of the person in possession of the bill, at the risk of becoming involved in a law-suit. He can only be required to refuse payment if he has definite evidence in his possession by which he can prove that the holder has no proper title.

92. But this opinion, expressed from the point of view of the drawee, and the subjective considerations which precede it, are not the only arguments in favour of this solution. The nature and principal aim of a debt incorporated in the form of a bill of exchange is to render that debt as elastic as possible, so that it may become a reliable instrument of credit—reliability being one of the pre-eminent characteristics of the bill of exchange in commercial and banking usage.

In order that the bill of exchange may adequately answer its purpose, refusal of payment must not be possible owing to some doubt as to the holder's proper title; the bill should only be refusible when the drawee has in his possession such convincing evidence of the holder's lack of title that he can no longer entertain any serious doubts on the subject. It is, however, not sufficient that the drawee should have a doubt regarding the holder's *bona fides*; his doubts must be backed up by proof. Otherwise the bill of exchange could not fulfil its essential purpose.

Article 41 (old Article 40, U.R. and Exp.).

"When a bill of exchange is drawn payable in a currency which is not that of the place of payment, the sum payable may be paid in the currency of the country, according to its value on the date of maturity. If the debtor is in default, the holder may at his option demand that the amount of the bill be paid in the currency of the country according to the rate on the day of maturity or the day of payment.

"The usages of the place of payment determine the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the bill.

"The foregoing rules shall not apply to the case in which the drawer has stipulated that payment must be made in a certain specified currency (stipulation for effective payment in foreign currency).

"If the amount of the bill of exchange is specified in a currency having the same denomination, but a different value in the country of issue and the country of payment, reference is deemed to be made to the currency of the place of payment."

93. With regard to bills of exchange drawn payable in a currency which is not that of the place of payment, the Hague texts of 1910 and 1912 and most laws on bills of exchange lay down the main rule that, unless it has been expressly stipulated that payment shall be made in a given currency, the debtor may pay either in the foreign currency, or, if he prefers, in the currency of the place of payment. This principle, which is based on considerations of a practical order, has been retained in the present text.

If payment is effected at maturity, this rule involves no difficulty. Generally speaking, the rate of exchange quoted on Exchange in the place of payment may be consulted to determine the value of the foreign currency on the date of maturity, or local custom may be followed.

94. The problem becomes more difficult, however, if, as the result of delay on the part of the debtor, payment is only made at a later date, and if the exchange rate as between the foreign currency and the currency of the country has varied after maturity. One delegation proposed that the words "when payment can be demanded", be replaced by the phrase "when payment is made". It adduced the following arguments in favour of its proposal: the holder would be detrimentally affected if the debtor, owing a specified sum in a stable currency, were entitled to meet his obligation by paying, in the currency of his own country, a sum which, converted at the current rate on the date of maturity corresponded to the debt, but which in the meantime had so depreciated that the creditor, when converting it into foreign currency, no longer obtained the original amount of the debt. On a majority vote the Conference rejected this proposal.

95. The question, however, was again discussed whether, as a set-off to the debtor's right to pay in the currency of his own country, some means could not be found of protecting the holder against a debtor who, in order to obtain undue profit at the expense of the holder, delays the payment of his debt. As a result of the discussion, it was proposed that the Conference should insert a stipulation to this effect in Article 41.

96. If in such cases the debtor is still allowed to choose between payment in foreign currency or in the currency of the country, various legislative alternatives are possible as regards the rate that should govern payment. The legislator may also decide in favour of applying the rate current at the date of maturity, to the exclusion of that current at the date of effective payment. It may, however, be argued against this solution, that if the foreign currency rate has fallen since the date of maturity, the debtor, who will naturally choose to pay in that currency, will, by delaying payment, realise a profit at the expense of the holder. But the debtor has the same possibility of making inequitable gain if the opposite solution is adopted, namely, that the foreign currency should be calculated according to the rate of exchange at the date of payment. If the rate of this currency has risen in the period between maturity and the date of payment, the debtor will certainly effect payment in the depreciated currency of the country.

The only effective method which does not unduly favour the dilatory debtor is, it would seem, to deprive him, from the moment at which delay occurs, of his right to choose between the two currencies, and to allow the holder of the Bill of exchange to demand that payment should be made in the currency of the place of payment, and also to allow the holder to choose between the rate current at the date of maturity and that current at the date of effective payment.

97. Article 41 is concerned primarily with the acceptor, as is shown by the position of the article in the text of the Uniform Law. The Uniform Law does not, any more than the previous drafts, contain any express provisions with regard to the calculation of the rate of exchange in case a holder has recourse against the drawer and the endorsers. As, however, these debtors — the drawer and the endorsers — as guarantors of the acceptor, are responsible to the same extent as the latter, any such provisions would be superfluous.

98. A reservation to this Article 41 was adopted (Annex II, Article 7).

Article 42 (old Article 41, U.R. and Exp.).

"When a bill of exchange is not presented for payment within the limit of time fixed by Article 38, every debtor is authorised to deposit the amount with the competent authority at the charge, risk and peril of the holder."

99. This article, which reproduces the Hague text and that of the experts, was retained by the Conference without any alteration.

CHAPTER VII. — RECOURSE FOR NON-ACCEPTANCE OR NON-PAYMENT.

Article 43 (old Article 42, U.R. and Exp.).

"The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable:

"At maturity,

"If payment has not been made;

"Even before maturity,

"(1) If there has been total or partial refusal to accept;

"(2) In the event of the bankruptcy (*faillite*) of the drawee, whether he has accepted or not, or in the event of a stoppage of payment on his part, even when not declared by a judgment, or where execution has been levied against his goods without result;

"(3) In the event of the bankruptcy (*faillite*) of the drawer of a non-acceptable bill."

100. The above text is a word for word reproduction of the corresponding article in the Hague Regulation and in the draft of the Committee of Experts, with the sole difference that, in No. 1 the words "if acceptance has been refused" have been replaced by the words "if there has been *total or partial* refusal to accept". The object of this change is to bring the text into line with Article 26.

101. As regards the last two paragraphs of Article 43, certain delegations, feeling that the terms employed in the formula could not be exactly translated into their languages, or did not exactly cover the similar situations contemplated by their national laws, asked for a reservation which was inserted under Article 10 of Annex II.

102. Further, as certain countries wished to enable the courts in the cases referred to in Nos. 2 and 3 of Article 43 to allow the guarantors of a bill of exchange periods of grace which would in no case extend beyond the maturity of the bill, a reservation to that effect was introduced into Article 11 of Annex II.

103. It had been proposed to draft Nos. 2 and 3 of this article in the same terms, but it was pointed out at the Conference that it would be difficult to specify the means by which a stoppage of payment not announced by a judgment declaring the bankruptcy of the drawer of a non-acceptable bill or, the levying of execution against his goods without result could be established (seeing that a protest cannot be made against the drawer). The Conference accordingly decided to adhere to the text of The Hague and the Committee of Experts. This text as maintained therefore implies that the right of recourse before maturity can only be exercised in the event of the drawer of a non-acceptable bill of exchange becoming a declared bankrupt.

Article 44 (old Article 43, U.R. and Exp.).

"Default of acceptance or of payment must be evidenced by an authentic act (protest for non-acceptance or non-payment).

"Protest for non-acceptance must be made within the limit of time fixed for presentment for acceptance. If, in the case contemplated by Article 24, paragraph 1, the first presentment takes place on the last day of that time, the protest may nevertheless be drawn up on the next day.

"Protest for non-payment of a bill of exchange payable on a fixed day or at a fixed period after date or sight must be made on one of the two business days following the day on which the bill is payable. In the case of a bill payable at sight, the protest must be drawn up under the conditions specified in the foregoing paragraph for the drawing up of a protest for non-acceptance.

"Protest for non-acceptance dispenses with presentment for payment and protest for non-payment.

"If there is a stoppage of payment on the part of the drawee, whether he has accepted or not, or if execution has been levied against his goods without result, the holder cannot exercise his right of recourse until after presentment of the bill to the drawee for payment and after the protest has been drawn up.

"If the drawee, whether he has accepted or not, is declared bankrupt (*faillite déclarée*), or in the event of the declared bankruptcy of the drawer of a non-acceptable bill, the production of the judgment declaring the bankruptcy suffices to enable the holder to exercise his right of recourse."

104. This text is a reproduction of a corresponding article in the draft of the Committee of Experts, except as regards the third paragraph. In the experts' text that paragraph provided that protest for non-payment might be made either on the day when the bill is payable, or on one of the two following business days; in short, it might be made even on the day when the bill is payable. The Conference took the view that the whole day on which the bill is payable should be left to the debtor for him to release himself, and that, consequently, protest might only be made on one of the two following business days. In the case of a bill payable at sight, on the other hand, if presentment for payment takes place on the last day of the period fixed, it should be possible for protest to be made on the following day as is provided in the case of protest for non-acceptance in the second paragraph of Article 44. It was in view of these two considerations that the above text of paragraph 3 of Article 44 was drafted.

105. With reference to bills payable at sight, one delegation raised the following question: "Are we to conclude that the mere fact of having unsuccessfully presented for payment a bill of exchange at sight, without making protest, may have the result of depriving the holder of the right to make protest within the proper time?" The delegation in question was of opinion that the answer must be in the negative and thought that there could be nothing to prevent the holder from again demanding payment (adhering to the time-limit of twelve months specified in Article 34); and that Article 44, paragraph 3, must be interpreted as meaning that the holder is not deprived of his right to make protest. This latter article simply means that a protest for refusal to pay, must be made within two days after such refusal.

The present wording of the text, which states at the end of paragraph 3 that "in the case of a bill payable at sight, the protest must be drawn up under the conditions specified in the foregoing paragraph for the drawing up of a protest for non-acceptance", entails the solution indicated above by the delegation in question and thus satisfies it completely.

106. At the request of one delegation, a reservation with reference to Article 44, paragraph 1, regarding the necessity of protest being made by an authentic act was accepted (Annex II, Article 8).

107. Lastly, another reservation relating to paragraph 3 of Article 44, which provides that protest may not be made on the day on which the bill is payable, was also accepted (Annex II, Article 9).

Article 45 (old Article 44, U.R. and Exp.).

“ The holder must give notice of non-acceptance or non-payment to his endorser and to the drawer within the four business days which follow the day for protest or, in case of a stipulation ‘ *retour sans frais* ’, the day for presentment. Every endorser must, within the two business days following the day on which he receives notice, notify his endorser of the notice he has received, mentioning the names and addresses of those who have given the previous notices, and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.

“ When, in conformity with the preceding paragraph, notice is given to a person who has signed a bill of exchange, the same notice must be given within the same limit of time to his *avaliseur*.

“ Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser.

“ A person who must give notice may give it in any form whatever, even by simply returning the bill of exchange.

“ He must prove that he has given notice within the time allowed. This time-limit shall be regarded as having been observed if a letter giving the notice has been posted within the prescribed time.

“ A person who does not give notice within the limit of time mentioned above does not forfeit his rights. He is responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the bill of exchange.”

108. Despite a modification of form, this text has in substance the same meaning as that of the Committee of Experts, with this one difference: that it is specified in the first paragraph that each endorser should advise the preceding endorser of the notice he has himself received within the *two following business days*, whereas the original text refers only to a period of two days.

109. At the request of one delegation, the Conference recorded the view, in connection with the third paragraph of Article 45, that if the drawer should not adequately specify his address the holder would not be required to give him notice, any more than he is bound to notify an endorser in such a case. Such notification is, in fact, impossible both in the first and in the second case contemplated.

110. One delegation explained that—according to the law of its own and of several neighbouring countries—the notice to be given to the guarantors had to be served by the public official who was responsible for drawing up the protest, and that this was a long established practice which worked in a manner entirely satisfactory to the parties concerned. The delegation requested that a reservation to that effect should be embodied in the Convention, and the Conference complied with this request. This reservation is set forth in Article 12 of Annex II.

Article 46 (old Article 45, U.R. and Exp.).

“ The drawer, an endorser, or a person guaranteeing payment by *aval (avaliseur)* may, by the stipulation ‘ *retour sans frais* ’, ‘ *sans protêt* ’, or any other equivalent expression written on the instrument and signed, release the holder from having a protest of non-acceptance or non-payment drawn up in order to exercise his right of recourse.

“ This stipulation does not release the holder from presenting the bill within the prescribed time, nor from the notices he has to give. The burden of proving the non-observance of the limits of time lies on the person who seeks to set it up against the holder.

“ If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the bill; if it is written by an endorser or an *avaliseur*, it is operative only in respect of such endorser or *avaliseur*. If, in spite of the stipulation written by the drawer, the holder has the protest drawn up, he must bear the expenses thereof. When the stipulation emanates from an endorser or *avaliseur*, the costs of the protest, if one is drawn up, may be recovered from all the persons who have signed the bill.”

111. This text differs appreciably both from the corresponding article of the Hague text and from that of the Committee of Experts.

To begin with, it provides that the stipulation “ *retour sans frais* ”, “ *sans protêt* ”, or any other equivalent expression, may be written in the bill, not only by the drawer or by an endorser, but also by an *avaliseur*. Again, the texts of The Hague and the experts did not state how it could be ascertained who had written in the stipulation. The present clause requires the stipulation to be signed by the person writing it in the instrument. Finally, the previous texts did not settle the question whether the stipulation when written by an endorser or by an *avaliseur* was only operative in respect of the said endorser or *avaliseur*, or whether it was also operative in respect of subsequent endorsers. In accordance with a general principle previously laid down (independence of endorsements), the third paragraph of Article 46 above decides that the stipulation, when emanating from an endorser or *avaliseur* is only operative in respect of the said endorser or *avaliseur*.

Article 47 (old Article 46, U.R. and Exp.).

“ All drawers, acceptors, endorsers or guarantors by *aval* of a bill of exchange are jointly and severally liable to the holder.

“ The holder has the right of proceeding against all these persons individually or collectively without being required to observe the order in which they have become bound.

“ The same right is possessed by any person signing the bill who has taken it up and paid it.

“ Proceedings against one of the parties liable do not prevent proceedings against the others, even though they may be subsequent to the party first proceeded against.”

112. With reference to this article, the Conference recorded the opinion that when several of the parties liable occupy a position of the same degree (case in which a number of *avaliseurs*

join in giving their guarantee for one and the same person) even if these parties signed in succession they cannot exercise one against the other the right of recourse arising out of the bill of exchange. Failing any agreement to the contrary, their mutual relations are in that case governed by the provisions of ordinary law on joint liabilities.

113. The Conference considered, however, that, in the event of partial acceptance, the right of recourse may be exercised in respect of the balance not covered.

Article 48 (old Article 47, U.R. and Exp.).

“ The holder may recover from the person against whom he exercises his right of recourse:

“ (1) The amount of the unaccepted or unpaid bill of exchange with interest, if interest has been stipulated for;

“ (2) Interest at the rate of 6 per cent from the date of maturity;

“ (3) The expenses of protest and of the notices given as well as other expenses.

“ If the right of recourse is exercised before maturity, the amount of the bill shall be subject to a discount. This discount shall be calculated according to the official rate of discount (bank-rate) ruling on the date when recourse is exercised at the place of domicile of the holder.”

114. Except for a modification of form in No. 3, which involves no change of substance, this article corresponds to Article 47 of the Committee of Experts' draft.

115. It differs from the corresponding article of the Hague Regulation in this respect, that No. 4 of that article, which provided for a special commission, no longer appears. The Conference, endorsing the view of the Committee of Experts, felt that, since this commission was not a matter of general practice, the decision on the subject should be left to national legislations. A reservation to that effect has been included and is set forth in Article 14 of Annex II.

116. Furthermore, a reservation (Article 13 of Annex II) has been inserted to enable each contracting State to prescribe as regards bills of exchange which are both issued and payable in its territory that the rate of interest mentioned in No. 2 of Articles 48 and 49 may be replaced by the general or special legal rate in force in the territory of that State.

Article 49 (old Article 48, U.R. and Exp.).

“ A party who takes up and pays a bill of exchange can recover from the parties liable to him:

“ (1) The entire sum which he has paid;

“ (2) Interest on the said sum calculated at the rate of 6 per cent, starting from the day when he made payment;

“ (3) Any expenses which he has incurred.”

Article 50 (old Article 49, U. R. and Exp.).

“ Every party liable against whom a right of recourse is or may be exercised, can require, against payment, that the bill shall be given up to him with the protest and a receipted account.

“ Every endorser who has taken up and paid a bill of exchange may cancel his own endorsement and those of subsequent endorsers.”

Article 51 (old Article 50, U.R. and Exp.).

“ In the case of the exercise of the right of recourse after a partial acceptance, the party who pays the sum in respect of which the bill has not been accepted can require that this payment shall be specified on the bill and that he shall be given a receipt therefor. The holder must also give him a certified copy of the bill, together with the protest, in order to enable subsequent recourse to be exercised.”

117. The three articles — 49, 50 and 51 — set forth above reproduce those proposed by the Committee of Experts.

Article 52 (old Article 51, U.R. and Exp.).

“ Every person having the right of recourse may, in the absence of agreement to the contrary, reimburse himself by means of a fresh bill (redraft) to be drawn at sight on one of the parties liable to him and payable at the domicile of that party.

“ The redraft includes, in addition to the sums mentioned in Articles 48 and 49, brokerage and the cost of stamping the redraft.

“ If the redraft is drawn by the holder, the sum payable is fixed according to the rate for a sight bill drawn at the place where the original bill was payable upon the party liable at the place of his domicile. If the redraft is drawn by an endorser, the sum payable is fixed according to the rate for a sight bill drawn at the place where the drawer of the redraft is domiciled upon the place of domicile of the party liable.”

118. The practice of drawing redrafts having fallen into disuse in most countries, the Conference considered the suppression of this article. Several delegations having pointed out that the practice was still followed in their countries, the article was finally retained.

119. It differs from the corresponding text of the Committee of Experts only as regards the end of the first paragraph; the words “ redraft which is not domiciled and which is drawn at sight on one of the parties liable to him ” being replaced by the words “ redraft to be drawn at sight on one of the parties liable to him and payable at the domicile of that party ”. This change was made in order to avoid using the expression “ domiciled ” bill of exchange, since the concept of domiciliation does not appear to be exactly the same in all countries, as already explained.

Article 53 (old Article 52, U.R. and Exp.).

“ After the expiration of the limits of time fixed:

“ For the presentment of a bill of exchange drawn at sight or at a fixed period after sight;

• “ For drawing up the protest for non-acceptance or non-payment;

“ For presentment for payment in the case of a stipulation *retour sans frais*,

the holder loses his rights of recourse against the endorsers, against the drawer and against the other parties liable, with the exception of the acceptor.

“ In default of presentment for acceptance within the limit of time stipulated by the drawer, the holder loses his right of recourse for non-payment, as well as for non-acceptance, unless it appears from the terms of the stipulation that the drawer only meant to release himself from the guarantee of acceptance.

“ If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser alone can avail himself of it.”

120. In the event of extinctive prescription (*déchéance*) or limitation of actions (*prescription*), the question arises whether, notwithstanding such extinctive prescription or limitation of actions, proceedings may not be taken against the drawer who has not provided cover (*provision*) for the bill or against any other signatory of the bill of exchange who may have made inequitable gain.

A number of amendments had been submitted with the object of answering this question. Seeing that the solutions to be found vary according to legislations, and that it would not seem possible to devise a formula on this point which would be acceptable to all the contracting parties, the Conference decided that the solution of this question should be left to the national legislations. Annex II (Article 15) therefore reproduces Article 13 of the Hague Convention.

121. The Conference further decided to take the same line as the Hague Conference and as the experts' draft, and to omit from the Uniform Regulation any reference to cover (*provision*) and to the special rights over such cover (*provision*) that are granted to the holder of a bill of exchange by certain legislations. Annex II therefore contains an Article 16, which reproduces Article 14 of the Hague Convention with the addition of a final paragraph.

Article 54 (old Article 53, U.R. and Exp.).

“ Should the presentment of the bill of exchange or the drawing up of the protest within the prescribed limits of time be prevented by an insurmountable obstacle (legal prohibition (*prescription légale*) by any State or other case of *vis major*), these limits of time shall be extended.

“ The holder is bound to give notice without delay of the case of *vis major* to his endorser and to specify this notice, which he must date and sign, on the bill or on an *allonge*; in other respects the provisions of Article 45 shall apply.

“ When *vis major* has terminated, the holder must without delay present the bill of exchange for acceptance or payment and, if need be, draw up the protest.

“ If *vis major* continues to operate beyond thirty days after maturity, recourse may be exercised, and neither presentment nor the drawing up of a protest shall be necessary.

“ In the case of bills of exchange drawn at sight or at a fixed period after sight, the time-limit of thirty days shall run from the date on which the holder, even before the expiration of the time for presentment, has given notice of *vis major* to his endorser. In the case of bills of exchange drawn at a certain time after sight, the above time-limit of thirty days shall be added to the period after sight specified in the bill of exchange.

“ Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the bill or drawing up of the protest are not deemed to constitute cases of *vis major*.”

122. As regards the essential question which is settled by the above article, namely, the effect of *vis major* on the exercise of recourse, the draft of the experts differed substantially from that of The Hague.

Bearing in mind the practice which was very generally followed during the events of 1914-1918, the draft of the Committee of Experts ruled that all recourse would remain in suspense so long as *vis major* operated.

Under the Hague system, on the contrary, if *vis major* continues to operate beyond thirty days after the original date of maturity, recourse may be exercised without presentment or the drawing-up of a protest being necessary.

123. After discussing the matter, the Conference reverted to the Hague system, not without some modification, however. In the first paragraph, the words “ Should the presentment of a bill of exchange be prevented by an insurmountable obstacle (case of *vis major*) . . . ” have been replaced by the words: “ Should the presentment of a bill of exchange or the drawing up of the protest within the prescribed limits of time be prevented by an insurmountable obstacle (legal prohibition (*prescription légale*) by any State or other case of *vis major*), these limits of time shall be extended”. The Conference thereby intended to indicate that action by the public authorities prohibiting the drawing up of protests in a State (moratoria) constituted *de plano*, even in respect of other States, a case of *vis major*, whereas, according to the Hague Regulation, such action might simply “ be a contributory factor in inducing the courts of other countries to acknowledge the existence of *vis major*, without such courts being legally bound to comply with the provisions laid down in this way by a foreign authority ” (page 25 of the report, submitted to the Hague Conference on behalf of the Revision Committee by M. Lyon-Caen (France) and M. Simons (Germany)).

This new provision thus seems definitely to compel each of the contracting parties to respect the moratoria proclaimed in another State, but provides that such moratoria, as well as any other

case of *vis major*, shall only exert their effects, as regards the suspension of recourse against parties liable, for a maximum period of thirty days. In order to enable contracting parties to suspend the exercise of recourse against liable parties, by legal enactment, for a longer period than thirty days, the Conference authorised a reservation (Annex II, Article 22).

124. Lastly, attention should be drawn to an addition to paragraph 5 of Article 54 (corresponding to paragraph 5 of the Hague text): it is stated that, in the case of bills of exchange drawn at a fixed period after sight, the time-limit of thirty days is added to the period after sight specified in the bill of exchange.

CHAPTER VIII. — INTERVENTION FOR HONOUR.

I. GENERAL PROVISIONS.

Article 55 (old Article 54, U.R. and Exp.).

“ The drawer, an endorser, or a person giving an *aval* may specify a person who is to accept or pay in case of need.

“ A bill of exchange may, subject as hereinafter mentioned, be accepted or paid by a person who intervenes for the honour of any debtor against whom a right of recourse exists.

“ The person intervening may be a third party, even the drawee, or, save the acceptor, a party already liable on the bill of exchange.

“ The person intervening is bound to give, within two business days, notice of his intervention to the party for whose honour he has intervened. In default, he is responsible for the injury, if any, due to his negligence, but the damages shall not exceed the amount of the bill of exchange.”

125. Intervention for honour, and particularly acceptance by intervention, is to-day no longer of the same importance as in past centuries; nevertheless, it may still be of some utility. Since it has been admitted that simple non-acceptance is sufficient to give a right of recourse, acceptance by intervention may not impossibly assume great practical importance in the future.

126. The above article lays down a number of general principles which are valid both for acceptance and for payment by intervention.

The first paragraph, supplementing the formula contained in the Hague Regulation, provides that a person giving an *aval*, as well as the drawer and the endorser, may specify a person who is to accept or pay in case of need.

The second paragraph aims at establishing clearly that intervention for the honour of the acceptor is not admissible. If, notwithstanding, anyone wished to pay in lieu of the acceptor, he would not acquire rights under exchange law; the payment he had made would be governed by the principles of common law.

127. This article shows that there may be two cases of intervention: (1) Intervention provided for and caused by a special clause inserted in the bill of exchange (intervention of the person *specified in case of need*); (2) intervention by a third person who intervenes in the absence of such a clause. Some of the principles laid down in the following articles are to be applied to both cases of intervention, while others are applicable only to one or other of the two cases, as will be explained in the respective articles.

2. ACCEPTANCE BY INTERVENTION (FOR HONOUR).

Article 56 (old Article 55, U.R. and Exp.).

“ There may be acceptance by intervention in all cases where the holder has a right of recourse before maturity on a bill which is capable of acceptance.

“ When the bill of exchange indicates a person who is designated to accept or pay it in case of need at the place of payment, the holder may not exercise his rights of recourse before maturity against the person naming such referee in case of need and against subsequent signatories, unless he has presented the bill of exchange to the referee in case of need and until, if acceptance is refused by the latter, this refusal has been authenticated by a protest.

“ In other cases of intervention the holder may refuse an acceptance by intervention. Nevertheless, if he allows it, he loses his right of recourse before maturity against the person on whose behalf such acceptance was given and against subsequent signatories.”

128. The first paragraph has not been modified.

129. On the other hand, very important changes have been made in the second paragraph. The Conference has desired, generally speaking, to return to the principles adopted by the Hague Conference of 1910. If, in the bill of exchange, a person is specified to accept it or pay it in case of need at the place of payment the holder may not exercise his rights of recourse for non-acceptance unless he has first applied to the said person and, unless this person having failed to accept, he has had a protest drawn up. If the holder does not observe these provisions he loses his right of recourse against the person who has made the specification and against subsequent persons liable for the bill. When the bill does not indicate by whom the “referee-in-case-of-need” clause has been inserted, it is deemed to have been inserted by the drawer according to the principle laid down in the second sentence of Article 57.

130. The third paragraph has also been modified, either as a consequence of the modifications made in the previous paragraph or to ensure greater clearness. The third paragraph stipulates that “in all other cases the holder may refuse an acceptance by intervention”. This formula therefore covers either acceptance by a third person or acceptance by a person specified in case

of need who is domiciled in a place other than the place of payment; in the latter case the holder is not obliged to observe the second paragraph, and intervention by the person specified in case of need is assimilated to intervention by a third person. It has further been added that if the holder allows this intervention he loses his right of recourse against the signatory on whose behalf the intervention was made and against subsequent persons liable for the bill.

Article 57 (old Article 56, U.R. and Exp.).

“Acceptance by intervention is specified on the bill of exchange. It is signed by the person intervening. It mentions the person for whose honour it has been given and, in default of such mention, the acceptance is deemed to have been given for the honour of the drawer.”

131. No changes.

Article 58 (old Article 57, U.R. and Exp.).

“The acceptor by intervention is liable to the holder and to the endorsers, subsequent to the party for whose honour he intervened, in the same manner as such party.

“Notwithstanding an acceptance by intervention, the party for whose honour it has been given and the parties liable to him may require the holder, in exchange for payment of the sum mentioned in Article 48, to deliver the bill, the protest, and a receipted account, if any.”

132. No changes, except the addition of the words “and a receipted account” in the last paragraph.

3. PAYMENT BY INTERVENTION.

Article 59 (old Article 58, U.R. and Exp.).

“Payment by intervention may take place in all cases where, either at maturity or before maturity, the holder has a right of recourse on the bill.

“Payment must include the whole amount payable by the party for whose honour it is made.

“It must be made at the latest on the day following the last day allowed for drawing up the protest for non-payment.”

133. The first paragraph of Article 60 of the Experts' text has been inserted in this Article as a second paragraph.

Article 60 (old Article 59, U.R. and Exp.).

“If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need, the holder must present the bill to all these persons and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest.

“In default of protest within this limit of time, the party who has named the referee in case of need, or for whose account the bill has been accepted, and the subsequent endorsers, are discharged.”

134. A slight change of form has been made in order to make the article clearer.

Article 61 (old Article 60, U.R. and Exp.).

“The holder who refuses payment by intervention loses his right of recourse against any persons who would have been discharged thereby.”

135. The first paragraph of this article was inserted in Article 59. Consequently the second paragraph, remaining all by itself, had to be modified in form.

Article 62 (old Article 61, U.R. and Exp.).

“Payment by intervention must be authenticated by a receipt given on the bill of exchange mentioning the person for whose honour payment has been made. In default of such mention, payment is deemed to have been made for the honour of the drawer.

“The bill of exchange and the protest, if any, must be given up to the person paying by intervention.”

136. No change.

Article 63 (old Article 62, U.R. and Exp.).

“The person paying by intervention acquires the rights arising out of the bill of exchange against the party for whose honour he has paid and against persons who are liable to the latter on the bill of exchange. Nevertheless, he cannot re-endorse the bill of exchange.

“Endorsers subsequent to the party for whose honour payment has been made are discharged.

“In case of competition for payment by intervention, the payment which effects the greater number of releases has the preference. Any person who, with a knowledge of the facts, intervenes in a manner contrary to this rule, loses his right of recourse against those who would have been discharged.”

137. The experts made a slight change in the third paragraph of the Hague Regulation with the sole object of making this text clearer. The Conference also modified paragraph 1 in order to adopt a more precise formula, and one which would include the recognition of the rights of the person intervening, even against the acceptor. As in the case of Article 32, paragraph 3, concerning a person who gives an *aval*, no mention has been made of "subrogation to the holder's rights", since the right of the person giving the *aval* and of the person intervening is always independent and originating, whereas, at ordinary law, the person subrogated has the same rights as the creditor in whose place, as regards these rights, he stands.

CHAPTER IX. — PARTS OF A SET, AND COPIES.

I. PARTS OF A SET.

Article 64 (old Article 63, U.R. and Exp.).

"A bill of exchange can be drawn in a set of two or more identical parts.

"These parts must be numbered in the body of the instrument itself; in default, each part is considered as a separate bill of exchange.

"Every holder of a bill which does not specify that it has been drawn as a *sola* bill may, at his own expense, require the delivery of two or more parts. For this purpose he must apply to his immediate endorser, who is bound to assist him in proceeding against his own endorser, and so on in the series until the drawer is reached. The endorsers are bound to reproduce their endorsements on the new parts of the set."

138. This article deals with the issue of a bill of exchange as part of a set. On this point, there were differences regarding the basic conception between the Hague Regulation and the experts' draft. According to the former, the holder of a bill of exchange which does not specify that it has been drawn as a *sola* bill, may, at his own expense, require the delivery of two or more parts. According to the experts' draft, he had no such right. At the same time, the draft of the Committee of Experts laid down that the various parts must not only be numbered but also indicate the number of parts issued. The Conference was of opinion that, in certain circumstances, the holder of a bill of exchange issued as a *sola* bill may legitimately need to obtain further copies thereof. Such a possibility is already allowed under the law of several countries. After some discussion, the Conference therefore decided on this point to revert to the Hague text.

Article 65 (old Article 64, U.R. and Exp.).

"Payment made on one part of a set operates as a discharge, even though there is no stipulation that this payment annuls the effect of the other parts. Nevertheless, the drawee is liable on each accepted part which he has not recovered.

"An endorser who has transferred parts of a set to different persons, as well as subsequent endorsers, are liable on all the parts bearing their signature which have not been restored."

Article 66 (old Article 65, U.R. and Exp.).

"A party who has sent one part for acceptance must indicate on the other parts the name of the person in whose hands this part is to be found. That person is bound to give it up to the lawful holder of another part.

"If he refuses, the holder cannot exercise his right of recourse until he has had a protest drawn up specifying:

- "(1) That the part sent for acceptance has not been given up to him on his demand;
- "(2) That acceptance or payment could not be obtained on another of the parts."

139 These two articles are drafted with the same wording as the corresponding provisions of the Hague Regulation and the experts' draft.

2. COPIES.

Article 67 (old Article 66, U.R. and Exp.).

"Every holder of a bill of exchange has the right to make copies of it.

"A copy must reproduce the original exactly, with the endorsements and all other statements to be found therein. It must specify where the copy ends.

"It may be endorsed and guaranteed by *aval* in the same manner and with the same effects as the original."

140. This article reproduces the text of the Hague Regulation and the experts' draft.

Article 68 (old Article 67, U.R. and Exp.).

"A copy must specify the person in possession of the original instrument. The latter is bound to hand over the said instrument to the lawful holder of the copy.

"If he refuses, the holder may not exercise his right of recourse against the persons who have endorsed the copy or guaranteed it by *aval* until he has had a protest drawn up specifying that the original has not been given up to him on his demand.

“ Where the original instrument, after the last endorsement before the making of the copy, contains a clause ‘ commencing from here an endorsement is only valid if made on the copy ’ or some equivalent formula, a subsequent endorsement on the original is null and void.”

141. With a view to bringing this article into line with the last paragraph of the previous article, the words “ *or guaranteed it by aval* ” were inserted in the second paragraph of Article 68.

142. The third paragraph was not contained in the experts’ draft. It has been added to enable the holder of a copy of a bill of exchange to prevent the endorsement of the original bill, a subsequent endorsement would be prejudicial to the interests of the holder of the copy who could not claim the original bill against a holder in good faith.

CHAPTER X. — ALTERATIONS.

143. In the former texts this chapter was entitled “ Forgery and Alterations ” and it contained in Article 68 the following provision: “ The forgery of a signature, even if it be that of the drawer, in no wise affects the validity of the other signatories ”. The principle of the independence of the various signatures having been expressed in a way which gives a general force to this principle, in Article 7—which also deals with the case in which a signature is false—Article 68 was omitted as being unnecessary, while, at the same time, the heading of the chapter was modified.

Article 69 (old Article 69, U.R. and Exp.).

“ In case of alteration of the text of a bill of exchange, parties who have signed subsequent to the alteration are bound according to the terms of the altered text; parties who have signed before the alteration are bound according to the terms of the original text.”

144. This text, which reproduces that of the Hague Regulation and of the experts’ draft, was adopted without change.

CHAPTER XI. — LIMITATION OF ACTIONS.

Article 70 (old Article 70, U.R. and Exp.).

“ All actions arising out of a bill of exchange against the acceptor are barred after three years, reckoned from the date of maturity.

“ Actions by the holder against the endorsers and against the drawer are barred after one year from the date of a protest drawn up within proper time, or from the date of maturity where there is a stipulation *retour sans frais*.

“ Actions by endorsers against each other and against the drawer are barred after six months, reckoned from the day when the endorser took up and paid the bill or from the day when he himself was sued.”

145. The causes of interruption and suspension of actions differ in the various national laws. It was therefore proposed, in order to avoid a conflict of laws in this matter, to replace time-limits for the limitation of actions (*prescription*) by time-limits after which the right of action would be forfeited (*déchéance*). But as the differences between *prescription* and *déchéance* were not identical in the various laws, it was objected that the consequences of such a change would not be clear, and that the question needed more careful consideration. In these circumstances, the Conference decided to adhere to the notion of *prescription*.

146. Moreover, a reservation was adopted in Article 17 of Annex II.

Article 71 (old Article 71, U.R. and Exp.).

“ Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.”

147. This article was adopted without change.

CHAPTER XII. — GENERAL PROVISIONS.

Article 72 (old Article 72, U.R. and Exp.).

“ Payment of a bill of exchange which falls due on a legal holiday (*jour férié légal*) cannot be demanded until the next business day. So, too, all other proceedings relating to a bill of exchange, in particular, presentment for acceptance and protest, can only be taken on a business day.

“ Where any of these proceedings must be taken within a certain limit of time the last day of which is a legal holiday (*jour férié légal*), the limit of time is extended until the first business day which follows the expiration of that time. Intermediate holidays (*jours fériés*) are included in computing limits of time.”

148. This article was approved without change, but the Conference adopted a reservation in Article 18 of Annex II.

Article 73 (old Article 73, U.R. and Exp.).

“Legal or contractual limits of time do not include the day on which the period commences.”

Article 74 (old Article 73bis, Exp.).

“No days of grace, whether legal or judicial, are permitted.”

149. These articles were adopted without change, but, in connection with Article 74, a reservation in Article 11 of Annex II was adopted.

TITLE II. — PROMISSORY NOTES.

Article 75 (old Articles 74 Exp. and 77 U.R.).

“A promissory note contains:

- “(1) The term ‘promissory note’ inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
- “(2) An unconditional promise to pay a determinate sum of money;
- “(3) A statement of the time of payment;
- “(4) A statement of the place where payment is to be made;
- “(5) The name of the person to whom or to whose order payment is to be made;
- “(6) A statement of the date and of the place where the promissory note is issued;
- “(7) The signature of the person who issues the instrument (maker).”

150. With regard to (1) of this article, it was pointed out that in certain laws there was no provision to the effect that the words “promissory note” should appear on the bill itself, provided the bill contained the “to order” clause, and that in countries under the laws of which the term must appear, that term was not in all cases the usual one.

In order to meet these various usages, the unification of which would seem to be less necessary than that of the forms of the bill of exchange, because promissory notes are of less importance in international trade, the Conference admitted a reservation set out in Article 19 of Annex II.

151. The remarks relating to the signatures on bills of exchange and to the language used in drawing up the instrument are applicable to promissory notes.

Article 76 (old Article 75 Exp. and 78 U.R.).

“An instrument in which any of the requirements mentioned in the preceding article are wanting is invalid as a promissory note except in the cases specified in the following paragraphs.

“A promissory note in which the time of payment is not specified is deemed to be payable at sight.

“In default of special mention, the place where the instrument is made is deemed to be the place of payment and at the same time the place of the domicile of the maker.

“A promissory note which does not mention the place of its issue is deemed to have been made in the place mentioned beside the name of the maker.”

Article 77 (old Article 76 Exp. and 79 U.R.).

“The following provisions relating to bills of exchange apply to promissory notes so far as they are not inconsistent with the nature of these instruments, viz.:

- “Endorsement (Articles 11 to 20);
- “Time of payment (Articles 33 to 37);
- “Payment (Articles 38 to 42);
- “Recourse in case of non-payment (Articles 43 to 50, 52 to 54);
- “Payment by intervention (Articles 55, 59 to 63);
- “Copies (Articles 67 and 68);
- “Alterations (Article 69);
- “Limitation of actions (Articles 70 and 71);
- “Holidays, computation of limits of time and prohibition of days of grace (Articles 72, 73 and 74).

“The following provisions are also applicable to a promissory note: The provisions concerning a bill of exchange payable at the address of a third party or in a locality other than that of the domicile of the drawee (Articles 4 and 27); stipulation for interest (Article 5); discrepancies as regards the sum payable (Article 6); the consequences of signature under the conditions mentioned in Article 7, the consequences of signature by a person who acts without authority or who exceeds his authority (Article 8); and provisions concerning a bill of exchange in blank (Article 10).

“The following provisions are also applicable to a promissory note: Provisions relating to guarantee by *aval* (Articles 30-32); in the case provided for in Article 31, last paragraph, if the *aval* does not specify on whose behalf it has been given, it is deemed to have been given on behalf of the maker of the promissory note.”

152. The last paragraph of Article 77 has been added to settle a question that is the subject of controversy in several countries; namely, when an *aval* is given on a promissory note without

any indication of the person on whose behalf the *aval* has been given, on whose behalf should it be deemed to have been given? Some say that, in this case, it should be presumed to have been given on behalf of the first endorser, others that it should be presumed to have been given on behalf of the maker. The latter solution has been adopted in the above-mentioned paragraph.

Article 78 (old Article 77 Exp. and 80 U.R.).

“ The maker of a promissory note is bound in the same manner as an acceptor of a bill of exchange.

“ Promissory notes payable at a certain time after sight must be presented for the visa of the maker within the limits of time fixed by Article 23. The limit of time runs from the date of the visa signed by the maker on the note. The refusal of the maker to give his visa with the date thereon must be authenticated by a protest (Article 25), the date of which marks the commencement of the period of time after sight.”

153. As regards a promissory note at sight which has not been presented for payment within the time-limit fixed for presentment, the question arose whether the period for limitation began to run as from the date on which the note was made or only as from the date on which the time-limit for presentment expired. The Conference decided in favour of the latter solution.

154. With regard to “ Title II ” above, it was pointed out that not all countries have independently regulated promissory note law by reference to the corresponding provisions on bills of exchange, and that in some cases, the law deals mainly with promissory notes and, as regards bills of exchange, merely refers to the provisions concerning promissory notes. The reservations embodied in Article 21 of Annex II have been inserted in order to meet the wishes of these countries.

Annex II.

155. Annex II contains provisions determining which articles in the Uniform Law can be made the subject of reservations, and under what conditions, or determining which points can be left to be settled by the national laws.

Article 1.

“ Each of the High Contracting Parties may stipulate that the obligation to insert in bills of exchange issued in its territory the term ‘ bill of exchange ’, as laid down in Article 1, 1 of the Uniform Law, shall not apply until six months after the entry into force of the present Convention.”

156. This article was adopted in order to provide a certain limit of time for the introduction of the use of the term “ bill of exchange ” in countries whose national law has not hitherto imposed this requirement.

Article 2.

“ Each of the High Contracting Parties has, as regards undertakings entered into in respect of bills of exchange in its own territory, the right to determine in what manner an actual signature may be replaced by an authentic declaration written on the bill which evidences the consent of the party who should have signed.”

157. Article 2 reproduces Article 3 of the Hague Convention and provides that each contracting party shall have the right to fix certain conditions under which actual signature may be replaced in the case of persons who, in accordance with the provisions of Article 1 of the Uniform Law, are required to sign a bill of exchange but are unable to do so.

Article 3.

“ Each of the High Contracting Parties reserves the right not to embody Article 10 of the Uniform Law in its national law.”

158. This article allows States whose legislation makes no provision for a blank bill of exchange not to introduce Article 10 of the Uniform Law into their national law.

Article 4.

“ By way of derogation from Article 31, paragraph 1, of the Uniform Law, each of the High Contracting Parties shall have the right to decide that an *aval* may be given in its territory by a separate instrument specifying the place in which the instrument has been executed.”

159. This article reproduces Article 5 of the Hague Convention and is a concession to the law of countries which allow an *aval* to be given by a separate instrument. That is to say, these countries are allowed to insert in their national law on bills of exchange provisions corresponding to this practice. The other contracting parties must recognise an *aval* of this sort whenever the law of the place where it has been executed permits this and when that place is specified in the

instrument. The Conference was unwilling that a rule on this matter should appear in the Uniform Law, being of opinion that the *aval* by separate instrument does not come within the scope of an exchange obligation, is not accepted in many countries, and, lastly, has not stood the test of adequate experience.

160. Nevertheless, the question of guarantees and insurance in the matter of bills of exchange is deserving of close study, and the Conference, at the request of one delegation, adopted a recommendation inviting the International Institute for the Unification of Private Law to undertake these enquiries (Final Act, IV).

Article 5.

“ Each of the High Contracting Parties may supplement Article 38 of the Uniform Law so as to provide that the holder of a bill of exchange payable in its territory shall be obliged to present it on the actual day of maturity. Failure to comply with this obligation may only give rise to a right to damages.

“ The other High Contracting Parties shall have the right to determine the conditions subject to which such obligation will be recognised by them.”

161. This article corresponds to Article 7 of the Hague Convention and takes account of a special feature in the laws of certain countries. Each country may require that a bill of exchange shall be presented on the actual day of maturity and may make failure to present the bill liable to damages.

162. Contrary to the general provision in Article 23 of Annex II, the other contracting parties are not bound to recognise such an obligation straightway, but may determine the conditions subject to which they will do so.

Article 6.

“ For the purpose of giving effect to the last paragraph of Article 38 of the Uniform Law, each of the High Contracting Parties shall determine the institutions which, according to its national law, are to be regarded as clearing-houses.”

163. In view of the varied organisation of clearing-houses in each country, this article reserves to the national law the duty of determining what institutions are to be recognised as clearing-houses, and, as a consequence, what persons are to belong to them and to be entitled to benefit from them.

Article 7.

“ Each of the High Contracting Parties shall have the right, if it deems fit, in exceptional circumstances connected with the rate of exchange in such State, to derogate from the stipulation contained in Article 41 for effective payment in foreign currency as regards bills of exchange payable in its territory. The above rule may also be applied as regards the issue in the national territory of bills of exchange payable in foreign currencies.”

164. This article permits each of the contracting Parties, in exceptional circumstances connected with its rate of exchange, to derogate from the clause laid down in Article 41 of the Uniform Law for effective payment in foreign currency as regards bills of exchange payable in its territory. The same right may also be exercised as regards the creation in the national territory of bills of exchange payable in foreign currency. These provisions were adopted in order to enable the contracting parties to deal with certain economic situations which may arise at certain times, in their countries, without their being compelled to denounce the Convention.

Article 8.

“ Each of the High Contracting Parties may prescribe that protests to be drawn up in its territory may be replaced by a declaration dated and written on the bill itself, and signed by the drawee, except where the drawer stipulates in the body of the bill of exchange itself for an authenticated protest.

“ Each of the High Contracting Parties may also prescribe that the said declaration shall be inscribed in a public register within the limit of time fixed for protests.

“ In the case provided for in the preceding paragraphs, an undated endorsement is presumed to have been made prior to the protest.”

165. This article is borrowed from Article 9 of the Hague Convention and is a concession to the laws of certain countries which do not require an authenticated protest in cases when the drawee declares on the bill of exchange that he is not willing to accept or pay (see Article 44 of the Uniform Law).

166. Paragraph 3 gives countries the right to make a presumption corresponding to that contained in Article 20, paragraph 2, of the Uniform Law.

Article 9.

“ By way of derogation from Article 44, paragraph 3, of the Uniform Law, each of the High Contracting Parties has the right to prescribe that a protest for non-payment must be drawn up either on the day when the bill is payable or on one of the two following business days.”

167. This article corresponds to Article 10 of the Hague Convention (see the observations on Article 44 of Annex I).

Article 10.

“ It is reserved to the legislation of each of the High Contracting Parties to determine the exact legal situations referred to in Article 43, Nos. 2 and 3, and in Article 44, paragraphs 5 and 6, of the Uniform Law.”

168. This article leaves it to each State to determine in accordance with its law what are the legal situations referred to in Article 43 (Nos. 2 and 3) and Article 44 (Nos. 5 and 6).

Article 11.

“ By way of derogation from the provisions of Article 43, Nos. 2 and 3, and Article 74 of the Uniform Law, each of the High Contracting Parties reserves the right to include in its legislation the possibility for persons guaranteeing a bill of exchange to obtain, in the event of recourse being exercised against them, periods of grace which may in no case extend beyond the maturity of the bill.”

169. This article allows the national laws to derogate from the provisions of Articles 43 (Nos. 2 and 3) and 74 of the Uniform Law in such a way that the guarantors of a bill of exchange may obtain, in the event of recourse being exercised against them, periods of grace which may in no case extend beyond the maturity of the bill of exchange.

Article 12.

“ By way of derogation from Article 45 of the Uniform Law, each of the High Contracting Parties shall be entitled to maintain or introduce the following system of notification by the public official, viz., that, when protesting for non-acceptance or non-payment, the notary or official who, under the national law, is authorised to draw up the protest, is required to give notice in writing to the persons liable under the bill of exchange whose addresses are specified in the bill, or are known to the public official drawing up the protest, or are specified by the persons demanding the protest. The costs of such notice shall be added to the costs of the protest.”

170. This article corresponds to Article 11 of the Hague Convention and authorises the contracting parties to derogate from the principle of the Uniform Law (Article 45) in that notice of payment has to be given by the public official. It takes account of the system adopted in Russian law and still obtaining in the Baltic States; the delegation of one of these States—namely Latvia—has asked that this system shall be maintained.

Article 13.

“ Each of the High Contracting Parties is entitled to prescribe, as regards bills of exchange which are both issued and payable in its territory, that the rate of interest mentioned in Article 48, No. 2, and Article 49, No. 2, of the Uniform Law may be replaced by the legal rate in force in the territory of that High Contracting Party.”

171. This article reverts to a derogation already laid down in Article 12 of the Hague Convention and authorises each of the contracting parties to replace the rate mentioned in Article 48 (No. 2) and Article 49 (No. 2) by the legal rate.

Article 14.

“ By derogation from Article 48 of the Uniform Law each of the High Contracting Parties reserves the right to insert in its national law a rule prescribing that the holder may claim from the party against whom he is exercising his right of recourse a commission the amount of which shall be determined by the national law.

“ The same applies, by derogation from Article 49 of the Uniform Law, to a person who, having taken up and paid the bill of exchange, claims the amount from the parties liable to him.”

172. The Conference thought that there was no occasion to insert in the Uniform Law rules concerning commission, partly because commission is not a universal and uniform practice in every country, and partly because of the impossibility of fixing a strict rule as to the amount of the commission, which may change according to the practice in each country and also from one moment to another. It was, however, agreed to make an express reservation and to leave it to the laws of the contracting parties to decide whether they will adopt commission in the cases referred to in Articles 48 and 49 of the Uniform Law.

Article 15.

“ Each of the High Contracting Parties is free to decide that, in the event of extinctive prescription (*déchéance*) or limitation of actions (*prescription*), proceedings may be taken in its territory against a drawer who has not provided cover (*provision*) for the bill, or against a drawer or endorser who has made an inequitable gain. The same right exists in the case of limitation of action as regards an acceptor who has received cover or made an inequitable gain (*se serait enrichi injustement*).”

173. The provisions in this article correspond to Article 13 of the Hague Convention. They reserve to the national laws — by reason of their close association with general civil law — the right to decide whether, in the event of extinctive prescription or limitation of action, proceedings may be taken in the territory of each country against a drawer who has not provided cover or against a drawer or endorser who has made inequitable gain. The same right is reserved in the case of limitation of action as regards an acceptor who has received cover or made inequitable gain.

Article 16.

“ The question whether the drawer is obliged to provide cover (*provision*) at maturity and whether the holder has special rights to this cover remains outside the scope of the Uniform Law.

“ The same applies to any other question concerning the legal relations on the basis of which the bill was issued.”

174. This article corresponds to Article 14 of the Hague Convention, except for the second paragraph.

Article 17.

“ It is for the legislation of each of the High Contracting Parties to determine the causes of interruption or suspension of limitation (*prescription*) in the case of actions on bills of exchange which come before its courts.

“ The other High Contracting Parties are entitled to determine the conditions subject to which they will recognise such causes. The same applies to the effect of an action as a means of indicating the commencement of the period of limitation (*prescription*) laid down in Article 70, paragraph 3, of the Uniform Law.”

175. This article corresponds to Article 16 of the Hague Convention. One delegation drew attention to the essential importance of having less variable rules in this matter, but in the absence of adequate preparatory study, the Conference thought that, although the problem was one which ought to be studied by another conference, it could not be solved at the present stage.

Article 18.

“ Each of the High Contracting Parties has the right to prescribe that certain business days shall be assimilated to legal holidays (*jours fériés légaux*) as regards presentment for acceptance or payment and all other acts relating to bills of exchange.”

176. This article also appeared in the Hague Convention (Article 17). It enables the contracting parties to assimilate certain business days to legal holidays.

Article 19.

“ Each of the High Contracting Parties may determine the denomination to be adopted in the national laws for the instruments referred to in Article 75 of the Uniform Law, or may exempt them from any special denomination, provided that they contain an express mention that they are drawn to order.”

177. Having abandoned the reservation concerning the denomination of bills of exchange, the Conference thought that it ought to be retained for promissory notes. In point of fact, the denomination is not uniform in every country and sometimes varies from one district to another in the same country. For this reason, and also because this instrument is essentially intended for circulation within the country, the Conference adopted this article, which reverts to the formula found in Article 2 of the Hague Convention.

Article 20.

“ The provisions of Articles 1 to 18 of the present Annex with regard to bills of exchange apply likewise to promissory notes.”

178. This article corresponds to Article 21 of the Hague Convention.

Article 21.

“ Each of the High Contracting Parties reserves the right to restrict the undertaking mentioned in Article 1 of the Convention to the provisions dealing with bills of exchange only, and not to introduce into its territory the provisions dealing with promissory notes contained in Title II of the Uniform Law. In this case the High Contracting Party making use of this reservation shall only be regarded as a contracting party in respect of bills of exchange.

“ Each of the High Contracting Parties further reserves the right to embody the provisions concerning promissory notes in a special regulation, which shall exactly conform to the stipulations in Title II of the Uniform Law and which shall reproduce the rules on bills of exchange to which reference is made, subject only to the modifications resulting from Articles 75, 76, 77 and 78 of the Uniform Law and from Articles 19 and 20 of the present Annex.”

179. This article corresponds to Article 22 of the Hague Convention and leaves it to the contracting parties to restrict the undertakings of the Convention to bills of exchange only, and grants them a certain freedom of action as regards national regulations concerning promissory

notes. The Conference retained this article at the request of the Latvian delegation for the reason already mentioned, that this instrument is of fundamental national importance and in some countries is the only instrument circulating within the country, the bill of exchange being reserved exclusively for international circulation.

Article 22.

“ Each of the High Contracting Parties has the right to adopt exceptional measures of a general nature relating to the extension of the limits of time for conservatory measures in relation to recourse (*actes conservatoires des recours*) and to the extension of maturities.”

180. The purpose of this provision is to furnish the contracting parties with the necessary powers in the event of public disasters which might affect the whole or part of the national territory, or in the case of general economic disturbances, and to prevent the economic situation from being aggravated by a strict observance of the provisions of the Uniform Law. The words “ of a general nature ” were adopted in order to exclude measures of an individual character. Measures adopted in view of the special situation of a single district, a single province, or any part of a national territory, will also be regarded as measures of a general nature. The Conference thought, however, that the article as a whole successfully reconciled national interests with the endeavour to unify laws on bills of exchange.

Article 23.

“ Each of the High Contracting Parties undertakes to recognise the provisions adopted by every other High Contracting Party in virtue of Articles 1 to 4, 6, 8 to 16 and 18 to 21 of the present Annex.”

181. This article, which refers to all the provisions of Annex II, obliges the contracting parties to recognise the provisions adopted by each of them in virtue of Articles 1-4, 6, 8-16 and 18-21. In the case of Articles 5 and 17 the obligation is less rigid and may be conditional. In the case of Articles 7 and 22 the contracting parties have freedom of choice within their territory.

* * *

182. It is understood that, in regard to points for which the Uniform Law contains no general regulations, each contracting party remains free to issue such legislative provisions as it deems fit. This is the case, for example, as regards the form of protest and the measures to be taken in the event of the destruction, loss, or theft of a bill of exchange.

183. The Conference did all it possibly could to reduce the reservations to a minimum, but, in the end, it had to accept a substantial number in order to reconcile the separate interests of the contracting parties and, at the same time, to further the ratification and entry-into-force of agreements, that is to say, to secure in regard to the unification of laws on bills of exchange some practical results.

III.

CONVENTION FOR THE SETTLEMENT OF CERTAIN CONFLICTS
OF LAWS IN CONNECTION WITH BILLS OF EXCHANGE AND
PROMISSORY NOTES.

REPORT SUBMITTED BY M. DIENA (ITALY).

Article 2 (old Article 3, Exp.).

184. The Conference began the main discussion of the Draft Convention for the settlement of certain conflicts of laws in connection with bills of exchange and promissory notes by examining Article 3 of the experts' text. This article is undoubtedly of far-reaching importance, since it deals with a question—the capacity of contracting parties—which is not settled in the Uniform Law.

185. The substance of the first paragraph of this article, which has become Article 2 of the final text, was approved as it stood, except that the words “ or promissory note ” were added after the words “ bill of exchange ”, in order to obviate any possibility of doubt, and because the other articles of the draft expressly mention bills of exchange and promissory notes together.

186. During the discussion it was pointed out that this provision, whereby the capacity of a person is governed by the national law of his country or by the law declared applicable by that national law, was tantamount to the adoption of the theory which, at private international law, is known as the “ *renvoi* ” theory. It was pointed out that in the article under discussion

this theory was adopted to a limited extent, so as to avoid all the drawbacks which might be involved if the theory were applied generally. Its adoption, moreover, as provided for in the first paragraph, affords the great practical advantage of securing the support of countries where capacity is governed by a law other than the national law, such as the law of domicile or the *lex loci actus*.

187. Further, this system may make it easier for the British Empire (and perhaps also the United States of America) to accede to the Convention for the Settlement of Certain Conflicts of Laws in connection with Bills of Exchange and Promissory Notes. For that reason, at the request of the British delegation, the word "country" or "place" was substituted throughout for the word "State" in the text of the Convention, and more particularly in the first paragraph of Article 2, even though the law in question there is the national law.

188. The Conference did not adopt the suggestion made by one delegation to define exactly how far the rule regarding the law governing the capacity of a person to bind himself by a bill of exchange or promissory note is applicable to commercial companies, as the subject of companies was not one with which the Conference had to deal.

189. A particularly keen discussion took place on the second and third paragraphs of the same article. The second retains the system whereby an obligation in respect of a bill of exchange is valid, as far as the capacity of the person assuming the obligations is concerned, if that person is capable according to the law of the country in which he assumed the obligation.

190. It was proposed to state explicitly that the capacity of a person without nationality is determined by the law of the country in which he assumed the obligation. This addition, however, was rejected, it being held that the Conference must not concern itself with the regulation of matters which do not directly relate to the law on bills of exchange and are settled in other international Conventions by different criteria. Nevertheless, on the basis of and under the conditions laid down in the second paragraph, the *lex loci actus* may apply even to persons without nationality.

191. Strong objections were raised to paragraph 3, which enables any contracting State to refuse to recognise the validity of a contract arising out of a bill of exchange or promissory note entered into by one of its nationals which would not be deemed valid otherwise than by the application of the second paragraph. Those who opposed its adoption maintained *inter alia* that such a provision destroyed all security as regards the circulation of bills of exchange and promissory notes, and might encourage acts of bad faith. Nevertheless, the proposal to omit this paragraph was rejected.

192. According to its actual wording, however, any High Contracting Party wishing to avail itself of this last provision may do so only in respect of its own nationals, and the exercise of this option will be legally effective only in the territory of the High Contracting Party which has so availed itself.

Article 3 (old Article 4, Exp.).

193. Article 3 relates to the form of contracts entered into by means of a bill of exchange or promissory note, and the first paragraph of this article, which constitutes an application of the rule *locus regit actum*, was approved by the Conference after the rejection of an amendment.

194. The second paragraph of the same article, however, provides for a derogation from the rule adopted in the first paragraph, with a view to ensuring security for circulation of such instruments, in the interest of commerce. This provision lays down that a contract entered into by means of a bill of exchange in country X, for example, in the forms prescribed by the *lex loci* is not invalidated solely because a *previous* contract, entered into in country Z, is not valid according to the law of that country, provided that the contract in that country, Z, complies with the formal requirements of the law of country X.

195. Lastly, as the result of an amendment, a third paragraph was added to the same article empowering each of the High Contracting Parties to regard as valid contracts entered into abroad arising out of bills of exchange or promissory notes, in the form prescribed by the national law of the respective Parties rather than those of the *lex loci*. The application of this rule, however, is subject to a twofold restriction: (1) the contract must have been entered into between a national of one of the High Contracting Parties which intends to avail itself of the above-mentioned option and another national of the same High Contracting Party; (2) the validity of such a contract is limited to the territory of the High Contracting Party which has availed itself of the option mentioned and of which the Parties are nationals.

Article 4 (old Article 5, Exp.).

196. Article 4, which relates to the effects of obligations entered into through a bill of exchange or promissory note, was also keenly debated. During the discussion the suggestion was made that the article should be abolished altogether, but, if that suggestion had been accepted, one of the most important points of the Convention would have remained unsettled.

197. Accordingly, the experts' text and various amendments were considered. In the experts' text, the first paragraph, in determining the law which should govern the effects of the obligation, retained the same criterion of international private law for each of the obligations

entered into through a bill of exchange or promissory note, except the effects of the obligation of the person giving an *aval* or the acceptor for honour governed by the second paragraph; but the first amendment to this article distinguished three categories of effects:

(a) (First paragraph.) In the case of the obligations of the acceptor of a bill of exchange or maker of a promissory note, the law applicable was that of the place of payment;

(b) (Second paragraph.) As regards the obligation entered into by the person giving an *aval* or by the acceptor for honour (in accordance with paragraph 2 of the experts' text), it is necessary to adhere to the law applicable to the obligation entered into by the person on whose behalf the *aval* or acceptance for honour was given.

(c) (Third paragraph.) As regards the effects of the signatures of the other parties liable on the bill of exchange, these were determined according to the law of the place specified as being the place of signature or, in the absence of such specification, by the law of the place in which the signature was affixed.

After lengthy discussion, the rules laid down in the first and third paragraphs of this amended text were adopted, but the formula was simplified by a reference, as regards the effects of the signatures, to the law of the country in which each was affixed.

The second paragraph, both of the amended text and of the experts' text, was deleted. Consequently, the obligations entered into by the person giving an *aval* and by the acceptor for honour will be governed by the law indicated in paragraph 3 of the amended text, which has now become paragraph 2 of Article 4 of the final text.

Article 5.

198. Another amendment was submitted by a delegation prior to the examination of the provisions relating to conflicts of law. This delegation was of opinion that, even if paragraph 1 of Article 5 of the experts' draft had been adopted, it would have been necessary, if a bill of exchange or promissory note was circulated in the territory of several countries to take into account and apply at the same time several different laws in order to determine the effects of the obligations entered into by the makers. This would have raised very serious difficulties, especially as regards the limits of time for the exercise of rights of recourse; that delegation accordingly proposed—for reasons, not of a theoretical, but of a strictly practical nature—that the limits of time for the exercise of rights of recourse should be determined for all signatories by a single law, namely, the law of the place where the instrument was created. It was pointed out that the object in view was mainly to leave no room for doubt as to the rule to be applied.

This amendment was approved, and it was subsequently decided that it should form a separate article, which has become Article 5 of the final text.

199. It is hardly necessary to add that this rule will not apply as between the High Contracting Parties which have undertaken to adopt the Uniform Law without making any reservations as to its provisions determining the limits of time for the exercise of rights of recourse.

Article 6 (old Article 6, Exp.).

200. Strong objections were raised by several delegations to Article 6 of the experts' draft, which stipulated that the question whether the beneficiary and succession holders of the bill had special rights on the cover (*provision*) should be determined by the law of the country in which the bill of exchange was payable. In view of a proposal to delete this article, one delegation pointed out that serious difficulties would arise if this question were not regulated by an international rule, and the proposal was rejected. The Conference finally decided to adopt a compromise text, which now appears as Article 6.

Article 7 (old Article 7, Exp.).

201. Objections were also raised to Article 7 of the experts' draft, which states that the question whether partial acceptance or payment is admissible is governed by the law of the country of payment. According to one delegation, this provision would overlap Article 4 (corresponding to Article 5 of the experts' text), concerning the effects of obligations entered into in regard to bills of exchange and promissory notes. As, however, the majority of the delegations were not convinced by this argument, Article 7 was adopted as it stood.

Article 8 (old Article 8, Exp.).

202. As regards Article 8 of the experts' draft, which provides that the form of and limits of time for protest and the other proceedings necessary for the exercise or preservation of rights concerning bills of exchange and promissory notes shall be regulated by local law, an amendment was submitted to replace the first words of this provision by the following: "The form of, place of, and limits of time for protest or equivalent declarations, as well as the form of and limits of time for the other proceedings . . ." This amendment was rejected, as it was considered that the scope of the text of Article 8 of the experts' draft was already sufficiently wide.

Article 9 (old Article 9, Exp.).

203. With reference to Article 9 of the experts' draft, which reads: "The steps to be taken in case of the loss or theft of a bill of exchange or promissory note, or *in the case of*

the holder's bankruptcy, are determined by the law of the country in which the bill of exchange or promissory note is payable", it was proposed that the words: "or in the case of the holder's bankruptcy" should be deleted.

It was pointed out that the true scope of the latter phrase was not sufficiently clear; that international questions relating to bankruptcy were very complicated and difficult to settle; that it was not advisable to adopt incidentally a rule of private international law concerning bankruptcy when this question had already formed the subject of a special Convention drawn up at The Hague. In view of these considerations, the Conference adopted Article 9, with the omission of the phrase relating to bankruptcy, after rejecting a proposal for the deletion of the whole article. During the discussion, it was explained and noted that the experts, in their reference in Article 9 to the *loss* of a bill of exchange or promissory note, had also meant to include the *destruction* of the instrument.

Article 10 (old Article 10, Exp.).

204. Article 10, which is a purely formal provision, was approved as it stood after an exchange of views and a few drafting amendments.

205. Accordingly, the Conference has drawn up a number of rules for the settlement of certain conflicts of laws in regard to bills of exchange and promissory notes, and it is hoped that these rules will be applied in a considerable number of countries for the purpose of regulating their mutual relations in this matter.

IV.

CONVENTION ON THE STAMP LAWS IN CONNECTION WITH BILLS OF
EXCHANGE AND PROMISSORY NOTES.

REPORT SUBMITTED BY M. DE LA VALLÉE POUSSIN (BELGIUM).

206. Under the fiscal laws of most countries, bills of exchange and promissory notes are subject to the provisions relating to stamp duty. As a general rule, the non-observance of the law on this subject is penalised only by fines, but in certain countries the penalties are much heavier. The laws of those countries make commercial instruments issued under contravention of their provisions regarding stamp duty null and void or cancel the rights arising therefrom.

207. This extreme severity is the cause of serious difficulties in the international circulation of commercial instruments. It is a constant source of insecurity for the holders of bills of exchange. For a long time it has been complained of in business circles which are most anxious that this insecurity should be remedied.

208. Several countries which find it difficult owing to the peculiarities of their legislation on bills of exchange to accept the Uniform Law on the subject, or even the Convention on the Conflict of Laws, would nevertheless be very glad if an international arrangement to abolish cancellation and the loss of rights for infringements of the same laws were brought into force. They would be in a position to ratify a convention dealing with this question alone. It is the desire to obtain the agreement of these countries that has decided the Conference to deal with this particular subject in a separate diplomatic instrument.

209. For those countries that ratify the unification law, this Convention will put the final touch to the unification of the laws on bills of exchange. For the other countries, it is to be hoped that the Convention will be the first step on their part towards unification.

210. The essential object of the Convention, then, is to place the validity of bills of exchange and promissory notes and the exercise of the rights arising therefrom out of reach of fiscal penalties.

211. According to paragraph 1 of Article 1, those States whose laws still provide these severe penalties undertake to alter them in that respect. By acceding to the Convention they bind themselves to bring their laws into line with the fundamental principle it lays down—that infringements of the stamp laws shall not affect the validity of commercial instruments. For these countries, therefore, the adjustment of their laws to concord with the stipulations of the Convention will be an essential preliminary operation before the Convention can be ratified and put into force.

212. Paragraph 2 of the same article specifies the limit of the penalties which the contracting States remain free to inflict for infringements of their stamp laws: they may suspend the exercise of the rights arising out of the bill of exchange until the stamp duty has been paid.

213. The Conference has decided to add the payment of fines to the experts' draft. This amendment calls for no comment.

214. The final provision of paragraph 2 was introduced in the Convention drawn up at The Hague in 1912, and was textually reproduced in the experts' draft for the benefit of certain legislations which attribute the effects of an "executory" instrument to bills of exchange. After the conclusion of the Convention, just as before, it will be open to the national laws of any country to recognise this privileged status of an "executory" instrument as attaching only to bills of exchange on which the drawer has paid the duties at the time of issue.

215. It was hoped that the countries represented at the Conference would be almost unanimous in accepting unreservedly the principle laid down in the draft, but that has not been entirely the case. In order to secure nearly universal acceptance it has been deemed necessary to allow two distinct kinds of restriction.

216. The first is established by the Convention. It has not been found possible for certain countries to recognise the validity of promissory notes issued in contravention of the stamp laws. A restriction on this point has accordingly been introduced in paragraph 3 of Article 1.

Further, it has been pointed out that this restriction only very slightly impairs the safety of international transactions. In the countries which propose to avail themselves of this restriction, promissory notes are not in normal use except for internal operations, and it is quite accidentally that a few such notes are occasionally in circulation abroad, as bills of exchange are normally used for transactions of foreign markets.

217. The second restriction has a much wider scope and is embodied in the clause inserted in the Protocol to the Convention (lit. D). It was introduced at the instance of the British delegation, which urged that the validity of unstamped bills of exchange might be admitted without too much opposition in respect of a certain clause on bills but not in respect of others. The bills which may benefit by the provisions of the Convention are those which are "presented for acceptance or accepted or payable elsewhere than in the United Kingdom". In respect of all other bills, Great Britain remains free to adhere to her existing laws.

218. The provisions of the Protocol call for two further observations:

The first relates to paragraph 4 lit. D of the Protocol. This paragraph was introduced for the sake of any British Dominions which may hereafter find themselves in a position to accede to the Convention. Its object is to enable them, like Great Britain, to limit the effects of their accession to bills of exchange presented for acceptance or accepted, or payable elsewhere than in their territory.

The second observation concerns paragraph 3 lit. D of the said Protocol. The object of this clause is to safeguard the financial autonomy of Northern Ireland which can only be infringed so far as concerns fiscal matters in certain special circumstances.

Second Part.

- A. MINUTES OF THE MEETINGS.
 - B. ANNEXES.
-

FIRST MEETING.

Held on May 13th, 1930, at 11 a.m.

President: M. J. LIMBURG.

1. Opening of the Session.

The PRESIDENT spoke as follows :

Gentlemen, — Before I invite you to begin the work for which you have been called together, it is my duty to thank the Council of the League publicly for having asked me to undertake the delicate and responsible task of presiding over your labours. It has done me a signal honour, for which I am deeply grateful. I am aware that this was intended more especially as an acknowledgment of the special position of the Netherlands Government, whose untiring and persevering endeavours in an important matter of commercial law will, I hope, through your efforts, be crowned with success. I can, however, feel some justifiable pride at having been chosen in these circumstances to ensure the continuance of the prolonged labours which this problem entails, and I take pleasure in the thought that I shall be able to contribute with you towards bringing about an improvement for which the business world has been waiting with some impatience.

It is but fair, at this point, to refer to the patient work which was performed in this field, more than forty years ago, by the Institute of Private International Law and by the International Law Association, and to the attempts at unification made, as far back as 1885 and 1888, at the Conferences held at Antwerp and Brussels at the instance of the Belgian Government. It was not until 1910, however, at the Hague Conference convened by the Netherlands Government, that signs of concrete results began to appear. It was at the 1912 Conference, convened under like circumstances and for a purpose similar to that for which we have met at Geneva to-day, that the feeling first arose that the goal was in sight.

The 1910 Hague Conference had prepared a preliminary draft Uniform Regulation on Bills of Exchange and Promissory Notes. This Regulation was accompanied by a draft Convention for the Settlement of the Conflict of Laws.

The second Conference, that of 1912, which was attended by no less than thirty-seven States, improved this Regulation and Convention and added, in the form of resolutions, a draft Uniform Regulation on the Law of Cheques.

The object in view at that time was a general unification of national laws on these subjects. In signing the Convention, the Governments undertook to embody the provisions of the Uniform Regulation in their national laws.

Although the British and United States delegates clearly intimated that their Governments did not anticipate that it would be possible for them to adopt the rules agreed to by the majority of States represented, the Convention nevertheless secured a large number of signatures. Unfortunately, the ratifications necessary for the confirmation of these signatures could not be subsequently obtained. There is no need for me to enquire in detail into the reasons for this abstention, but the war, which broke out shortly after the conclusion of the Convention, may be said to have been the main cause of failure.

Does this mean that the influence of the Hague Conferences was nil? Quite the reverse. Apart from the numerous scientific publications to which they gave rise, it has been noticeable that the regulations they drew up have greatly influenced legislative developments in a number of countries. It should also be mentioned that the Pan-American Conference held at Havana in 1928 passed a resolution recommending that the South American Republics should adopt uniform rules of law on commercial bills modelled on the Hague Regulation of 1912.

In 1920, the Brussels Financial Conference, being convinced of the importance of this question, expressed the opinion that the League of Nations might usefully take action in this field. Accordingly, in 1921, the Economic Committee instituted enquiries with the principal object of exploring the possibilities of achieving the aims pursued up till then, and of taking up again the Hague work which the war had brought to a stop.

In 1923, it referred the results of its enquiries for consideration to four experts, all of whom were eminent specialists in these questions and had already devoted to them the greater part of a long and brilliant career. I refer to Professor D. Josephus Jitta, Sir Mackenzie D. Chalmers, Professor Dr. Franz Klein and Professor Charles Lyon-Caen. Science has unfortunately suffered a great loss in the death of the first three; we shall, however, have the honour of numbering among us the senior of the four experts, who is also the senior member of this Conference, Professor Charles Lyon-Caen, who will represent France. I have just been informed that, owing to other duties which have detained him in Paris, Professor Charles Lyon-Caen is unable, to his great regret, to attend the first meeting, but I hope that he will soon be able to be with us, and I would ask you to join me on this occasion in expressing to him our profound respect and admiration.

Endorsing the opinion of these experts, the Economic Committee decided, in 1923, that the moment did not appear favourable for the convening of a new conference in the near future.

In 1925, however, certain signs, more especially a resolution adopted in June of that year by the Brussels Congress of the International Chamber of Commerce, convinced the Economic

Committee that there was a keen desire in the circles concerned for an improvement of the existing position.

In 1926, therefore, the Committee convened a Committee of jurists and business men to specify the principal points which gave rise in practice to the most serious difficulties and which would, in their opinion, justify an attempt to bring into closer harmony the divergent provisions of the laws of countries belonging to the so-called Continental system.

The 1912 Conference had already shown the impossibility of achieving the uniformity previously sought, and the experts consulted by the Economic Committee in 1923 had also declared that such an object appeared to them unattainable in practice, owing to the great differences between the fundamental principles of Anglo-Saxon law and those of Continental law, but that an assimilation of Continental laws seemed both desirable and possible.

For these reasons, the jurists recommended to the Economic Committee in 1926 that it should concentrate its efforts on an attempt at assimilation, which would doubtless make it easier to bring the Continental system and the Anglo-Saxon system into closer accord at some later date.

In the meanwhile the International Chamber of Commerce continued its enquiry and, in 1927, at its Stockholm Congress, passed a resolution recommending that the League should convene a third international congress to work on the draft Uniform Regulations for Bills of Exchange and Cheques which had emerged from its discussions.

It was in these circumstances that the Economic Committee called in the assistance of a third Committee of Experts, which drew up the draft regulations and Conventions subsequently communicated to Governments for their opinion and now, following their replies, submitted to us as a basis of discussion.

You will have noticed the care and regard for practical exigencies with which the experts have examined the numerous questions before them. Hence it is not surprising that, in their replies, the Governments expressed their unanimous opinion that these drafts would afford an excellent basis of discussion for a new international conference.

It is quite natural that the Anglo-Saxon countries should have made express reservations on these drafts, which are designed solely for the assimilation of legislation of the so-called Continental system. I am glad to note, however, that the British Government has marked its interest in this attempt by sending a representative in the person of Professor Gutteridge, whom I am pleased to welcome.

I also note with pleasure the presence of Mr. Kennedy, who has been instructed by the United States Government to attend the Conference as a technical expert. Both these gentlemen will, I feel sure, be anxious to facilitate the Conference's work by supplying their colleagues with all requisite information concerning the rules of law in force in their countries.

Several other countries, whose laws are of the Anglo-Saxon type, whilst intimating for this reason that they would not attend, have nevertheless informed the Secretariat that they will follow its work with interest.

You will have observed that, in the report which accompanies the drafts before us, the experts have drawn attention to the difference between the methods they propose and those which were employed at The Hague. Experience has shown how difficult it is to secure the ratification of a convention involving an undertaking to embody in national laws a large number of provisions which may not be modified in any way and are to remain in force for a specified period. The experts have consequently suggested, both for bills of exchange and promissory notes and for cheques, a more elastic form of procedure whereby Governments would first be asked to undertake, in a first agreement, to lay before the competent authority, within a period to be specified, a draft law which would give effect, in the form best suited to the special circumstances of the country, to the provisions laid down in the regulation, as far as they are not identical with those already in force in their countries. The regulations adopted by the Conference would form an annex to this first agreement.

A second agreement, which would take the form of a convention, would be designed :

1. To make the validity and the effects of the undertakings given in regard to bills of exchange and promissory notes independent of compliance with legal provisions on stamp duty ;
2. To set up rules governing conflicts of laws in connection with bills of exchange and promissory notes.

In the view of the experts, the former of these two agreements, which would involve merely an undertaking within the normal powers of the executive, would not be subject to ratification. Ratification would, however, be required for the second.

I have already said that the Governments consulted on the League of Nations drafts expressed their desire to attend the Conference with these drafts as a basis of discussion. It will obviously be for the Conference to come to a definite decision on the subject, but, failing a decision to the contrary by the Conference, I take it that this will be the method it proposes to follow.

I ought, I think, to say how carefully and conscientiously this Conference has been prepared. The subject-matter, after being considered by the most highly qualified specialists, has been examined and discussed in all its aspects. Without going back to the beginning, I would merely mention that the Regulation drafted in 1910 was revised in 1912, that it was amended by a special Commission of the Chamber of Commerce and that the League of Nations experts have had these texts constantly before them and have drawn on them largely in preparing the drafts which are now before us.

You will, furthermore, find in the preparatory documents the observations submitted by the Rome International Institute for the Unification of Private Law.

The same remarks apply to the Regulation on Cheques. It may therefore be said that the League of Nations, whilst anxious to see the success of our Conference, has followed the precept

of Boileau, which will remain at all times a sound rule of work : “ Vingt fois sur le métier remettez votre ouvrage”.

We have the privilege of seeing among the delegations most of the experts who were associated in the preparation of the drafts before us. I desire to associate myself with the tributes which have already been paid to their work. As President, I particularly welcome their presence, since it will enable me, if they kindly consent, to have special recourse to their advice and to benefit by the experience acquired in the preparation of this Conference.

I also hope that the representative of the Economic Committee, as well as those of the International Chamber of Commerce and of the International Institute for the Unification of Private Law, whom I desire to welcome, will give me the benefit, where necessary, of their advice and their wide experience.

In the circumstances, I feel that our prospects of success are excellent and that we can take up our work with confidence. The replies received from the Governments and their observations should, in themselves, give us the courage required for this difficult task. The subject-matter is, moreover, particularly suitable for international unification. Neither politics nor national interests nor social legislation are involved. We all have but one desire — to facilitate commercial transactions. Day by day the commercial life of nations grows more intense, mutual relations develop and the interdependence of nations calls more and more for the existence of rules enabling a prompt, easy and uniform administration of law.

Eighteen years have elapsed since the last Hague Conference. The States there represented were, as a whole, favourable to the principle of the Uniform Regulation. I know that, at the present time, other States have been added to those which, in 1912, marked their determination to achieve some progress. I know that the face of the world has changed, but I know also that private commercial relations, far from decreasing, are growing day by day and that, in this respect at least, frontiers tend to disappear.

I know also that during the last ten years, since the League of Nations has been exerting its beneficent influence in the world, the spirit of international co-operation and conciliation, the spirit of mutual confidence, has developed in a very conspicuous manner. I would urge all members to work in this spirit with a genuine desire to succeed and with unreserved goodwill, without ever losing sight of the goal. That is the only appeal I would make to you, gentlemen, and I feel sure that you will respond to it and that you will be indulgent towards your President.

Let us pursue our international aim in this atmosphere ; it is unquestionably the best way of ensuring success.

I declare the International Conference for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques open.

2. Appointment of Committee on Credentials.

The PRESIDENT proposed that a Credentials Committee should be appointed. He requested delegates to deposit their credentials immediately or, if they had none, to apply for them to their Governments. He suggested that the Credentials Committee should consist of the following delegates : M. DUZMANS, first delegate of Latvia ; M. OHNO, first delegate of Japan ; and M. RESTREPO, first delegate of Colombia.

The proposals of the President were adopted.

3. Appointment of a Drafting Committee.

The PRESIDENT proposed that a Drafting Committee should be appointed during the first few days. The texts resulting from the discussions would be submitted to the Drafting Committee to be prepared for the second reading. This Committee would not be a Drafting Committee in the strict sense of the word ; it would have power in particular, to propose improvements with a view to ensuring the concordance of the various articles.

The proposal of the President was adopted.

SECOND MEETING.

Held on May 13th, 1930, at 3 p.m.

President: M. J. LIMBURG.

4. Procedure to be followed by the Conference.

M. HAMMERSCHLAG (Austria) said that, having represented his country at the two Hague Conferences, he wished to emphasise the importance he attached to the work carried out there ; the value of that work had been appreciated throughout the whole world by students of law as well as by practitioners. He was surprised that it was now suggested that the Conference should follow a method completely different from that adopted at The Hague. It was now proposed that, instead of preparing a draft convention under which States would give an undertaking to embody

uniform regulations in their law, the Conference should confine itself to drawing up a model law and preparing a convention where by the contracting parties would agree to submit the model law to their Parliaments.

Business men and bankers in Austria considered that the drawing-up of a model law would be of no great practical value.

According to the method adopted at The Hague, a convention could be accepted or rejected by each Government, but, once it had been accepted, the text — and that was the important thing from the practical point of view — was absolutely definite. Under the system recommended by the Committee of Experts, not only could the law be accepted or rejected, but it might also undergo modifications which it was impossible for the Conference to foresee.

The change in method proposed was all the more surprising in that since the war the International Chamber of Commerce, which contained representatives of nearly all the States taking part in the Conference, had declared in favour of a uniform law.

No reasons for this change were to be found in the documents prepared by the Secretariat of the League. On the contrary, Professor Jitta and Professor Klein had recommended a uniform law, and even the third meeting of experts in 1926 had seemed to be in favour of this method. What, then, were the unknown reasons for this change of method?

M. Hammerschlag supposed that the countries which had adduced reasons in favour of this new system had thought that the procedure followed at The Hague would restrict their Parliaments' liberty of action. He did not agree with that view, since every Parliament reserved the right to reject a convention, and there were numerous precedents for that.

But even if the arguments put forward had been very cogent, M. Hammerschlag still wondered whether the Conference had the right to abandon the work accomplished at The Hague without having essayed the method employed there. Should not an attempt be made to draw up a uniform law? For bankers and men of business, the essential thing was to have a uniform text, even at the price of a few reservations for certain States; those reservations would be known beforehand and, moreover, they could hardly be avoided.

This aim would not be attained by a model law which could be modified in every imaginable way by the various Parliaments.

It was incomprehensible that the present Conference should abandon the work of The Hague without having tried to continue on the same lines, and M. Hammerschlag personally thought that it would be quite possible to agree on a uniform text.

If the Hague method were adopted, the delegates would do their best to secure the adoption of their respective countries' views, and, in the end, a compromise would be reached, whereas if the Conference confined itself to a model law, delegates might say that whatever the decisions of the Conference their Parliaments would be able to act at their own discretion. The discussions would consequently be much more valuable if the Conference took as its aim the preparation of a uniform text to be embodied in a Convention.

It might be possible to arrive at some compromise, to allay certain misgivings, but M. Hammerschlag wished to urge the Conference not to begin by abandoning the Hague programme which would be like putting a full stop before finishing the sentence. The present Conference was the heir to a very valuable patrimony, which it must endeavour to preserve.

The PRESIDENT asked M. Percerou, Chairman of the Committee of Experts, to explain exactly what had been the intention of the Committee of Experts as expressed in their General Considerations contained in the preparatory documents.¹

M. PERCEROU (Chairman of the Committee of Experts) wished first to give the reasons which had led the Committee of Experts to depart from the method followed at The Hague. He would deal afterwards with the compromise method mentioned by M. Hammerschlag.

The principal reason why the Committee of Experts had not adopted the Hague method without further ado was to some extent obvious. It was the difficulty of getting Parliaments to ratify a convention resulting from that method. It might be very interesting to draw up international conventions and to adopt reforms, but if the proposals contained in them were to be rejected by the Parliaments, it would have to be admitted that no great advance would have been made.

The Committee of Experts had wished to arrive at a practical result. One of the main reasons why the Hague draft Convention had not, except in very few cases, been ratified, had been the fact that Parliaments were averse from relinquishing their right of amendment. That was why the Committee had thought that certain concessions must be made to the right of amendment of which Parliaments, and especially the French Parliament, were rightly jealous. Consequently, the Committee had merely proposed that Governments should be asked to agree to present to their Parliaments a uniform text, in the hope that they would adopt it more easily than if an attempt was made to impose on them a hard-and-fast text which, it might be feared, would run the risk of being rejected without even being examined.

The Committee had not tried to hide the fact that this method involved certain practical drawbacks. To a large extent, it risked the sacrifice of uniformity, since parliamentary amendments might leave a text which would be uniform in nothing but name. Even a uniform text was sometimes interpreted differently by jurisprudence in various countries. If there was not even a uniform text, the ideal of uniformity would obviously be further off than ever.

M. Percerou, therefore, in his capacity as French delegate, proposed a compromise which would consist in laying down a uniform text which Parliaments would be called upon to reject or accept "en bloc", the Hague method being abandoned in one very important point. At The Hague, Parliaments had been asked, not only to ratify a uniform text, but also — and that was a more serious matter — to bind themselves not to modify that text, not only in its capacity as

¹ Cf. Preparatory Documents — document C.234.M.83.1929.II (C.I.L.C.I); chapter III, p. 50.

an international convention, but also in its capacity as an internal law, for a period which might last as long as three years. Would it not be possible to do away with the undertaking to maintain the law as an internal law without Parliaments having the right to amend it? The Hague method could be employed in regard to the remainder.

In these circumstances, M. Percerou proposed the following method. A text of laws or regulations would be drawn up — he preferred the word “ laws ” for reasons that he would give later. This text would be uniform, but would contain reservations which States might make, but which, it was to be hoped, would be as few as possible. Parliaments would be called upon to adopt the text thus drawn up on the understanding that it would only enter into force if a certain number of States adopted it.

This last condition appeared necessary. If, in order to adopt such a system of law, a State made important sacrifices, if it altered its existing legislation in many respects, and if other States did not adopt the same type of law, the former would have made a sacrifice to which there would be no counterpart in the form of concessions made by other States which would have adhered to their own legislation.

If the entry into force of the uniform law in the States that had accepted it were made subject to the condition that a certain number of the contracting parties which had taken part in the Conference themselves adopted the text as a national law, reciprocity between the States would be assured.

To sum up, the compromise proposal would be as follows : The Conference would draw up a uniform text which might allow for reservations. The contracting States would undertake to submit the uniform text to their Parliaments. The text voted by the different Parliaments would only come into force in each of the States that had accepted it if, after a certain delay, a minimum number of States taking part in the present Conference had adopted it.

Such was the system as a whole. It would naturally be understood that, once the law had been put into force, Parliaments would reserve their right to modify it whenever they wished to do so, but in all probability that would not be a serious danger, because once the uniform law had been put into force it was difficult to imagine circumstances of such gravity as to force the Parliaments to modify a law which would have conferred on their countries the inestimable benefits of the unification of the laws on bills of exchange.

M. QUASSOWSKI (Germany) pointed out that the President had mentioned at the previous meeting the attempts that had been made over a period of forty years to unify the laws concerning bills of exchange and cheques. Germany was closely associated with that movement. As a matter of fact, it had been on the initiative of the German and Italian Governments that the first Hague Conference had been convened by the Netherlands Government; and, in accordance with Germany's previous attitude, M. Quassowski recommended that the Conference should choose a method which would make unification as certain as possible.

There were two possible methods. First, there was the system of The Hague, namely, the conclusion of a collective convention by which the contracting parties undertook to adopt uniform regulations for bills of exchange subject to reservations determined by the Convention.

In opposition to this method, there was that recommended by the experts, which consisted in the drawing-up of a model law whereby the contracting parties would only undertake to submit to their respective Parliaments a draft law containing the provisions of a uniform regulation on bills of exchange, it being understood that the Governments would have the right to make derogations in case of necessity.

The method chosen by the Hague Conference appeared to M. Quassowski to be that most likely to lead to unification, since the chances of arriving at a genuine agreement were greater if Parliaments were faced with the alternative of accepting or rejecting a convention than if each had the right to vote any amendments it thought desirable.

He did not think that the constitutional objections to this method were justified. In adopting any international convention, every Parliament committed itself to something that went beyond its national legislation. That resulted from the very nature of international conventions; but, apart from the right to reject the convention outright, a Parliament might, on its own initiative, make provision in regard to matters that had been reserved. It was therefore for the Conference to determine a number of broad reservations, so that the Parliaments of the different States would retain sufficient freedom of action. It might further be said that the experts themselves had had in view an obligatory regulation, for they had suggested that in the law on cheques States should enjoy wider powers of amendment than in the law on bills of exchange.

Moreover, it must not be forgotten that the experts had also recommended that certain questions should be settled by an obligatory collective convention. These questions included the form of the bill of exchange, acceptance, endorsement, maturity, loss of rights, *vis major*, and the sanctions laid down in the fiscal regulations on stamp. These questions were numerous and complex enough; but in character they were not very unlike the questions of which the unification had been determined at The Hague, where they had been considered as a whole.

Should the Conference be unwilling to decide in favour of the Hague method, M. Quassowski urged that this system should not be rejected outright in favour of that proposed by the experts. He would suggest rather that the Conference should discuss the question objectively, so as to find out how far agreement was possible. The Conference might perhaps be able to content itself with drawing up a simple model law, since the matters on which agreement was difficult were neither numerous nor important.

In his opinion, it was not impossible that the present discussions would end in real agreement.

M. SULKOWSKI (Poland) reminded the Conference that although his Government had assumed no international obligation of the kind under consideration, it had nevertheless realised the

importance of unification to the development of international relations : it had introduced in 1924 a law which reproduced almost textually the Uniform Regulations adopted at The Hague in 1912, and had completed these by certain provisions which, at The Hague, had been held to be confined to the purview of national legislation. The law on cheques which had been introduced in Poland at the same time was based on the resolutions passed at the 1912 Conference.

M. Sulkowski, in accordance with his country's policy in this matter, trusted that unification would be achieved on the broadest possible basis. Poland was convinced that the system of unification followed at The Hague was much better than that suggested by the legal experts. The Hague system assured the achievement of as complete a unification as was possible in existing circumstances. On the other hand, the method suggested by the experts would have the danger that States might make such ample use of their right of amendment that the principle of unification would be more restricted and would lose all practical value.

For these reasons, the Polish delegation was in favour of adopting the Hague method. Should that method, however, prove unacceptable to a certain number of States and consequently unworkable, the Polish delegation was prepared to collaborate in any other essay at unification, provided that all the more important points of law relating to instruments of trade received due consideration and that the results were accepted and put into application by the largest possible number of States.

M. HERMANN-OTAVSKY (Czechoslovakia) said that his Government had hastened to seize the opportunity of being represented at the Conference. It appreciated the practical importance of the Conference from the point of view of international trade, as well as the moral value, if not of complete unification, at least of the assimilation and harmonisation of the Continental systems of law and those of Latin-America in the matter of bills of exchange and cheques. The Czechoslovak Government would second this important work to the best of its ability, and expressed its sincerest hopes for the success of the Conference.

As regarded bills of exchange in particular, the Czechoslovak delegation was in agreement with the Committee of Legal Experts and considered that the ideal solution of the problem would be for all the States belonging to the Continental group to adopt uniform regulations, which each of them would bind itself, by the Convention, to embody in its own law. The Czechoslovak delegation had been instructed to do its best in bringing about a solution of that kind — one that would include the two groups of Continental law.

The situation indicated in the report, however, made it doubtful whether present conditions would permit the realisation of this ideal. The Conference might have to content itself with more modest results, the harmonisation of different legislations and the conclusion of conventions with absolutely uniform regulations for only certain of the graver questions. The Czechoslovak delegation was also instructed by its Government to collaborate to the utmost of its powers in the work of the Conference, in the hope of securing this less ambitious result, if it were found impossible to achieve the wider, the ideal, solution.

Baron MARKS VON WÜRTEMBERG (Sweden) reminded the Conference that the three Scandinavian countries had long ago achieved a uniform law on bills of exchange and promissory notes. Another northern country, Finland, had also a law that differed only in a few points from that of the Scandinavian countries. In these circumstances, it was natural that the Governments of these four countries should have conferred on the reply to be sent to the proposals of the Committee of Experts. The replies resulting from these joint consultations were practically identical, particularly in regard to the point under consideration, namely, whether unification in this matter of bills of exchange should be established on the lines followed at the last Hague Conference by the means of an ordinary convention, or whether, on the contrary, the methods suggested by the experts should be followed, the Conference confining itself to the conclusion of an agreement by which the Governments would undertake to propose to their respective Parliaments the adoption of corresponding texts.

Without wishing to reject the method suggested by the experts, the four Governments in question considered that it was preferable to adopt the Hague system. In their opinion, " if the various Parliaments were offered the alternative of accepting or rejecting a convention submitted to them which, within limits, clearly defined within the convention itself, would allow them the right to modify the annexed regulation, the prospects of reaching a real agreement between the co-operating States would appear to be much better than if each Parliament remained free to introduce into the Government bill any amendments it pleased ".

The Swedish delegation adhered to that view, and Baron Marks von Würtemberg was authorised to say that it was shared by the three other nordic delegations, which had not been convinced by the arguments put forward in the Conference in favour of the methods suggested by the experts.

The nordic delegations did not, of course, feel themselves competent to judge for other countries the value of the constitutional objections that had been made against the Hague method. Nevertheless, it seemed to them that these objections would lose much of their force if it was decided to suppress, in the convention to be concluded, any provision regarding its duration. If every Parliament knew that, in adopting the convention, it reserved the right to denounce it whenever it thought fit, without the conventions thereby becoming invalid for the other contracting parties, the Swedish delegation did not think that there could be any talk of an infringement of national sovereignty.

It was for these considerations that the Swedish delegation regarded as meriting consideration the idea of a convention of the same type as that drawn up at The Hague, but differing in the

sense that paragraph 2 of Article 28 of the 1912 Convention would be suppressed (the paragraph dealing with the impossibility of denouncing the convention until three years after the date of the first deposit of ratification), and that the contracting parties would be consequently free to denounce the convention at any time. The objection might perhaps be made that the right of unrestricted denunciation would greatly detract from the value of the convention ; but Baron Marks von Würtemberg did not think this objection justified, because, when a new uniform law on bills of exchange had been established a State was not likely to make use of the right of denunciation. On the contrary, this system would lead to the desired result, the unification of the systems of law, more surely than the other method, that consisting in allowing each Parliament to carry out such modifications as it might consider necessary.

M. GIANNINI (Italy) said that his delegation had carefully considered the proposals of the Committee of Experts and had listened with special interest to the French delegate, particularly because the latter had dealt with certain compromise proposals.

Two questions were involved : the first a question of substance and the second one of form. For the moment, the Conference was discussing merely a question of form.

The Italian position in regard to these two classes of problems was quite clear. For a long time Italy, together with Germany, had been asking that this question should be dealt with by an international conference. It was only one aspect of the whole movement for the unification of law which had been begun in Italy in 1865. Italy was consequently entirely favourable to any movement for unification relating to questions of substance.

Italy would thus be strongly opposed to the idea of departing from the Hague method. It was desirable that the movement of unification should extend to those States which practised the Anglo-Saxon system. If that was impossible, this particular problem must not, in any case, be lost to sight. Italy could not favour a movement which would not achieve real unification and which would leave an unduly wide measure of freedom to national law, or result in reservations which would practically nullify the work of unification. The Italian delegation was therefore against any proposal which did not provide for unification or would allow of any considerable number of reservations.

The report of the experts had mentioned the recent example of the Brussels Convention on Bills of Lading. As was known, this latter Convention had been the outcome of a proposal for a system of uniform regulations on bills of lading, which regulations were not to take the form of a convention, but to be left optional. As the result desired by the International Law Association had not been achieved, a convention had been made, which offered no final solution of the problem, but contained certain common regulations. States were left a wide latitude as to the adoption of regulations in harmony with the Convention. It might be said that this method was not one of unification, but of harmonisation.

For the above-mentioned reasons, M. Giannini did not think that this method could be followed in a question like that of bills of exchange.

What were the arguments put forward by the French delegate? There had only been one, and that a psychological, argument, which was vague and difficult, both to refute and to defend.

Parliaments adopted daily legislative measures which originated in conventions. The French Parliament itself had already passed certain conventions on private law, it had recently adopted the Warsaw Convention on the Unification of Certain Regulations concerning Air Transport, as well as the Conventions of Brussels. There had also been a number of other Conventions, among them that on intellectual or industrial property.

When a State entered into such engagements, it was not necessarily binding itself for eternity. It could always request a revision, if the convention no longer suited its national needs ; and if revision was impossible, it could denounce the convention.

In these circumstances, the fear that the prerogative of Parliament would be diminished by the fact that a uniform draft law was submitted to it seemed to be somewhat exaggerated. A uniform law was nothing more than an annex to the convention, and Parliaments adopted conventions daily, only to modify them later.

The idea of a " model law " had been mentioned, but that term was not very clear. Was it a law incapable of amendment, or was it a model that could be modified? The expression " uniform law " was more precise.

M. Giannini could not understand why it was still desired to allow such wide powers to make reservations. Parliaments were, as it was, given the right to modify the so-called model law ; if reservations were to be added, it seemed useless to do anything at all. A country that wished to have the right to modify a text at will and to add reservations could hardly be anxious to adopt the text at all. It was better to be frank ; whatever the form in which a text of that sort was proposed, M. Giannini would refuse to accept it.

As a matter of fact, States were forced, for reasons of national interest, to accept this or that international agreement. When a Government found itself faced by a draft uniform law, it asked itself if for its country the advantages of uniformity were greater than those of freedom, which the country would in principle be anxious to preserve. Naturally, consideration would have to be given to the reciprocity of such agreements. It would be of undoubted utility to establish uniform regulations which would give trade and industry advantages for which they had been clamouring for forty years. Consequently, M. Giannini saw no reason for departing from the point of view that had governed the whole exchange law movement and according to which uniform regulations should be adopted, with the fewest possible reservations.

There was still a psychological problem, but it was very difficult to discuss a psychological problem since in such matters arguments were not very convincing. When a Parliament was confronted with the final draft, it could always reply that it was not prepared to accept it, and no powers of eloquence would then have any effect.

M. Giannini wondered if a compromise was really possible. He was thinking of a compromise on the point of form and not on that of substance. If the convention contained two parts, the first covering regulations for bills of exchange and the second regulations relating to the settlement of conflicts of laws, every psychological argument would fall to the ground. In these circumstances, it would not be necessary to have many reservations ; the important thing was to have a form of regulation that was really uniform without leaving room for too many reservations or for rules of harmonisation so called. To M. Giannini's mind, the word " harmonisation " had no very clear meaning. He might cite the Brussels Convention, which contained a large measure of common law ; but whereas the Belgians had introduced a law which was, so to speak, a faithful translation of the Convention, many other countries had deviated from it.

For these reasons, the arguments advanced by certain delegations could not be taken into account. He thought that agreement might be possible if, instead of aiming at uniform regulation, the Conference adopted a convention containing one chapter for rules of substance and another giving rules to solve conflicts of laws. Its effects would be the same and parliamentary misgivings would be allayed. Finally, reservations should be very few and clearly defined.

M. OHNO (Japan) said that the Japanese delegation considered the regulations concerning bills of exchange, promissory notes and cheques could be presented, either in the form of a treaty or in the form of recommendations or resolutions ; but having regard to the importance of the problems, it wished to state that, in the event of the regulations taking the form of a treaty, the latter should include a ratification clause. If, on the other hand, the object of the draft regulations was merely to bring before the legislative bodies draft laws concerning the questions covered by the regulations, the Japanese delegation considered that it would be preferable to draw them up in the form of simple resolutions or recommendations.

M. VISCHER (Switzerland) wished to give a few explanations as a member of the Committee of Experts. The Committee had been accused of defeatism, but he believed that defeatism could be justified up to a certain point. On three occasions he had attended discussions during which the Hague Regulations had been examined : first, in the International Chamber of Commerce ; secondly, in a Committee of the League ; and thirdly, in the Committee of Experts. On each occasion, the conclusion reached was that while it might be possible to make a few improvements to the draft regulations on matters of secondary importance, the draft constituted, generally speaking, an excellent basis for the unification of laws on bills of exchange. Notwithstanding the fact that this conclusion had been confirmed three times and notwithstanding the formal engagements entered into by the Governments in 1912, no country had so far ratified the Hague Convention as it stood. The replies from the Governments represented in the Conference were known, and it might be noted with satisfaction that the majority were animated by the best will in the world to achieve complete uniformity in the law on bills of exchange.

This encouraged M. Vischer to hope that the present Conference would be able to find a solution enabling a uniform regulation to be put into force in the near future.

Speaking in the name of all the experts, M. Vischer said that they were the first to agree that a solution which would allow of the achievement of unification was the ideal to be aimed at. In his opinion, a new essay should be made to reach agreement. It might be supposed that the result of the present proceedings would be practically the same as the Regulations drawn up in 1912, and that the putting into force of the uniform regulation would depend on the goodwill of the Governments, and especially the Parliaments.

The Conference would certainly be able to congratulate itself if it arrived at an agreement.

Speaking in the name of his Government, M. Vischer recalled the fact that the Swiss Federal authorities had, as long ago as 1914, drawn up a draft message concerning the accession of Switzerland to the Hague Convention. He was certain that the Uniform Regulations would long ago have been in force in Switzerland but for the outbreak of the world war and the failure of other countries to advance likewise along the same road.

In conclusion, M. Vischer hoped that the Conference would come to an agreement ; but it seemed to him impossible to say at the present moment whether the Hague method could be accepted, since the signature of the new convention would naturally depend on the provisions it contained. That was a point that would have to be examined later.

M. MOLENGRAAFF (Netherlands) said that, in the opinion of the Netherlands Government, it would be better to follow the method followed at The Hague in 1912 ; States would bind themselves to submit to their Parliaments a draft law reproducing textually the provisions of the Uniform Regulations, with the exception of certain points determined by the convention, for which they could reserve the right to derogate from the Regulations.

M. Deoclecio DE CAMPOS (Brazil) recalled that his country had taken part in the Hague Conferences of 1910 and 1912, when Professor Rodrigo Octavio de Langaard Menezes had submitted to that high assembly of jurists the new Brazilian national law, the juridical and practical basis of which — in so far as it could be fitted in with the legal traditions of the country — had been founded on the principles of the most advanced laws of those times.

Brazil had given practical evidence of her interest in the work of The Hague. As far back as 1912, the National Congress had ratified the 1912 Hague Convention. That meant that Brazil would have no difficulty in accepting the Hague procedure, neither would she have any difficulty in agreeing to that proposed by the experts. M. Deoclecio de Campos, nevertheless, supported

the compromise suggested by M. Percerou, provided that the system of reservations was the same as that adopted at The Hague, namely, that they should be general reservations and not individual reservations authorised by the Conference in favour of specific countries. Brazil would therefore support and warmly collaborate in the endeavour to secure the desired unification.

Viscount POULLET (Belgium) said that the Belgian delegation had prepared a note embodying its view, that the present Conference should adopt the procedure that had been followed at The Hague. He would not read the note, for the arguments contained in it had been admirably developed by most of those who had spoken already. He would merely express the hope that the ideas advanced by the majority of the delegates who had spoken would be shared by a considerable majority of members, if not unanimously.

Mr. GUTTERIDGE (Great Britain) desired to make a statement on behalf of Great Britain and Northern Ireland and those parts of the British Empire which were not separate Members of the League. It was his duty to reaffirm that it was not possible for His Majesty's Government to depart from the attitude which had been held by Great Britain since the commencement of those discussions at the Hague Conference of 1910. Consequently, it would be impossible for Great Britain to become a party either to the draft regulations or to the draft conventions now before the Conference.

He did not think it was necessary, however, to recapitulate the difficulties arising from the fundamental differences between the Anglo-Saxon system of law and the Continental system, or to dwell on any of those features of judicial policy and organisation which were peculiar to the Anglo-Saxon system of the administration of the law. It would be superfluous for him to do so, as those questions had already on several occasions been stated with such great force and lucidity by that very great jurist, Sir Mackenzie D. Chalmers, to whose lamented death the President had referred in such moving terms. His departure was a loss not only to the English-speaking countries but, Mr. Gutteridge ventured to think, to jurists throughout the world.

Mr. Gutteridge would emphasise one point — that the attitude taken up by His Majesty's Government was not dictated by mere considerations of national *amour-propre*; it could be justified by reference to the actualities of the situation, which must, of necessity, control the policy of Great Britain in this matter. A law which applied to approximately one hundred and fifty million people and which governed the commercial relations of some of the most important commercial communities of the world represented in itself a great achievement in the field of unification. For Great Britain to attempt single-handed to legislate would only imperil this achievement. It was, of course, obvious that the United States of America could not be dictated to; but, moreover, Great Britain could not legislate for many of her overseas dominions, and any attempt to do so would, he thought, so far from achieving the aim of unification, probably jeopardise it and render it more difficult in the future.

He was, however, authorised to say that His Majesty's Government viewed with the greatest sympathy the proposal to unify the laws of the Continental type. It seemed clear that, if the existing divergencies, which were highly inconvenient not only to business men but also to lawyers, could be removed or lessened and if the number of systems in existence could be limited to two great systems, that achievement would be one which was certain to be beneficial both from the point of view of world commerce and from that of those comparative lawyers who looked to some future date — were it near or far — for the unification of a much more comprehensive character than the present Conference was able to undertake.

He desired to say that, although his instructions were such as to debar him from taking any very active part in the discussions, it was the desire of His Majesty's Government that he should assist in every possible way. He was instructed to place himself fully and freely at the Conference's disposal in order to give, to the very best of his ability, such information as it might require on English law.

In conclusion, although he had no authority to sign the regulations or conventions which were before the Conference, he thought there was some hope that Great Britain might in certain circumstances be able to become a party, subject to certain limitations and reservations, to a convention which had as its sole object an attempt to remove those injustices which arose from purely fiscal considerations and which at the present moment constituted a blot on the laws of so many different countries.

Prince VARNVAIDYA (Siam) said that it might be a matter for surprise that the delegate of Siam should speak on such a highly technical subject as that at present under consideration. The foreign trade of Siam had been growing during the last fifty years at a rapid rate and, when European intercourse was developed, the first Powers that came to Siam in the middle of the nineteenth century were the British and American. Consequently, it was natural that the commercial practice which had developed in Siam had been British commercial practice, and the law adopted in practice had been English commercial law. In order, however, to get rid of extra-territoriality, the Siamese had had to codify their national laws so as to make them satisfactory to the treaty Powers, and in doing so they had been inspired by a broad view of the different systems of legislation. In fact, in the particular instance of bills of exchange, they had been bold enough to try the experiment of establishing a compromise between the Continental and the Anglo-Saxon systems. They had adopted the Regulations of The Hague as the basis of the provisions of their Commercial Code, with adaptations from English commercial law to suit local commercial practice. Therefore, he was glad to be able to announce to the Conference that not only could Siam take as

the basis for discussion the drafts submitted by the League, which were founded mainly on the Hague Regulations, but also accept most of the provisions, because the substance of those provisions was already to be found in her present Commercial Code. On the other hand, because the commercial practice which obtained in Siam was largely British, there was a number of provisions in the Siamese Code which were modelled on British commercial law. He hoped that formulæ might be found which would enable the Siamese Government to adhere to the majority of the provisions to which they might have to take exception in their present form. But as he understood that the system of reservations would be allowed in accordance with the Hague methods, he was glad to think that Siam would in the end be able to adhere to a convention drafted on the line indicated.

Mr. KENNEDY (United States of America) said he had been delegated by his Government in a very limited capacity — that of adviser and technician and observer — and he was therefore not in a position to bind his Government in any way.

The position of his Government had already been set forth in the Preparatory Documents.¹

The history of legislation concerning uniform negotiable instruments in America was, shortly, as follows: In 1872, California had commenced the movement towards codification. This had been followed by the English Act in 1882, fathered by the late Judge Chalmers. After that, a High Commission had been appointed in America to consider the question of codification in the States. That Commission had followed the English system rather closely, and in 1895 the Code had been submitted to the States, which shortly began to fall into line, the last of the States to ratify being Georgia, in 1925.

For these reasons, the United States Government could not at present entertain the adoption of any other laws.

After the presentation of the Code of the High Commission in 1895, Alaska, District of Columbia, Hawaii and the Philippines had adopted it and, at a later date, Colombia, the Dominican Republic and Panama.

At the International Economic Conference at Geneva in 1927, a statement had been made which indicated the importance of the present Conference. It had been said that the sum of international trade was 70 billions of dollars a year. In view of the fact that probably 50 billions of this sum were paid by means of that international negotiable instrument, the bill of exchange, the importance of a general agreement as to its meaning, validity and acceptance became apparent.

The United States Government had instructed Mr. Kennedy to place himself at the disposal of the Conference for the purpose of furnishing any information which might be found necessary with regard to the laws and practices of the American system. He was also instructed to say that the Government of the United States was greatly in sympathy with the deliberations of the Conference, which it would follow with care and interest.

The PRESIDENT was glad to observe that all speakers had declared themselves in favour of the unification of the laws on bills of exchange, at any rate of the so-called "Continental" type. They had, further, all said that they were in favour of a system involving as few reservations as possible. The great majority of the speakers were in favour of the Hague system.

If the Hague system was considered on the one hand — and the significance of that system had been developed very clearly by the different speakers — and if the system suggested by the experts, according to which the States concerned would only be asked to lay before their Parliaments the uniform regulation which was to be drawn up, was considered on the other hand, the President thought he might state that the great majority, in fact almost the whole, of the speakers had pronounced in favour of the Hague system. Naturally, at the moment, the Conference was dealing with the broad lines of these two systems, and there was no question of entering into details. For example, the question of denunciation (Article 28 of the Convention) would be held over and examined later. The same remark applied to the idea suggested by M. Giannini, that the draft Convention should contain two separate headings, one containing rules of substance and the other rules for settling conflicts of laws.

But, broadly speaking, the very great majority of the speakers were in favour of the Hague system, and the President thought he might go as far as to state that that was the almost general opinion of the Conference. He proposed, consequently, that at the next meeting the Conference should take up the first article of the Regulations in its latest form, working provisionally on the lines followed at The Hague.

¹ Document C.234.M.83.1929.II (C.I.L.C.1), page 100.

THIRD MEETING

Held on May 14th, 1930, at 10 a.m.

President: M. J. LIMBURG.

5. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes :¹ First Reading.

The PRESIDENT called on the Conference to examine the draft Regulation article by article.

ARTICLE 1, NO. 1.

The Netherlands delegation proposed the following amendment to Article 1, No. 1 :

“ As an exception to Article 1 of the Regulation, any Contracting State may enact that instruments drawn in its territory and not containing the term ‘ bill of exchange ’, but otherwise satisfying the requirements of the Regulation, shall be valid as bills of exchange, provided that they contain an explicit statement that they are drawn to order.”

The French delegation likewise proposed an amendment as follows :

“ In derogation of Article 1 (No. 1) of the uniform law, each Contracting State may stipulate that the necessity for inserting the term ‘ bill of exchange ’ in the body of bills of exchange issued in its territory shall not apply until six months after the entry into force of the Convention.”

M. MOLENGRAAFF (Netherlands) reminded the Committee that the system of law at present in force in the Netherlands made no distinction between orders to pay which were bills of exchange and orders which were not bills of exchange. All orders to pay were considered to be bills of exchange and subject to the laws covering the latter, irrespective of whether they contained the term “ bill of exchange ” or another term or whether they contained no denomination at all, whether drawn to order or to a person specified by name.

Consequently, the Netherlands Government could not accept a measure whereby it would be compulsory to insert the term “ bill of exchange ”, for that would exclude from the operation of the law on bills of exchange instruments which had hitherto been governed by it. It would be preferable to leave States the power to regard as bills of exchange all instruments issued in their territories which satisfied the requirements of the Uniform Regulation, even if they did not contain the term “ bill of exchange ”, provided, however, that they did contain a mention that they were drawn to order.

M. Molengraaff did not refer to instruments not bearing the term “ bills of exchange ” and payable to a person specified by name because they were rarely used.

It should be pointed out that the term “ bill of exchange ” was not required either under French and Belgian law or under English and United States law. Moreover, it would be necessary to modify the text of the amendment before the Conference, if the amendment to the Uniform Regulation relative to the admission of bills of exchange drawn to bearer was adopted.

M. DAVID (International Institute for the Unification of Private Law at Rome) drew attention to the suggestion of the Rome Institute² to add as a compromise to No. 1 of Article 1 the words : “ or any other expression serving to describe the instrument ”.

M. PERCEROU (France) explained that the obligation to insert in the instrument itself the words “ bill of exchange ” in the language of the country concerned would have the great practical advantage of making it possible to recognise the nature of the instrument at first sight and in particular to see whether it was a bill of exchange or a cheque. The expression was not required in France ; it was sufficient for the instrument to be drawn to order. France, however, was prepared to relinquish this feature of her national law in order to secure unification, provided that the other countries made sacrifices for the same purpose. She simply asked that a certain amount of time should be allowed to the countries which would be obliged to alter their commercial practice. In particular, the necessary commercial forms would have to be printed bearing this expression, and business men should be given time to adapt their arrangements to the new system. A period of six months would appear to be enough. It would be regrettable if uniformity could not be obtained on such a small point. If it were not, France would retain her liberty of action.

M. GIANNINI (Italy) noted that the proposal of the Netherlands delegation amounted to a reversion to the rule proposed by the Central Committee at the 1910 Conference. No. 2 of Article 1, proposed by the Committee said :

“ It is left to the national law to decide whether the words ‘ to order ’ are sufficient to confer on an instrument the character of a bill of exchange, even when it does not bear that denomination.”

¹ For text of the draft Regulation, see Preparatory Documents — document C.234.M.83.1929.II (C.I.L.C. I p. 51).

² Cf. Preparatory Documents, page 125.

The report submitted by the Central Committee explained the reasons for which, after considering the solution which consisted in leaving the States entirely free, as under the Anglo-Saxon law, and after likewise considering the strict rule laid down in the German, Hungarian, Swiss, Scandinavian and other systems, the Committee had proposed the above rule as a compromise. In the discussion that followed, those delegations which favoured a strict rule to the effect that the words "bill of exchange" should be inserted had pressed for the adoption of that system. The Italian delegation had supported that view. Without wishing to repeat the arguments which had then been put forward, M. Giannini drew attention to the fact that in the discussions which took place in 1910 it had been held that even that solution was not enough to gain the approval of the countries with the Anglo-Saxon system of law. In the circumstances, the Italian delegation was unable to support the Netherlands proposal.

The French proposal, on the other hand, which differed in scope, deserved consideration.

It would be legitimate to allow a suitable period of time for putting the new provision into practice, and the period proposed by the French delegation was very reasonable. Consequently, the Italian delegation supported the French proposal. If it constituted the only reservation, it could be inserted in the text. If, however, there were others, it would be preferable to draw up a special protocol. Moreover, it was not desirable to insert in the text of the Convention itself stipulations which had only provisional force.

M. PERCEROU (France) said that if the Netherlands proposal were adopted, the French delegation would withdraw its proposal.

M. HAMMERSCHLAG (Austria) was glad to note that the Conference appeared to be almost unanimous in wishing to retain the mention of the term "bill of exchange". The Netherlands delegation alone proposed that that term should be replaced by the expression "to order".

What M. Giannini had said concerning the 1910 Conference was quite correct. In 1912, however, the concession now demanded by the Netherlands delegation had been granted and Article 2 of the 1912 Convention said :

" . . . Every Contracting State may provide that bills of exchange issued in its own territory which do not contain the expression 'bill of exchange' shall be valid, provided that they contain an express statement that they are payable 'to order' ."

If the text adopted in 1912 were maintained, the amendment proposed by M. Percerou would become unnecessary.

The suggestion of the Rome Institute would appear to be very dangerous in practice. It would be like closing one door and opening another, since it would amount to prescribing, on the one hand, that bills of exchange should contain the term "bill of exchange", or, where necessary, the words "to order", and, on the other hand, allowing any other expression serving to describe the instrument and this would be far from precise.

The PRESIDENT pointed out that, speaking strictly, no proposal by the Rome Institute was under discussion. The Rome Institute was giving its valuable assistance in an advisory capacity only.

M. QUASSOWSKI (Germany) was of the same opinion as the experts, who had not proposed that the term "bill of exchange" might be replaced by the clause "to order". No reservation was necessary in that connection and it would seem that on such an important point the Conference should endeavour to arrive at complete unanimity. A reservation in favour of the clause "to order" would cause practical difficulties, for it would mean that a bill of exchange bearing only the expression "to order" would be valid or invalid as a bill of exchange according to the place of issue. A bill of exchange "to order", drawn in the countries which adopted the mention of the term "bill of exchange", would not be valid as a bill of exchange even in the countries which employed the term "to order".

M. Quassowski had objections to the suggestion of the Rome Institute as well. He was therefore of opinion that the Conference should accept the proposal of the French Government and should support neither the proposal of the Netherlands nor that of the Rome Institute.

M. DE LA VALLÉE POUSSIN (Belgium) emphasised the great advantage of reducing the number of reservations in the uniform law to a minimum and of allowing only those which were of really vital importance. The particular case covered by Article 1, No. 1, concerned only a formality with which the commercial world would doubtless fall in quite easily. Bills of exchange, apart from very rare exceptions, were made out on printed forms. They would be adapted to the provisions of the uniform law as soon as it came into force.

The question had not arisen in the same manner during the 1910 and 1912 Conferences. The importance of allowing a reservation to Article 1, No. 1, had been greater than at present. At that time, it had certainly been hoped to gain the accession of the countries with the Anglo-Saxon system to the uniform law. These countries, however, had been very anxious to retain their own practice, which was informal in character and did not require the mention of the expression "bill of exchange". It now appeared that only the Continental States and those of South America would be able to accede to the Convention under discussion. The value of the reservation referred to had therefore disappeared and the matter had lost much of its importance. The only Continental States whose regulations were less formal were, M. de la Vallée Poussin believed, France, Belgium and the Netherlands. The Belgian delegation supported the idea that it was desirable in future to require the insertion of the expression "bill of exchange". That would raise no serious opposition in Belgium. The period of six months did not appear to be necessary, but he was prepared to accept it.

M. HAMMERSCHLAG (Austria) asked whether, in view of the statements of the French, Belgian and Italian delegations, the Netherlands delegation was prepared to withdraw its proposal, provided the French amendment was adopted.

M. SULKOWSKI (Poland) was opposed to the Netherlands amendment. He urged that the complete unification of the rules regarding the validity of bills of exchange was of great importance to the safe circulation of bills. Moreover, the Polish delegation was of opinion that reservations should be avoided, except where agreement could not be reached otherwise.

M. TROULLIER (International Chamber of Commerce) said that the International Chamber was of the same opinion as M. Percerou. Originally, the optional use of either the term "bill of exchange" or the words "to order" had been considered attractive in France, but closer examination of the question had shown the necessity of unifying these terms. The object being to set up a uniform law, it was desirable to avoid any reservations which were not absolutely essential.

The allowance of a period of six months seemed necessary. Important firms had large stocks of forms which they should be allowed to exhaust. In addition, bankers should have time to accustom their clients to the new state of affairs.

M. MOLENGRAAFF (Netherlands) said that his Government considered that there was a question of principle involved in their amendment. Its adoption or rejection would influence the ratification of the Convention. He was therefore obliged to press his amendment.

The PRESIDENT put the two amendments to the vote and explained that the Drafting Committee would consider the appropriate place for the insertion in the Convention of the text adopted.

The amendment proposed by the Netherlands delegation was defeated.

The amendment proposed by the French delegation was approved.

M. HERMANN-OTAVSKY (Czechoslovakia) pointed out that his delegation had asked that the end of Article 1, No. 1, should be drafted as follows: "... in the language employed in the instrument in formulating the order to pay".

M. GIANNINI (Italy) raised a question of order. As the President, with the approval of the Conference, had decided to give the Drafting Committee a certain latitude, it would be better for the progress of the Conference to discuss in plenary session only questions of some importance, those of lesser importance being referred to the Drafting Committee. The President might ask the delegations wishing to submit amendments whether they would agree to refer them to the Drafting Committee.

The PRESIDENT considered that a middle course might be adopted. All questions should be discussed in substance by the Conference itself, matters of form being referred to the Drafting Committee. The Conference would decide in case of doubt as to whether a question was one of substance or not.

In accordance with the normal procedure all amendments must be submitted in roneod form and he would therefore ask the Czechoslovak delegate to present his amendment in that form at the next meeting. No. 1 of Article 1 would accordingly be held over.

ARTICLE 1, NOS, 2, 3 AND 4.

Approved.

ARTICLE 1, No. 5.

The PRESIDENT pointed out that the Netherlands delegation proposed the omission of No. 5.

M. MOLENGRAAFF (Netherlands) explained that it was of no importance that the place of payment should be stated. It was obvious that payment would be made at the domicile of the drawee, even when not mentioned, unless some other place was expressly indicated.

M. PERCEROU (France) admitted that if there was no indication, it would be understood that the bill was payable at the domicile of the drawee. At the same time, it would be necessary for the bearer to know where the domicile was. The place of payment must therefore be mentioned.

M. HAMMERSCHLAG (Austria) shared M. Percerou's opinion. A bank which received a bill of exchange had to obtain information concerning the drawee. He did not see how it could do so, if the bill of exchange contained no mention of the domicile of the drawee.

M. MOLENGRAAFF (Netherlands) withdrew his amendment.

Article 1, No. 5, was approved.

ARTICLE 1, No. 6.

M. BOUTERON (France) proposed that the scope of this paragraph should be extended to include the holder of an office among the beneficiaries. This provision appeared in Article 7, paragraph 2, of the English Act of August 18th, 1882, which was as follows :

“ A bill may be made payable to two or more payees jointly, or it may be made payable in the alternative to one of two or one or some of several payees. A bill may also be made payable to the holder of an office for the time being.”

That provision was perhaps self-evident, but in order to avoid difficulties in the circulation of bills of exchange it would be desirable to mention it. No. 6 of Article 1 might be re-drafted as follows :

“ An indication of the person to whom or to whose order payment is to be made.”

M. GIANNINI (Italy) agreed with the French delegation on this point. Moreover, the question was already solved in practice. He added that for similar considerations No. 3 of Article 1 should be modified by the substitution of the word “ designation ” for the word “ name ”.

Baron CARTON DE WIART (Belgium) supported M. Giannini's proposal.

M. PERCEROU (France) also agreed that the word “ designation ” should be substituted for the word “ name ” in the two paragraphs in question.

M. HERMANN-OTAVSKY (Czechoslovakia) foresaw certain complications if the beneficiary were only indicated by his office. For instance, when the rector of a university endorsed a bill of exchange, would he endorse it with his name? In Czechoslovakia rectors were appointed for a year. Difficulties might arise when the rector was replaced by his successor.

Mr. GUTTERIDGE (Great Britain) called attention to the fact that the question raised by M. Giannini was, to some extent, dealt with in Section 6, Sub-section 1, of the Bills of Exchange Act, 1882, which stated that the drawee must be named or otherwise indicated in a bill with reasonable certainty.

M. QUASSOWSKI (Germany) was unable to accept the French proposal, which was too wide. It would, in fact, lead to the use in bills of exchange of such expressions as “ the rector of ‘ X ’ university ” or “ the landlord of the house in ‘ Y ’ street ”.

The PRESIDENT asked whether the French delegation would accept the wording : “ the name or the title of the person to whom . . . ”. The words suggested, “ indication ” and “ designation ”, were not legal terms.

M. GIANNINI (Italy) proposed the word “ designation ” in both cases.

M. BOUTERON (France) said that the French delegation supported the President's suggestion. The word “ charge ” had been proposed, but certain unimportant offices could not be described in that term.

M. TROULLIER (International Chamber of Commerce) considered that in practice the word “ designation ” was sufficient. For instance, cheques were signed daily in the name of the collector of taxes.

M. HAMMERSCHLAG (Austria) feared that the acceptance of the French proposal would endanger the precision required in bills of exchange. He concurred in the observations of the Czechoslovak delegate and asked how, if the French proposal were accepted, it could be ascertained that the chain of endorsements was uninterrupted. If the bill of exchange circulated and was endorsed, for instance, by “ the collector ”, the bearer would not be certain that the chain of endorsements was uninterrupted. If such endorsements were accepted, serious difficulties would arise.

M. MONTEJO (Spain) asked whether it would not be preferable to say “ public office ” instead of “ title ”.

M. HERMANN-OTAVSKY (Czechoslovakia) drew attention to cases where there would be designation only by title or office. In the case of a civil servant, it might be said that it was the State which was the beneficiary or the drawee, and that the physical person appeared only in the capacity of representative of the State.

Who would be responsible in the case of an office held for short periods? Would it be the immediate successor or would the physical person concerned remain personally liable?

M. PERCEROU (France) considered that all parts of a bill of exchange constituted a single whole. The matter under discussion was connected with that of endorsement. If it were admitted that the beneficiary could be described by his title, for instance the title of university rector, endorsement could only be made by adding the signature to the title. The text submitted to the Conference, however, provided for endorsement by simple signature. It would therefore be necessary in this case also to say that when the beneficiary was described by his title the signature should be preceded by the title. In these circumstances, the French delegation was of opinion that the present text should be kept and it withdrew its amendment.

M. GIANNINI (Italy) said that he would present the French amendment. He instanced the case of a town mayor. That was a temporary office. The mayor might issue a bill of exchange as mayor of the town. When his term of service came to an end, the town's liability remained.

A mayor might also endorse a bill of exchange. M. Giannini saw no difficulty with regard to the necessity for the uninterrupted chain of endorsements. He proposed to say, in accordance with English law, "the name or a sufficiently clear description".

M. QUASSOWSKI (Germany) considered that the words "title or designation" had too wide a range. If the text had to be amended, he would prefer the expression "public office" proposed by the Spanish delegate, but it would be preferable to keep to the original text submitted to the Conference.

MUNIR Bey (Turkey) was of opinion that it was essential to mention the name. Any provisions which were adopted should be as clear and as simple as possible. The phrase "the name or a sufficiently clear description" might give rise to difficulties of interpretation between the States parties to the Convention.

M. SCHELTEMA (Netherlands) suggested that the text proposed by M. Giannini should be modified as follows: "The name *or other* sufficiently clear designation."

The amendment submitted by the Italian delegation was defeated by 16 votes to 6.

Article I, No. 6, was approved.

ARTICLE I, No. 7.

Approved.

ARTICLE I, No. 8.

M. OHNO (Japan) said that in all cases where a signature was required on bills of exchange, promissory notes and cheques, in connection, for instance, with issue, endorsement, acceptance, "aval" and intervention, the Japanese delegation desired that, in accordance with the national custom, the signature might be replaced by an indication of the name accompanied by the apposition of a mark in the case of internal bills issued and payable in Japan. The Japanese delegate therefore wished to make a reservation in regard to No. 8 of Article I.

M. HERMANN-OTAVSKY (Czechoslovakia) thought it undesirable to draw a distinction between internal and international bills of exchange. The former might become international bills of exchange. If the exception for which Japan has asked in regard to signature was to be allowed, it would be preferable to make it general.

M. SHIMADA (Japan) explained that according to Japanese custom, sanctioned by the Law of February 16th, 1900, a signature might be replaced by an indication of the name accompanied by a seal, a mark made by means of a wooden or metal object or a thumb-mark.

M. ASZTALOS (Hungary) thought that the point arose in connection with the provisions of Article 4 of the Convention on the Conflict of Laws, which said:

"The form of any contract arising out of a bill of exchange or promissory note is regulated by the law of the State within whose territory this contract has been made."

M. PERCEROU (France) pointed out that the affixing of a seal beside the signature had been customary for a long time. He asked the Japanese delegate whether he drew a distinction between the signature, which, as a general rule, had to be made by the hand of the person concerned, and the name, which might be merely printed.

M. SHIMADA (Japan) replied that the signature was written by hand, whilst, in accordance with Japanese custom, the name might be printed or inscribed with an instrument.

M. SULKOWSKI (Poland) said that the Japanese delegation had raised a question which went beyond the scope of the article and was of particular interest where illiterates were concerned, namely, whether it was permissible to put something else in place of the signature. Provision had been made by Article 3 of the Hague Convention for States to settle this question in respect of liabilities contracted on their territory by internal legislation. The Conference would have to return to his reservation. For his part, M. Sulkowski reserved his right to submit a formal proposal when the Conference came to discuss the draft Convention.

M. HAMMERSCHLAG (Austria) agreed.

Mr. GUTTERIDGE (Great Britain) thought it might be of interest to the Conference to know that there was a parallel to the difficulty of the Japanese delegation in the case of British India. It was dealt with in a section of the Indian Negotiable Instruments Act of 1881, which expressly saved all native methods of signing instruments of exchange. He believed that in a great many cases in India a bill of exchange was signed by means of a thumb-mark. The question was one which might extend beyond Japan.

Baron CARTON DE WIART (Belgium) pointed out that the 1912 Hague Conference had been faced with the same difficulty. The signature was the essential element of a bill of exchange. After lengthy discussions, it had been agreed that the word "signature" should be understood in the widest possible sense. The difficulty in question arose, not only in Japan and India, but also in the Near East, in Turkey and Egypt. The Belgian delegate thought that the word "signature" should be maintained, but that it should be interpreted according to country.

M. HAMMERSCHLAG (Austria) proposed that the discussion of this question should be postponed until the discussion of Article 3 of the Convention. The Polish delegate was right in holding that the point was governed by Article 3.

The PRESIDENT replied that that article would not be discussed. It appeared in the Hague Convention, not in the draft submitted to the Conference. Nevertheless, in order to give satisfaction to M. Hammerschlag, the question could be reserved until the Conference came to examine the convention on the conflict of laws.

M. HAMMERSCHLAG (Austria) accepted this proposal.

M. MONTEJO (Spain) said that Article 444 of the Spanish Bills of Exchange Law required the signature of the holder by his own hand or by that of a person authorised to that effect and having the necessary power.

M. GIANNINI (Italy) considered that the question raised by the Polish delegate should be dealt with in the Convention. Rules must be laid down for persons who were unable to sign, for instance, disabled soldiers.

The question raised by the Japanese delegation should be considered in a more general manner. From the international point of view, the problem did not exist, or at any rate it was outside the Convention. The Convention could not prevent the issue of bills of exchange which were not intended for international circulation. If a bill of exchange was drawn in Japan on a Japanese subject and if it was not intended for international circulation, it certainly did not fall within the scope of an international convention. In the opposite case, it came within the scope of the Convention, which must be applied *in toto*.

M. SHIMADA (Japan) considered that a bill of exchange, even intended for home circulation, might always circulate internationally.

M. PERCEROU (France) added that the idea of drawing a distinction between international and internal bills of exchange had been abandoned. It was impossible to say that a bill of exchange would never circulate outside the country in which it had been issued.

In regard to signature, M. Percerou, like Baron Carton de Wiart, wondered whether the Conference was able to decide that question. Should not the question of determining what was meant by signature be settled by national law? Signature was the external representation of a personality. It was usually written by hand, but it might, in certain countries, be made by means of a sign, such as the affixing of a thumb-mark. The formula proposed was therefore calculated to satisfy Japan,

Baron CARTON DE WIART (Belgium) pointed out that in practice it was not on the basis of the signature as determined by the title or name that endorsements were given, but on that of the type of the signature. Banking-houses possessed specimens of signatures, which were, however, often illegible, and they checked the signatures on the specimens in their possession.

The PRESIDENT concluded from the discussion that No. 8 of Article 1 could be adopted as it stood. The word "signature" would be understood in the widest sense in accordance with the explanations of Baron Carton de Wiart and M. Percerou. Any other questions would be considered when the Convention was under discussion. Satisfaction would thus be given to M. Hammerschlag.

Article 1, No. 8, was approved.

6. Report of the Committee of Credentials.

M. DUZMANS (Latvia), Rapporteur, read the following report :

"The Committee appointed by the Conference to examine the credentials of the delegates proceeded to examine the documents communicated to it by the Secretariat. It notes that the thirteen following delegations are provided with full powers both for the negotiations and for the signature of the Convention :

Austria	Ecuador	Japan	Poland
Colombia	Finland	Luxemburg	Siam
Danzig (Free City of)	Germany	Netherlands	Turkey
Denmark			

"The delegates of the other States represented at the Conference have either received powers signed by the head of their States or the Minister for Foreign Affairs of their Governments authorising them to participate in the Conference, or have been accredited by means of a notification addressed to the Secretary-General of the League either by the permanent accredited representative to the League of Nations or by another diplomatic representative of the Government concerned. These States, who number nineteen, are as follows :

Belgium	Great Britain and	Latvia	Spain
Brazil	Northern Ireland	{Norway	Sweden
Bulgaria	Greece	Peru	Switzerland
Czechoslovakia	Hungary	Portugal	Venezuela
France	Italy	Roumania	Yugoslavia

“ The criterion which the Committee has applied in dividing the delegations into two groups is therefore that of the power to sign the acts of the Conference. The various documents by which the delegates in the second group of States have been accredited to the Conference, to the number of nineteen, authorise the delegates to take part in the Conference, and therefore to negotiate in regard to the acts to be drawn up, without mentioning expressly the power to sign.

“ On the other hand, while all the delegates in the first group of thirteen States are provided with full and formal powers, the documents accrediting to the Conference the delegates in the other group of States, numbering nineteen, have a certain diversity of form. They also include full and formal powers drawn up by the authorities of the central Governments. The number of States represented at this Conference is therefore thirty-two.

“ The Committee proposes that the Conference should ask the delegates belonging to the second group of States who have not been empowered to sign such documents as may be adopted to be good enough to procure authority to do so before the end of the Conference. The Czechoslovak delegation has asked the Committee to mention in its report that the full powers for signature by this delegation will arrive in a few days.

“ If the Conference should desire the Committee to make a second report some days before the end of its work, the Committee will be glad to do so.”

The conclusions of the report were approved.

FOURTH MEETING.

Held on May 14th, 1930, at 3 p.m.

President: M. J. LIMBURG.

7. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continued).

ARTICLE I, No. 6. — DECLARATION BY THE ITALIAN DELEGATE.

M. GIANNINI (Italy) wished it to be made clear in the Minutes that the decision taken with regard to Article I, No. 6, did not mean that the problem had been settled in a negative sense, since that would hinder a practical solution which was applied in many States without causing any difficulty.

AMENDMENT OF ARTICLE I, NO. 1, SUBMITTED BY THE CZECHOSLOVAK DELEGATION.

The PRESIDENT said that the Czechoslovak delegation had proposed the following addition : “ ...in the language employed in the instrument in formulating the order to pay ”.

M. SRB (Czechoslovakia) said that the reasons for this amendment would be found in the Preparatory Documents.¹ He only wished to remind the Conference that in countries like many of those in Central Europe, which had large and important racial minorities, it might happen that a bill of exchange was not drawn up entirely in one language. According to the text proposed by the experts, it would be difficult to say whether a bill of exchange drawn up in that manner would be valid or not. It might even be maintained that a bill of exchange, the text of which was not drawn up in a single language, was not valid ; if that interpretation was correct, many bills of exchange could be declared invalid, a result which would be at variance with the needs of commerce. The Czechoslovak delegation had presented its amendment in order to obviate an interpretation of that sort.

The order to pay, which was mentioned in No. 2 of Article I, was the most important part of the text of a bill, and, consequently, it would be enough if the same language was used for the denomination of the bill and for the wording of the order to pay.

The Czechoslovak proposal was essential for countries where several languages were spoken, but it might also be very useful for countries which had a considerable foreign trade. It was dangerous to no one, and therefore the Czechoslovak delegation hoped that the Conference would accept it.

M. BOUTERON (France) wondered whether the Czechoslovak amendment was not too narrow and even whether it was the best solution of the question, in the sense desired by the Czechoslovak delegation itself. It merely made it obligatory to translate the order to pay into the language in which the instrument was drawn up. In these circumstances, a bill of exchange might be drawn up in several languages, since the Czechoslovak amendment did not prevent that being done. It would perhaps be as well to have one and the same language for the issue of the bill, since all the terms relating to issue should be expressed in the same language.

¹ Document C.234.M.83.1929.II (C.I.L.C.1), page 51.

M. VISCHER (Switzerland), as representative of a country where several languages were used, wished to support the Czechoslovak proposal. In order to promote the extended use of bills of exchange, any undue attachment to form should be avoided. It would be enough to mention the material part of the bill, namely, the order to pay. Hitherto, the requirement that a bill of exchange should be drawn up in the same language had not existed in Switzerland. No undue importance need, however, be attached to this question, because, from information in his possession, it appeared that bills of exchange in Switzerland were nearly always drawn up in the same language.

The PRESIDENT said that the text of the draft regulation assumed that only one language was used in the instrument. There was therefore a legal question, namely: What was the validity of a bill of exchange drawn up in several languages? There would, he thought, be certain advantages in accepting the amendment put forward by the Czechoslovak delegation.

The amendment proposed by the Czechoslovak delegation was put to the vote and approved by 7 votes to 5.

Article 1 as a whole was approved at the first reading.

ARTICLE 2.

M. MOLENGRAAFF (Netherlands) announced that the Netherlands delegation had withdrawn its amendment to this article.¹

The PRESIDENT read the following proposal by the Italian delegation:

“ That the Conference should adopt the following rule:

“ ‘ Each State may prescribe the conditions under which a bill of exchange bearing one or more signatures but in which any or even all of the other requirements mentioned in Article 1, paragraphs 2 to 7, are wanting may be completed.’ ”

M. WEILLER (Italy) observed that the Italian proposal was based primarily on practical considerations.

A bill of exchange had many different functions and these functions were cumulative, so to speak. One of them, which grew daily in importance, was that the bill might serve as a guarantee. It was not only a promise to pay, but also an obligation to pay a sum which might be undefined. It might happen that the date on which a bill matured had not been fixed. Briefly, a bill might be a very elastic or dynamic instrument of credit and finance. This might be attained in many ways. One way was to issue an incomplete bill in which the date, the amount, or some other requirement indicated in Article 1, was omitted. It was customary to allow that a bill of that sort could be filled in by subsequent *bona fide* holders; and that often happened in Italy, where the so-called incomplete bills (*lettres d'échange en blanc*) were very important.

English law contained a particularly significant precedent.

According to Article 2, a bill which did not fulfil all the provisions of Article 1 would not be valid; but that seemed to prevent the possibility of completing later. Legal doctrine had made this point clear. There could be no doubt about the possibility of completing a bill of exchange; but the question was so important that M. Weiller did not conceive of the possibility of creating a modern law on bills of exchange without making at least some brief mention of this problem.

What the Italian delegation proposed had already been admitted, apparently everywhere, by legal doctrine and case law and it was also admitted by English law. This was a matter that should be clearly expressed in order to avoid difficulty.

M. SULKOWSKI (Poland) said that it was true that incomplete bills of exchange were frequently met with in practice. He therefore agreed with the Italian delegation that this question would have to be settled. The Italian delegation's object, however, was merely to permit each State to enact measures regulating the way in which such bills could be completed.

M. Sulkowski himself thought that the Conference could not be satisfied with a merely formal unification, but that the matter should be settled in substance. He drew attention to the following clause in the Polish law:

“ Any person signing a document not containing all the particulars which are required to constitute a bill of exchange incurs liability under the bill of exchange, unless he can prove that the document was subsequently completed against his will. He is, nevertheless, liable to a *bona fide* holder who has acquired the bill of exchange after it has been completed, even though the bill has been completed in an irregular manner.”

Polish law thus distinguished between two cases. If the bill had been put into circulation before it had been completed, the person who had signed the incomplete bill could object as against the holder that the bill had been completed against his will; but if the bill had been put into circulation after being completed, the debtor could set up no defence, provided the holder has acted in good faith.

The Polish delegation therefore proposed that not only should each State be allowed to reserve the right of making rules for incomplete bills, but also that the matter should be thoroughly investigated and finally decided. The problem should be settled in all countries in the same manner, whereas, if the Italian delegation's suggestion was followed, each State could adopt different provisions.

¹ Document C.234.M.83.1929.II (C.I.L.C.1), page 52.

M. QUASSOWSKI (Germany) thought that the meaning of the Italian proposal was not quite clear. In his opinion, two cases must be differentiated : the first, in which the bill was delivered and received with the intention that the holder should complete the blank portions ; and the second, where there was no such intention. If the Italian proposal covered only the first case, he had no objection to it, but if it covered the second case as well, he was unable to accept it, for he thought that the consequences of all defects in the issue of a bill should be settled uniformly

M. HERMANN-OTAVSKY (Czechoslovakia) supported M. Sulkowski's proposal on the understanding that all drafting modifications would be left to the Drafting Committee.

The PRESIDENT pointed out that there was no proposal by the Polish delegation.

M. GIANNINI (Italy) said that the question of substance would raise a long debate. He was quite ready to discuss the matter if the Conference wished to do so, but it was very difficult to proceed in that manner at the moment. The Italian delegation, therefore, had thought it more prudent and useful to keep to this formal solution, which left States free to settle the matter themselves. Incomplete bills of exchange existed ; that was a fact. The Italian delegation would, of course, be only too happy to agree to any solution that would settle the question of substance. Polish law was not the only law containing a rule on the matter. There were likewise Article 20 of the English Act and Article 550 of the draft Italian Commercial Code, which said :

“ Instruments which do not include certain of the provisions specified in the preceding article can be completed by the holder before presentation for payment. The completion of the bill must take place in conformity with any agreements which may have been made with the drawer ; but failure to observe such agreements cannot be set up against a *bona fide* holder.

“ The right to complete an incomplete bill of exchange expires three years after the date of issue of the bill, but this limitation cannot be set up against a *bona fide* holder who received the bill of exchange in its completed form.”

The Italian system was the result of long years of learning and great experience. M. Giannini thought it impossible to settle the question in plenary session, and suggested that a sub-committee should be appointed to draw up a formula on which the Conference would take a decision.

A previous question, however, had been raised by the German delegation. M. Quassowski has differentiated between two cases ; the second did not occur in practice, and M. Giannini thought it difficult even to imagine it. He drew the German delegation's attention to the provision that the completion of a bill must be carried out in conformity with the agreement made between the drawer and the holder. If a bill of exchange were issued without such agreement having been made, it would be no more than a scrap of paper. M. Giannini therefore did not think that M. Quassowski's apprehensions were justified.

In conclusion, he said that if the Conference was prepared to adopt a very cautious measure, it would be preferable, in his opinion, to keep to the Italian proposal, subject to drafting revision ; but his delegation was ready to discuss the substance of the question provided it was agreed that a sub-committee should draw up a formula based on the English and Polish laws, the draft Italian Code and any other proposals that might eventually be submitted, so that the formula selected could be examined later by the Conference.

M. HAMMERSCHLAG (Austria), while expressing his gratitude to the Italian delegation for having drawn attention to the question of incomplete bills of exchange, would have the greatest objection to any proposal that the question could be settled by a reservation to be made by each country, especially when a reservation of that kind was formulated in such general terms as those of the text proposed by the Italian delegation. In this connection, he was in complete agreement with M. Quassowski. A clear distinction must be made between bills which the drawer had left incomplete with the intention that they would be filled in by the drawee and bills in which some specifications were missing. True, it was not always possible to detect the difference ; but it was a question of proof. In conclusion, M. Hammerschlag thought that it would be better to adopt M. Giannini's proposal that the question should be decided in substance, and he agreed that the matter should be referred to a sub-committee.

He added that Austria had a law very similar to those cited by the representatives of Poland and Italy.

Finally, any general reservation would involve a complete revisal of Article 1.

M. SULKOWSKI (Poland) explained, first, that the Polish delegation had been unable to present a formal amendment, since the Italian proposal had only been distributed at the beginning of the meeting.

He emphasised the importance of the substance of the question and thought that a decision should be taken. He did not press for the acceptance of the Polish solution, if the Conference thought it too complicated. It was quite possible that the provisions of the Italian Code or those of the English law were preferable. He thought, too, that the matter should be referred to a sub-committee.

The PRESIDENT, before putting the Italian proposal to the vote, wished to point out that Article 2 dealt with the validity of bills of exchange and not with the establishment of the rights of the holder or any other signatories of a bill. Article 2 provided for an exception to the essential parts of Article 1, which the Conference had just adopted. As Tartuffe said, adjustments may be made with Heaven, and it was the same with the essential points of Article 1. The adjustments in regard to the validity of bills of exchange could be found in Article 2.

The President was surprised that M. Giannini, who was usually the soul of logic, did not appear at the moment to be acting up to his own principles. He had often said that it was essential that as few reservations as possible should be made ; yet the first reservation proposed was an Italian one.

The President trusted that the Conference would not adopt a reservation at the present stage. He pointed out that there was really no question at the moment of the holder's rights. He stressed the fact that Article 2 contained not even one single word printed in italics. This meant that, after careful examination, the Committee of Experts had entirely agreed with the text of the article as laid down at The Hague in 1912. In fact, there was complete agreement between the text of The Hague and that of the Committee of Experts. This should make the Conference especially cautious.

The President would put the Italian amendment to the vote, but he asked the Italian delegation if it would not be better to say at the end of its amendment "Nos. 2 to 7" instead of "paragraphs 2 to 7", since the reference was to the numbers of Article 1.

M. HAMMERSCHLAG (Austria) thought that before a vote was taken on the Italian amendment it would be better to refer the question to a sub-committee.

The PRESIDENT disagreed with this suggestion, because the question raised by M. Giannini referred to the matter of the holder's rights which did not come under Article 2. The Conference could consequently accept or reject the Italian amendment without touching in any way upon the question of rights.

M. GIANNINI (Italy) drew the President's attention to the fact that the Italian proposal dealt with the first paragraph of Article 2, and pointed out that if the Conference adopted Article 2 without having taken the Italian amendment into account, it would be very difficult to reconsider the amendment later.

He wished, therefore, to raise a point of order : since the proposal presented by the Austrian and Polish delegations was much further removed from the text of Article 1 than the Italian amendment, he would be prepared to withdraw his proposal if the Conference decided to adopt the text of the Austrian and Polish delegations.

The PRESIDENT found himself in a very embarrassing situation, for, at the moment, he did not know the text of the Polish proposal in favour of which M. Giannini was prepared to withdraw his amendment.

M. GIANNINI (Italy) thought that the best way would be for the Conference to appoint a sub-committee to produce a formula. If this formula proved acceptable to the Conference, M. Giannini would withdraw his proposal, but if not, the Italian amendment could then be re-considered.

M. PERCEROU (France) pointed out that Article 2 dealt with the case of a bill from which certain of the essential requirements had at the outset been unintentionally omitted, and did not take the question of incomplete bills of exchange into account. The latter question was very complete and seemed to be beyond the scope of exchange law ; also, the Hague draft Convention did not deal with it at all.

The PRESIDENT suggested that the Conference should vote on the Italian amendment, on the understanding that the question of the holder's rights remained open.

M. QUASSOWSKI (Germany) supported the suggestion that the proposal should be referred to a sub-committee. The Italian delegation's amendment was quite new and he was unable to give any opinion on it at the moment.

The PRESIDENT thought that the Conference might agree with M. Percerou's argument that Article 2 referred only to instruments which were intended to be complete bills, but in the drawing-up of which one or more of the essential items had been omitted, whereas the question raised by M. Giannini concerned the legal consequences of an incomplete bill.

He therefore suggested that the Italian delegation should hold over its amendment and confer with M. Sulkowski, M. Hammerschlag and M. Quassowski on the question of incomplete bills of exchange. A draft could be submitted later to the Conference.

M. GIANNINI (Italy) accepted the President's proposal and suggested that Mr. Gutteridge and M. Percerou should also be asked to help in this work.

M. PERCEROU (France) and Mr. GUTTERIDGE (Great Britain) were pleased to accept this invitation.

The PRESIDENT reminded the Italian delegation that it could consult any member of the Conference.

The first and second paragraphs of Article 2 were approved provisionally.

The PRESIDENT said that the Czechoslovak delegation had proposed the addition of the following sentence to paragraph 3 of Article 2 :

"If more than one place is specified beside the name of the drawee, the foregoing provision shall apply to the first-named place."

M. HERMANN-OTAVSKY (Czechoslovakia) explained that the question raised by this amendment was not a theoretical one ; the question was that of a practical provision, which had for that reason been embodied in Czechoslovak law. It related to the case where there were several drawees and where the place of residence was mentioned beside the name of each drawee. There was, too, the case of a company which had its centre of operations in a different place from that of its head office. The provision proposed by the Czechoslovak delegate would settle the question of the place where payment was to be made in cases where a company was mentioned in the following terms : " The X Co., Paris and London."

M. ARCANGELI (Italy) said that cases of this kind raised a number of delicate problems. Two questions had been covered by the Czechoslovak proposal, but there were others which had been disregarded and which occurred in practice. It might happen that where there were several drawees they all had the same habitual residence or different habitual residences. The drawees might be mentioned jointly on the bill or, alternatively, one only might be mentioned. Again, they might be mentioned successively, one after the other.

Each of these cases required careful investigation and the solutions might be different. That proposed by the Czechoslovak delegation did not appear perfect to M. Arcangeli.

For example, if several places were specified, might it not be held that the intention of the drawer had been to allow the holder the possibility of choosing between them ? An instrument issued by the Italian bank of issue offered the holder the possibility of cashing it at any branch of the bank. The Czechoslovak proposal was quite different and, while it was justified in certain cases, it would not apply to all.

The literature of all countries on bills of exchange was conspicuous for the great variety of arguments and solutions in connection with this problem. The best course would be to mention the question in order to bring out its complications, but at the same time to make it clear that it would be better not to settle it, and that jurisprudence would find the most appropriate solution for individual cases.

This question raised a number of others. It would be possible to consider the case of several endorsers, several beneficiaries, several givers of " avals ". All these were questions which had been solved by legal doctrine, but which were very difficult to determine in a law, especially when that law had to be uniform and to apply to all countries.

The best course would be to put all these complicated questions on one side, to leave them to be solved by legal doctrine and to keep silence ; silence had not so far hampered the development of the bill of exchange and would allow of appropriate solutions for different cases.

The PRESIDENT reminded M. Hermann-Otavsky that it might be difficult to determine the first place, since the names of the places might not be put one after the other, but more or less together and on the same footing.

M. HERMANN-OTAVSKY (Czechoslovakia) realised that in that case the question would be difficult to settle, but legislation could only be made for general cases and, in principle, people wrote from left to right.

He was very grateful to M. Arcangeli for emphasising the practical importance of the question ; moreover, he knew that jurists had concerned themselves with it. He himself had already pointed out, and he wished to stress the point, that, in his opinion, the only object was to attempt to solve the question. He did not wish to say that the proposed provision was the true solution ; in spite of that, it existed in the Czechoslovak exchange law and had been borrowed from Hungarian law. M. Arcangeli had said that the question was a practical one which should be left to legal doctrine, but it was surely to settle such cases as these that the present Conference had been convened.

The PRESIDENT hoped that he would not be criticised for entering into legal subtleties. It was from a sense of conscientiousness that he had pointed out that a case might arise in which the different places were not mentioned in order. In such a case, it would be very difficult to decide which was the first place.

M. HERMANN-OTAVSKY (Czechoslovakia) wondered whether a bill in which several places of payment were mentioned was valid. If it were valid — and he thought it was valid — where should presentment and protest be effected as conservatory acts ? That was a very delicate question, and the Czechoslovak delegation had suggested a compromise which, in its opinion, was at least calculated to provide a definite solution for the question in its most practical aspects.

The amendment proposed by the Czechoslovak delegation was put to the vote and defeated.

ARTICLE 2 THIRD AND FOURTH PARAGRAPHS.

The third and fourth paragraphs of Article 2 were approved at the first reading.

Article 2 as a whole was approved at the first reading.

ARTICLE 3, FIRST PARAGRAPH.

The first paragraph was approved at the first reading.

ARTICLE 3, SECOND PARAGRAPH.

The PRESIDENT said that the Netherlands delegation had submitted an amendment that Article 3 should read as follows :

" A bill of exchange may be drawn payable to drawer's order.

" It may be drawn for account of a third person.

" A bill of exchange drawn on the drawer himself shall be deemed to be a promissory note."

M. MOLENGRAAFF (Netherlands) pointed out that a bill of exchange drawn on the drawer himself was not an order to a third person, but was really a note by which the self-styled drawer bound himself to pay.

M. ARCANGELI (Italy) said that the Italian delegation were not in favour of the Netherlands amendment. From the economic standpoint, it might be said that a bill drawn upon the drawer was equivalent to a promissory note. From the legal standpoint, it was necessary to discriminate. When the drawer accepted the bill, he contracted a principal liability, just in the same way as a person who signed a promissory note ; but before acceptance the drawer who had drawn on himself had contracted a liability in recourse ; if he did not accept, the liability in recourse subsisted, and all provisions relating to persons against whom recourse might be exercised applied to him.

M. QUASSOWSKI (Germany) suggested that it would be better to keep to the text of the experts for the following reasons :

First, the drawer should be allowed to determine the conditions under which he assumed his liability. In particular, he should be allowed to make them depend on the drawing-up of a protest. In his opinion, the intention of the drawer should be respected, and this would be completely ignored if the Netherlands proposal was adopted.

Secondly, the form of the bill should be decisive. A bill of that sort had the same character as a draft, and this external circumstance should be decisive.

The amendment proposed by the Netherlands delegation was put to the vote and defeated.

The second paragraph of Article 3 was approved at the first reading.

ARTICLE 3, THIRD PARAGRAPH.

The PRESIDENT said that the Japanese delegation had submitted a proposal that this paragraph should be deleted.

M. SHIMADA (Japan) said that the Japanese delegation had no objection to the third paragraph in substance. They asked for its suppression merely because the relations contemplated in that case were not, properly speaking, within the sphere of bills of exchange, but rather within that of the law of agency (*mandats*).

The proposal proposed by the Japanese delegation was defeated.

The third paragraph was approved at the first reading.

Article 3 as a whole was approved at the first reading.

ARTICLE 4.

M. HAMMERSCHLAG (Austria) pointed out that Article 4 was the first article which differed somewhat in text from that adopted at The Hague. The Committee of Experts had used the word "locality" instead of the word "place". He asked if it was clear that the word "locality" referred to a geographical situation.

M. PERCEROU (France), speaking as Chairman of the Committee of Legal Experts, explained that "locality" comprised several possible "places" of payment. For example, if a bill was payable at Geneva, the locality was Geneva, but the bill might be payable at different places in the town, either at the residence of the drawee or in a bank. It was therefore quite possible to have several "places" of payment in the same "locality".

M. HAMMERSCHLAG (Austria) was satisfied by M. Percerou's explanation.

M. GIANNINI (Italy) asked whether, from the linguistic point of view, it was certain that this definition of "locality" was correct.

M. PERCEROU (France) replied that, according to the usual legal phraseology, the word "locality" had the meaning which he had indicated. If M. Giannini could find a better expression, M. Percerou would be quite ready to accept it. The Committee of Experts had considered the possibility of using the expression "*commune*", but this word had a very precise meaning and could only apply to an administrative district which did not exist in all countries. The Committee had therefore preferred the word "locality".

The PRESIDENT opened the discussion on the following German amendment :

"A bill of exchange may specify a place of payment other than the residence of the drawee. It may specify a third person by whom it is payable, either at the drawee's residence or elsewhere."

M. QUASSOWSKI (Germany) explained that, in the opinion of the German delegation, a definition of domiciled bills of exchange ought to take two different cases into account : the bill might be payable elsewhere than at the residence of the drawee, either by the drawee himself or by some other person. It seemed essential to differentiate between the place of residence of the drawee and the place of payment, for payment could be effected in a place other than the residence of the drawee. In such a case, there was difference of place.

It might also happen that there was a difference of person ; the drawee and the person who had to pay might be different. But there was a domiciled bill of exchange in both these cases.

M. SHIMADA (Japan) said that, as the results of the German amendment would be the same as those of an amendment which the Japanese delegation had intended to move, the latter would withdraw its amendment.

M. BOUTERON (France) felt some doubt about the wording of the German proposal. He could not understand how a bill of exchange could be domiciled, namely, how it could be made payable at the address of a third party at the residence of the drawee (*chez un tiers au domicile du tiré*). He could find no example in French law for a person being his own domiciliary (*domiciliataire*).

On the other hand, M. Bouteron feared that the text of Article 4, as drawn up by the Committee of Experts, might be open to misunderstanding. It might, be thought that the words within brackets at the end of the article, "domiciled bill"; referred only to the phrase "or in another locality", whereas in reality they referred to "the residence of a third person either in the locality where the drawee resides or in another locality". To avoid all misunderstanding, he suggested the following text :

"A bill of exchange may be payable at the residence of a third party (domiciled bill), either in the locality where the drawee resides or in another locality."

Mr. GUTTERIDGE (Great Britain) understood there would be two authentic texts for the document under discussion. He warned the Conference that it would be necessary to be very careful about the use of the word "domiciled", because in English practice "domiciled" would include a case where a bill was payable elsewhere than at the residence of the drawee. If it was payable at a different address in the same locality, it would be called a domiciled bill in English practice. He believed that French practice was the same, but he was not certain whether the German delegation had that point clearly in mind.

M. PERCEROU (France) thought that the Conference was unanimously agreed on the substance of the matter and that the only difficulty was one of terminology. He was afraid that the German amendment used the word "domicile" in a sense that did not correspond to the French meaning of the word. He took the example of a bill of exchange drawn on a drawee inhabiting a certain number in a certain street in Berlin, with the stipulation that it was payable at a German bank, for example, the Diskonto Gesellschaft. It was impossible to say that such a bill was payable at the residence of the drawee, at such a street and such a number in Berlin. The instrument was payable at the Diskonto Gesellschaft.

The PRESIDENT thought that he ought to point out that the German amendment was to a very considerable extent at variance with the idea of Article 4 as proposed by the Committee of Experts. According to Article 4 of the Committee of Experts and of the Hague Convention, a bill was only termed "domiciled" if it was payable at the residence of a third party. The first sentence of the German amendment related to something different, namely, a question for which reference would have to be made to the paragraph of Article 2, which said : "In default of special mention..."

As for the question raised by Mr. Gutteridge concerning the word "domicile", it should be remembered that the International Conference for the Codification of International Private Law, held at The Hague in 1928 had, to avoid all confusion, replaced the word "domicile" in all cases by the expression "habitual place of residence"; but that was a question which could be examined later by the Drafting Committee.

M. HAMMERSCHLAG (Austria) emphasised the difference between the German proposal and the text of Article 4. Article 4 covered two cases. There was, however, a third case, namely, that of a bill payable in a locality different from that of the drawee, but without any mention of a domiciliary (*domiciliataire*). There might, for example, be a bill of exchange drawn on a person living at Geneva, but payable in Zurich. This case, which was not covered by the text of the Committee of Experts, was covered by the German amendment. For that reason, he thought the German proposal was entirely justified, subject to drafting amendments.

The PRESIDENT replied that a bill of exchange drawn upon a person inhabiting Geneva but payable in Zurich was not dealt with in Article 4, but in Article 1, in which it was said that a bill of exchange must specify the place where payment was to be made. A bill of exchange drawn on Mr. "A" living at Geneva but payable in Zurich was not a domiciled bill within the meaning of Article 4.

Baron CARTON DE WIART (Belgium) agreed with the President.

The text might perhaps be simplified by eliminating the idea of domiciled bills, which was not familiar to all legislations. The text might read "payable at the address of a third person" (*chez un tiers*).

M. QUASSOWSKI (Germany) said that the point which interested him was as follows :

If the bill was payable in the place of residence of the drawee but at the address of a person other than the drawee, would that be a domiciled bill ?

From the Hague Regulations it would follow that in this case the bill would be a domiciled bill. That at least was the view of the German Government. The observations made by the German Government on Article 4 of the Hague Regulations were to the effect that the term "domiciled bill" within the meaning of the Hague Convention applied not only to bills of exchange payable at the residence of the drawee, but also to bills which were payable by a third person at the place of residence of the drawee.

M. Quassowski held that a bill was also a domiciled bill if it were payable at the residence of the drawee, but at the address of a person other than the drawee. The object of the German proposal was to settle this question. Perhaps it would be necessary to improve the proposed draft. It might, for example, be formulated as follows :

“ A bill of exchange may indicate a place of payment other than the residence of the drawee ; it may indicate a third person at whose address it is payable either in the locality where the drawee resides or in another place (domiciled bill).”

M. PERCEROU (France) thought that, in the example given by M. Hammerschlag, that of a bill drawn on Mr. “ A ” in Geneva and payable in Zurich, without any other indication, the bill would be an incomplete bill and not a real domiciled bill, since the place of payment at Zurich had not been specified.

He thought that when a bill was payable at a branch establishment it was to be considered as payable at the address of the same drawee (*chez le même tiré*). That was not what was usually understood by a domiciled bill. The latter was payable at the address of a third person living in the same place as the drawee or elsewhere. But a bill payable at the address of the drawee was not domiciled. That at least was the view of the Committee of Experts. In the example given by M. Hammerschlag, the bill, being payable at the address of the drawee, irrespective of the establishment of the drawee where it was payable, was not really domiciled, that was to say, payable at the address of a third person.

M. HAMMERSCHLAG (Austria) pointed out that Article 26 read :

“ When the drawer of a bill has specified a place of payment other than the residence of the drawee, without mentioning the domiciliary, the acceptance must specify the person who is to pay the bill.”

It followed from this that the example he had quoted might occur.

The bill in question was therefore a domiciled bill which did not specify the domiciliary. This case, which did not seem to be covered by the text of the Committee of Experts, would be covered by that of the German delegation.

M. PERCEROU (France) was of opinion that Article 26 dealt with another question, namely, acceptance.

M. HAMMERSCHLAG (Austria) thought that a bill drawn upon Mr. “ A ” at Geneva and payable at Zurich was a domiciled bill according to Article 26. It was the acceptance which indicated at whose address the bill was payable at Zurich, but this fact was unknown at the time of issue. This case was not covered by the present wording of Article 4.

The PRESIDENT considered that Article 4 had no other object than to define a domiciled bill. In Article 26 the point was to know who was to accept the bill and in what place. If the latter article was not well drafted, it should be improved. At the moment, however, the only point under discussion was the definition of domiciliation.

M. HAMMERSCHLAG (Austria) thought Article 26 very well drafted. In any case, it was necessary to know whether the bill which he had given as an example was a domiciled bill.

The PRESIDENT agreed that the question would have to be settled.

The Committee of Experts had not recognised as a domiciled bill one drawn upon Mr. “ A ” at Geneva and payable at Zurich. The Conference would decide the point.

M. HAMMERSCHLAG (Austria) said that under German and Austrian jurisprudence such a bill was regarded as domiciled. Moreover, a case of the kind he had mentioned might certainly arise in practice.

M. PERCEROU (France) did not think that the question had much practical importance. When the bill fell due, it was necessary for the holder to know the place where he would have to present it. How would he know this fact ?

The PRESIDENT recalled that, in the view of the Committee of Experts, the criterion of domiciliation was that there should be a third person in the case.

M. HAMMERSCHLAG (Austria) said that in the case under discussion there was certainly a third person, but he was unknown at the time of issue.

The PRESIDENT thought that, according to the example quoted, the drawee himself would be obliged to pay at Zurich.

M. PERCEROU (France) thought that, in these circumstances, a text might be found which would satisfy M. Hammerschlag. He would suggest, for example, the formula : “ A bill of exchange payable at the address of a third party specified or to be specified before maturity.”

This was a question which might be thought over. Bills of exchange drawn on one locality and payable in another without any indication of a definite residence were not, he thought, very common in French and Belgian practice.

M. GIANNINI (Italy) thought this question of no importance. It sufficed that under No. 5 of Article 1 the place of payment should be specified. Personally, he was inclined to propose the suppression of Article 4. He did not think that the question of domiciled bills need be settled. The domiciled bill might be allowed to subsist to a certain degree.

What it was essential to avoid was the address being inadequately specified. The cases to be considered were not covered by the provision of No. 5 and a formula must be found to cover them. In 1910, the following formula had been adopted :

“ A bill of exchange may be payable at the residence of a third party in the place of the residence of the drawee. It may be also paid in another place.”

In the present formula, the word “ locality ” had been substituted for the word “ place ”. There did not seem to be much use in covering these two cases in Article 4, thus explaining No. 5 of Article 1 again, and in an international convention it was better to omit things which served no useful purpose. In these circumstances, M. Giannini would prefer the suppression of Article 4. In any case, if the Conference so desired, it was possible to retain what had been decided by the Conferences of 1910 and 1912. The formula proposed by the experts did not involve any serious disadvantages. Were there any other cases to be covered ? The German delegation appeared to think so. It said, in its amendment : “ A bill of exchange may specify a place of payment other than the residence of the drawee.” That case could be covered by No. 5 of Article 1. The German proposal continued : “ The bill may specify a third by whom it is payable either at the drawee's residence or elsewhere.” The German delegation had, in brief, repeated No. 5 of Article 1 in a more extensive form.

In conclusion, M. Giannini would leave the matter to the Drafting Committee, as the question did not deserve prolonged discussion in plenary session.

M. VISCHER (Switzerland) thought that the provisions of Article 4 were of practical importance, as the article defined the cases in which a bill might be regarded as a domiciled bill. A domiciled bill must be presented at the residence of the domiciliary and protested against the latter.

He agreed with the German delegate that, according to the rules adopted at The Hague, a domiciled bill was a bill which fell under the two cases covered by Article 4. It would perhaps be clearer to adopt the proposal of M. Bouteron and say : “ A bill of exchange may be payable at the residence of a third person (domicile bill), either in the locality where the drawee resides or in another locality.” Thus it would be clear that the expression “ domiciled bill ” related to the two cases. Except for this amendment, the text of Article 4 as proposed by the experts might be maintained. The cases discussed were covered by the article. M. Vischer did not think that the present text excluded bills of exchange payable at the branch office of a third party, as appeared from the proposal of the German delegation. He believed that in the minds of those who had drafted the Hague Regulations, for the case mentioned by M. Hammerschlag, the intention had been to refer not to a domiciled bill, but to an ordinary bill of exchange as covered by No. 5 of Article 1. If, however, the Conference thought that the draft Regulations were not sufficiently clear, it would be necessary to add a clause which would remove all doubts.

M. SCHELTEMA (Netherlands) pointed out that the proposed amendment began by saying that a bill of exchange might indicate a place of payment other than the domicile of the drawee. He did not think that such a provision was necessary, since Article 1 stipulated that the bill must indicate the place where it was payable, but did not say that it must be payable at the domicile of the drawee.

What was a domiciled bill ? M. Percerou had said that it was a bill which must be paid at the address of a third person. M. Scheltema would prefer the expression “ by a third person ”.

M. PERCEROU (France) said he must maintain the expression “ at the address of a third person ”.

M. VISCHER (Switzerland) observed that a domiciled bill was a bill of which payment must be demanded of a third person.

M. PERCEROU (France) rejoined that payment must be demanded at the address of a third person.

M. VISCHER (Switzerland) said that Article 4 stipulated that a bill of exchange could be payable at the residence of a third person. It was possible that the drawee had a residence at the address of a third person. In that case, the bill was no longer a domiciled bill.

M. PERCEROU (France) said that, if the bill was payable at the address of the drawee, it was clear that the bill was not domiciled at the address of a third person. The drawee might have several establishments ; and he determined the establishment at which the bill was payable. It was, nevertheless, payable at this address and not at that of a third person.

M. VISCHER (Switzerland) thought that, if the bill was payable by the drawee in a place other than his residence, the bill was no longer a domiciled bill. It might be a bill payable at the residence of a third person. For that reason, he thought the criterion applied in Article 4 not quite correct. He would agree to a text saying that a bill of exchange might be payable “ at the address of a third person ” or, still better, “ by a third person, either in the locality...”

The PRÉSIDENT, with reference to the proposal of the Netherlands delegate, observed that due credit must be given to the Hague Convention and the Committee of Experts. In connection with the provision in Article 4 that a bill of exchange might be payable at the residence of a third person, the Latin maxim of the Digests, *verba valent usu*, must be borne in mind. The experts had evidently meant at the residence of a third person to the exclusion of the residence of the drawee. If by chance the drawee had his residence at the address of the third person, the bill

was not a domiciled bill, but a bill payable at the residence of the drawee, which happened by chance to be the residence of a third person. He therefore thought that Article 4 was quite clear. To replace the expression "residence of a third person" by the expression "address of a third person" would amount to saying exactly the same thing in different words. The expression "by a third person" would imply an entirely different conception.

He would ask the German delegation whether, as he understood the matter, it wished to modify its amendment.

M. QUASSOWSKI (Germany) replied that the effect of the German amendment was to include in the idea of a domiciled bill the two cases of *distinctio loci* and *distinctio hominum*. The German delegation thought that such had been the intention of the Hague Conference. He had also understood that the Swiss delegate was of the same opinion. He maintained the German amendment, subject to drafting amendments.

The amendment submitted by the German delegation was defeated by 14 votes to 9.

The PRESIDENT, before putting Article 4 as a whole to the vote, asked whether the Conference was prepared, in principle, to substitute in all cases for the word "domicile" the expression "habitual place of residence".

M. ASSER (Netherlands) observed that a distinction must be made between cases in which a physical person was involved and those in which a moral person was involved. In the latter case, it was impossible to refer to habitual place of residence; it would be necessary to refer to the office of management.

The PRESIDENT agreed with M. Asser that, if the Conference replaced the word "domicile" by the words "habitual place of residence", it must find another expression to cover the case of moral persons, such as companies, etc.

He proposed that the Conference should accept the proposal of M. Bouteron, that Article 4 should be drafted as follows:

"A bill of exchange may be payable at the residence of a third person (domiciled bill), either in the locality..."

M. Bouteron had proposed to use the expression "at the address of a third person". This question, however, might be settled by the Drafting Committee.

M. SCHELTEMA (Netherlands), in reply to the President's observations, pointed out that Article 26 of the draft covered the case of a domiciled bill in which the name of the domiciliary was not indicated and stipulated that the acceptance must specify the person who was to effect payment. It did not seem to him that there was any very great difference between the person who was to effect the payment and the person who was to pay.

Article 4 as a whole, with the amendment proposed by M. Bouteron, was approved at the first reading.

FIFTH MEETING.

Held on May 15th, 1930, at 10 a.m.

President: M. J. LIMBURG.

8. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes: First Reading (Continued).

ARTICLE 5, FIRST PARAGRAPH.

The PRESIDENT read the following amendment submitted by the Netherlands delegation:

"The drawer may stipulate in the body of the bill of exchange that the sum payable shall bear interest."

M. MOLENGRAAFF (Netherlands) pointed out that the specification of interest was admitted by Anglo-Saxon law in all bills of exchange. Why should it not be admitted for bills payable at a certain date? It might be said that the stipulation was not necessary in such bills, because the drawer could include the interest in the sum payable, but that was not a decisive argument for prohibiting the stipulation. The amendment had the advantage of diminishing the divergence between the Anglo-Saxon law and the unified law which it was hoped to establish.

M. DA MATTA (Portugal) pointed out that the French Government's letter of August 21st, 1929, stated in regard to Article 5:

"Stipulations with regard to interest in a bill of exchange are rare and likely to cause difficulties. Accordingly, it would be desirable either to declare non-written the stipulations with regard to interest in all bills of exchange to omit in the draft any provision concerning those stipulations. . ."

The Portuguese Government fully supported this declaration. Portuguese law was absolutely incompatible with the proposed amendment.

M. QUASSOWSKI (Germany) said that, according to German law, a clause in bills of exchange stipulating interest was deemed to be unwritten. The German delegation, however, admitted that the clause could be introduced into bills payable at sight or at a certain time after sight. On the other hand, there was no reason for allowing the clause for other bills, seeing that when a bill was payable on a specified date, or at a certain time after that date, interest could always be included in the sum stated in the bill. He agreed that a stipulation with regard to interest in a bill of exchange was rare and might give rise to difficulties. The clause should therefore be admitted as rarely as possible. For these reasons, the German delegation was unable to support the Netherlands proposal.

Mr. GUTTERIDGE (Great Britain) said that, whenever a proposal was one which brought the Continental system nearer to the Anglo-Saxon system, he desired to be taken as supporting it.

M. HAMMERSCHLAG (Austria) said that from his experience it was not necessary to make a stipulation with regard to interest in bills of exchange, except those payable at sight or at a certain time after sight. If the proposed clause were introduced into the law and if the custom spread, there would be great difficulties for the banks which would have to calculate the interest.

Prince VARNVAIDYA (Siam) supported the Netherlands amendment. The Siamese Government considered that the right to stipulate with regard to interest when once granted in principle should be extended to all bills and not confined to certain bills.

M. DE LA VALLÉE POUSSIN (Belgium) thought it might be of use to remind the Conference that in authorising the stipulation with regard to interest in bills of exchange the Hague Conference had been prompted by practical considerations. It had had in view the protection of shipping interests. In the case of long distance sea transports, the date of the receipt of the goods could not be foreseen exactly. It was impossible to know exactly the date of maturity within eight or fifteen days ; and, like his Austrian colleague, the Belgian delegate felt that the general introduction of the stipulation of interest in bills of exchange payable at a specified date was undesirable.

M. Deoclecio DE CAMPOS (Brazil) said that Article 44 of the Brazilian law laid down as a strict principle that the stipulation with regard to interest was deemed not to be written. For that reason, he supported the French delegate's argument, which was supported by the Portuguese delegation likewise.

*The amendment proposed by the Netherlands delegation was defeated by 20 votes to 4.
The first paragraph of Article 5 was approved.*

ARTICLE 5, SECOND PARAGRAPH.

The PRESIDENT said that the Polish delegation had submitted the following text :

“ The rate of interest must be specified in the bill ; in default of specification, the legal rate of the place of payment shall apply.”

M. NAMITKIEWICZ (Poland) pointed out that the uniform regulation, as modified by the Committee of Experts, stipulated that the rate should be 5 per cent. In stating that the clause was deemed to be unwritten, they had desired to indicate that, when the rate of interest was not specified, it would not be fixed at 5 per cent, because it did not seem very practical to specify any definite rate. What they had actually said, however, was that in that case nothing would be payable as interest, notwithstanding an agreement for the payment of interest in the bill itself.

The Polish amendment was based on Polish law and took into consideration the economic situation of the various countries. At the same time, it was more logical, since under the first paragraph of Article 5 it was allowed in principle that bills of exchange payable at sight or at a certain time after sight might be productive of interest. That had the advantage of not favouring the debtor unduly to the detriment of the holder.

The International Chamber of Commerce, moreover, had suggested that, in default of specification, the rate of interest should, at the option of the bearer, be either the rate of interest of the bank of issue or the market rate. It was true that the rate of the bank of issue was perhaps more elastic than the legal rate, but was that extreme elasticity really indispensable ? The Polish Government were in favour of the official rate, which was usually nearly the same as that of the bank of issue.¹ Finally, in M. Troullier's report, it was stated that it was necessary to take into account the market rate and the legal rate at the holder's place of residence. All the above views appeared, therefore, to favour the Polish proposal.

M. DE LA VALLÉE POUSSIN (Belgium) supported the Polish proposal in principle. If the drawer of a bill of exchange inserted a clause stipulating that it should bear interest but neglected through inadvertence to indicate the rate, it would be desirable to make good his omission by the stipulation of a specified rate of interest. To say that the stipulation with regard to interest should be deemed to be unwritten would constitute too severe a sanction for a mere case of forgetfulness. It would be more legal to make good the negligence of the parties by specifying a rate of interest than by nullifying an engagement, of which the existence, if not the scope, was certain.

¹ See Preparatory Documents — document C.234.M.83.1929.II (C.I.L.C.1), page 52.

On the other hand, M. de la Vallée Poussin preferred the proposal in the Hague Uniform Regulation that the rate should be 5 per cent to the solution of the Polish delegation. In the first place, it was not sure that there were any legal provisions fixing the rate of interest in all the countries in which a bill was payable. Secondly, in countries passing through a severe economic crisis, the legal rate fell into disuse and the business rate might be much higher.

M. GIANNINI (Italy) considered that since the Hague Conference all possible systems had been examined. The simplest possible formula should be adopted.

The French delegation, with the support of the Portuguese, had proposed the deletion of the article, which would amount in practice to a system of complete liberty, for when no undertaking existed each State could settle the problem as it thought fit. That solution was dangerous; the advantage of a rule was that it gave an adequate measure of security. The Hague Regulation instituted a very simple, if somewhat mechanical, system in specifying that the rate of interest should be 5 per cent. On the other hand, the experts had suggested a system which seemed to be illogical, because, if the parties agreed that the sum should bear interest but failed to specify the amount, it would be contrary to their desire to state that the clause should be deemed to be unwritten.

The Polish proposal was logical, perhaps too logical. It thought that the situation of the market should be taken into account. Did that mean the state of the market at the time when the instrument was issued or at the time when it was payable? The rate might fluctuate from time to time.

The Polish delegation had also endeavoured to find a logical system and had proposed the legal rate. The same objection arose, however. Did it mean the legal rate at the time when the bill was put into circulation or at the time of payment?

M. NAMITKIEWICZ (Poland) explained that he meant the legal rate at the time of payment.

M. GIANNINI (Italy) replied that the rate might vary between the two dates. The objection to the legal rate was that it would be very difficult for the drawer to know what would be the situation in the country in which the bill of exchange would be paid. The Italian delegate therefore came back to the advantage of specifying a contractual rate, namely, 5 per cent, and proposed that the Conference should return to the Hague formula.

M. BOUTERON (France) observed that those who had drawn up the draft law, in their anxiety to avoid anything wanting in legal force, had rightly established an assumption of intention in certain cases where the statements that usually appeared in a bill of exchange (maturity, place of payment) were lacking but he thought that the Conference should not add to the assumptions already allowed for.

As the Belgian delegate had pointed out, there was no doubt that the drawer, in inserting a stipulation for interest, had given evidence of a certain intention, but as this clause was not normal and as its introduction into the text of the uniform law was not essential, there was no reason to grant additional interest *ipso facto* in cases where the rate had not been expressly mentioned. It was inadmissible that a trader who made a demand of so special a character as a provision for additional interest should not pay particular attention in drawing up the bill, since he alone had the indispensable information for fixing the rate.

Moreover, the proposal for the application of the legal rate or the market rate did not appear desirable. Though there was at present no need to fear the frequent and wide fluctuations in rates that had occurred since the war, it should be remarked that a legal rate did not exist in every country, and this rate was not always appropriate to business requirements. On the other hand, if the rate of interest was fixed, as had been proposed, by reference to the discount rate, it might be awkward for certain markets to determine the latter rate.

In these circumstances, if in order to protect shipping interests it was thought necessary to allow the drawer to stipulate additional interest in the case of the issue of a bill of exchange at sight or at a certain time after sight, it would be desirable to decide that if the drawer had neglected to fix this rate of such interest the clause should be deemed not to be written.

M. SULKOWSKI (Poland) recognised that the Italian proposal, which consisted in fixing the rate at 5 or 6 per cent, was extremely simple. Nevertheless, a solution of that sort would not be acceptable to countries like Poland, where money was extremely dear. Though he did not oppose a rate of 5 or 6 per cent, M. Sulkowski wished to reserve the right of countries where the legal rate was much higher to prescribe that for bills issued in their territory the rate laid down in Article 5 could be replaced by the legal rate. The same question would arise during the discussion of Articles 47 and 48, dealing with the question of the rate for the calculation of the interest to which the holder was entitled in the event of non-payment of the bill. M. Sulkowski would revert to this question at a later stage.

M. QUASSOWSKI (Germany) felt that the proposal of the experts was preferable both to the provision adopted at The Hague and to that submitted by the Polish delegation. In most cases, a bill of exchange was drawn up on a printed form. If the drawer omitted to insert the rate of interest, it was permissible to conclude that it was his intention that no interest should be payable. The solution of the experts avoided all difficulties and all complications. The present discussion had given proof of that, for it had shown that it would be difficult, indeed almost impossible, to determine an additional rate in the absence of any stipulation.

The amendment proposed by the Polish delegation was defeated.

The PRESIDENT said that, although he had not received a written amendment from the Italian delegation, he would consent, as an exception, to submit to the Conference the Italian proposal for the restoration of the Hague text. In that case, paragraph 2 would be drafted as follows :

“ The rate of interest must be specified in the bill ; in default of specification, it is 5 per cent.”

The amendment proposed by the Italian delegation was put to the vote and defeated by 16 votes to 10. The second paragraph of Article 5 was approved at the first reading.

ARTICLE 5, THIRD PARAGRAPH.

Mr. GUTTERIDGE (Great Britain) observed that, if the proposals to be brought forward by M. Giannini in regard to the completion of blank bills of exchange were carried, it might be necessary to consider the question. It had already arisen in England, where blank bills of exchange bore a date that had been filled in. In a case of that kind, the interest ran, not from the date which was inserted in the bill, but from the date of the issue of the instrument.

The PRESIDENT said that the question raised by Mr. Gutteridge would be examined later. M. Giannini would take it into account in the amendment which he intended to propose in regard to Article 1 at the second reading.

The third paragraph of Article 5 was approved at the first reading.

Article 5 as a whole was approved at the first reading.

ARTICLE 6.

Approved at the first reading.

ARTICLE 7.

The PRESIDENT said that the Danish, Finnish, Norwegian and Swedish delegations had proposed the deletion of Article 7 and the adoption of the following new text for Article 68 :

“ If the bill of exchange bears forged signatures or the signatures of persons incapable of being bound as parties to a bill of exchange, or signatures which for any other reason cannot bind the persons on whose behalf they are affixed, the obligations of the other persons who have signed it are none the less valid.

He did not suppose that any member wished to deal with the subject of Article 68 at the present stage.

M. EKEBERG (Sweden) explained that Article 7 of the draft Regulation dealt with the incapacity of persons who had signed a bill of exchange and that Article 68 dealt with the case of forged signature. Both articles provided that a defect in one signature did not affect the validity of the other signatures.

There might, however, be several other cases, such as error, intention to defraud or violence, where, in order to safeguard the circulation of bills of exchange, the same principle should be applied. It should be brought out clearly that the very important principle of the validity of the other signatures applied in these cases as well.

If the Conference was of that opinion, the more general provisions suggested should be inserted, not in Chapter I, but in Chapter X, where they would replace Article 68. In that case, it would be necessary to change the heading of Chapter X in the sense indicated in the proposal of the four delegations.

M. ARCANGELI (Italy) observed that the rejection of the proposed amendment might be taken to mean that the Conference had rejected the principle contained in it. The Italian delegation, however, was in agreement with the principle and believed that it was implicit in the spirit of the law. It had been stated very clearly at The Hague in 1910 :

“ The same rule should, for the same reasons, apply to cases in which the obligation of the signatory is void by reason of defective consent, “ dol ”, violence ”, etc.

The proposed amendment would perhaps prevent any dispute. For that reason, the Italian delegation was prepared to vote for it, but it wished to state that if the amendment was not adopted, it would not signify that the principle was also rejected.

M. QUASSOWSKI (Germany) supported the amendment of the Scandinavian delegations. As the Swedish delegate had observed, certain cases were not dealt with in Articles 7 and 68. Some bills of exchange were signed in the name of a non-existent person and these were called *Kellerwechsel* in Germany. It might be asked whether such cases were covered by Article 68, and it was not clear whether the other signatures affixed to a bill of that kind were valid. The Scandinavian proposal, which covered all cases where the signature was not valid and laid down that the validity of the other signatures in the bill did not depend on that of earlier signatures, was in conformity with the German law and offered a solution to a controversial question.

M. HERMANN-OTAVSKY (Czechoslovakia) also supported the Scandinavian proposal and concurred in the reasons given by M. Quassowski.

M. SULKOWSKI (Poland) was in favour of the Scandinavian amendment. He proposed that the question of the place where it should be inserted in the text should be referred to the Drafting Committee. Personally, he would prefer the matter to be dealt with in Chapter I.

M. Deoclecio DE CAMPOS (Brazil) supported the Scandinavian proposal, which contained principles of law that were common to all countries.

The PRESIDENT thought that the Conference was in agreement in regard to the substance of Articles 7 and 68. The amendment of the Scandinavian countries was not confined to combining those two articles. It extended their scope, since it also provided for cases such as error, fraud and violence. Did the Conference consider, for instance, that physical violence should not affect the validity of a bill in respect of all the other signatures? That would be at variance with Anglo-Saxon law, and there were many writers who held that, setting aside the abstract obligation, physical violence could never entail the binding of the signatory.

M. GIANNINI (Italy), while considering that the point put by the President merited the Conference's attention, pointed out that Article 7 (a), which had been approved by the 1910 Conference, was explained in the report as follows :

“ All obligations arising from bills of exchange are independent. In virtue of this principle, the incapacity of a signatory does not affect the validity of the other signatures. The same rule must for the same reasons apply in cases in which a signature is void by reason of defective consent, fraud (“ dol ”), violence. . . ”

The object of the Scandinavian amendment was to eliminate all doubt by dealing with the problem as a whole in a systematic manner. Consequently, it dealt with the two problems referred to in Articles 7 and 68 of the Draft. There was no doubt that Article 7 dealt also with defective consent. That had been stated theoretically, but it would be still better to state it in the text, and M. Giannini considered that the amendment submitted by the Scandinavian delegations deserved the full approval of the Conference.

M. MONTEJO (Spain) accepted the amendment of the Scandinavian delegations. He wished to point out, however, that while Article 7 of the draft referred to persons incapable of contracting in general, the amendment referred to “ persons incapable of being bound as parties to a *bill of exchange* ”. If the experts' text were adopted, perhaps the words “ to a bill of exchange ” might be added ; if, however, the Scandinavian amendment was accepted, it would be preferable to refer to persons incapable of contracting *in general*.

M. PERCEROU (France) made an observation on a point of form. Everyone appeared to be in agreement on the principle of the independence of the signatures in the matter of bills of exchange and the desirability of embodying this principle generally in the law in so far as concerned incapacity, defective consent and even insufficient authority. He wondered, however, whether it was desirable to incorporate this principle in Article 68 and to delete Article 7, thus requiring a change in the numbering of the articles. It would be better to introduce the principle in Article 7.

The PRESIDENT asked the Swedish delegate whether he would agree to the Drafting Committee's considering the question of deleting the words “ to a bill of exchange ” after the words “ incapable of being bound ”.

Baron MARKS VON WÜRTEMBERG (Sweden) replied in the affirmative.

The PRESIDENT added that, if the Scandinavian amendment was adopted, it would be understood that Article 68 had been given a first reading, but it would not follow that Article 7 was deleted.

Baron MARKS VON WÜRTEMBERG (Sweden) thought that the place of the proposed amendment in the text could also be considered by the Drafting Committee.

M. DE LA VALLÉE POUSSIN (Belgium) considered that, if the contents of Article 68 were discussed in connection with Article 7, it would be necessary to deal in the same way with Article 69, which also concerned the effects of a forged signature on the liabilities of the other signatories.

The PRESIDENT thought that the question could be examined later, together with that of the place to be finally taken by the article. A vote would now be taken on the article.

The amendment submitted by the Scandinavian and Finnish delegations was approved unanimously, with the exception of the British delegate who abstained from voting.

The PRESIDENT proposed that the latter part of the Scandinavian proposal, reading : “ The heading of Chapter X to be accordingly drafted as follows : ‘ Invalid Signatures and Alterations ’ ”, should be reserved until the discussion of Chapter X.

The Conference agreed.

ARTICLE 8.

The PRESIDENT said that the Yugoslav delegation had proposed the addition of the following sentence to Article 8 :

“ But the person represented is himself bound as a party to the bill within the limits of the powers which he gave to the representative.”

M. EISNER (Yugoslavia) thought that it resulted from the text proposed that, if the representative had exceeded his powers, he was bound, as a party to the bill, for the whole amount, and the person represented was only bound within the limit of the powers he had given. The text, however, was not sufficiently clear in regard to the liability of the person represented, and it might lead to different interpretations by the courts of the various countries. The Yugoslav law on bills of exchange made good this omission and defined the situation in law in terms which were reproduced in the Yugoslav amendment.

M. HAMMERSCHLAG (Austria) asked the Yugoslav delegation whether it was intended that the representative and the person represented would both be bound on the bill.

M. EISNER (Yugoslavia) replied in the affirmative.

M. LA LUMIA (Italy) thought that the proposed amendment was not in accordance with the fundamental principle that the bill of exchange must be interpreted literally or was an independent document. For instance, if the person represented had given power to his representative to bind him to the extent of 10,000 francs, and if the representative had bound himself for 20,000 francs, it could not be admitted that the person represented was also bound for the smaller amount, for that would be contrary to the above principle. A bill of exchange was valid for the amount stated on it. For that reason, the Italian delegation was unable to accept the proposed amendment.

M. GRÖNVALL (Finland) wondered what would be the legal position of a person who had made a payment in the circumstances covered by Article 8. Article 62 contained rules covering the position in exchange law of the acceptor for honour, but there was nothing in the Regulation in regard to the other question. Was it to be concluded that the signatory referred to in Article 8 would have no recourse in exchange law ?

Personally, M. Grönvall was not attracted by the stipulation contained in Article 8. If it were deleted, the result would be that the question there dealt with would be relegated to the field of common law, but a proposal to delete the article would doubtless not be approved by the Conference.

The PRESIDENT understood that the Finnish delegate wished to know whether the representative referred to in Article 8 had a right of recourse or whether there was a relationship between the representative and the acceptor for honour in Article 62.

M. PERCEROU replied that there was no relationship. The question of a representative's right of recourse against the person for whom he acted was not one that concerned bills of exchange. Each State would retain its liberty on that point.

M. GRÖNVALL (Finland) explained that he had not said that there would be a relationship between Article 62 and Article 8. He had simply said that in Article 62 there were rules concerning the position in exchange law of the acceptor for honour, but the Regulation said nothing in regard to the question which he had raised. Was it to be concluded that the signatory referred to in Article 8 would have no recourse in exchange law ?

The PRESIDENT thought that it might be replied that Article 8 regarded the representative as being unconsciously a signatory in exchange law, but none the less as a signatory. According to Article 8, the representative was one of the parties to the bill covered by the law and the latter involved him in all the consequences arising from that situation in exchange law. The connection between the signature of the representative and the person represented was another matter. The Yugoslav amendment dealt with this latter question, but the President wondered whether it would not cause some confusion. Without the amendment, and with Article 8 alone, there were, on the one hand, the liabilities in exchange law, and, on the other, the relations between principal and agent in common law. That question was not raised at the moment. It was outside the scope of Article 8.

M. HAMMERSCHLAG (Austria) supported the President's view. The Yugoslav amendment related, for instance, to a case where a representative had been given power to issue a bill of exchange for 10,000 francs but had issued one for 20,000 francs. Under Article 8, the representative would be liable to the extent to which he had exceeded his powers, and the person represented would only be liable for 10,000 francs. That was natural. It would be impossible to introduce a clause under which the person represented and the representative would be liable for the total amount.

The amendment submitted by the Yugoslav delegation was put to the vote and defeated.

M. GRÖNVALL (Finland) considered that, if the regulation was to be interpreted in the sense indicated by the President, this should be stated clearly and the Drafting Committee should be asked to see that account was taken of it.

The PRESIDENT did not think it necessary to add anything to the article. The Drafting Committee, however, could consider the question.

Baron MARKS VON WÜRTEMBERG (Sweden) supported M. Grönvall's proposal.
Article 8, with the above reservation, was approved at the first reading.

SIXTH MEETING.

Held on May 15th, 1930, at 3 p.m.

President: M. J. LIMBURG.

9. Nomination of the Drafting Committee.

The PRESIDENT proposed that a Drafting Committee of five members should be nominated. The Committee could, of course, seek the advice of the members of the Committee of Experts, of the International Chamber of Commerce and of the Economic Committee present at the Conference. In general, they could consult any delegate. The President suggested the following as members of the Drafting Committee: M. EKEBERG, delegate of Sweden, M. GIANNINI, delegate of Italy, M. PERCEROU, delegate of France and Chairman of the Committee of Experts, M. QUASSOWSKI, delegate of Germany, and M. SULKOWSKI, delegate of Poland.

The proposal of the President were adopted.

10. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes: First Reading (Continued).

ARTICLE 9, FIRST PARAGRAPH.

M. DA MATTA (Portugal) said that, if it was laid down that the drawer was the guarantor of acceptance and payment, it should be stated for whom he was the guarantor. Was it for the holder? Was it for the holder and the drawee? As the two systems existed in the different systems of law, it would be useful to make the text of the article clearer. He believed that the intentions of the experts had been to establish the liability of the drawer to the holder only. This, however, should be stated explicitly.

The first paragraph was approved at the first reading.

ARTICLE 9, SECOND PARAGRAPH.

The PRESIDENT said that the Czechoslovak delegation had proposed an amendment the object of which was to make the guarantee a general one. The amendment was as follows:

“Every stipulation by which he releases himself from his guarantee is deemed to be unwritten.”

M. SRB (Czechoslovakia) said that the text proposed by the Czechoslovak delegation was borrowed from paragraph 7 of the new Czechoslovak Law on Bills of Exchange. The idea behind the proposal, however, was not that of bringing the Uniform Regulation which the Conference was drawing up into concordance with Czechoslovak legislation. It has been suggested by the Union of Czechoslovak Banks an organisation which comprised the majority of the great financial institutions of the country. Competent persons had pointed out that the guarantee of the drawer was considered in practice to be one of the principal bases on which the value of these instruments in economic life reposed. The Preparatory Documents, page 53, contained the following observation by the Dutch Government:

“The Netherlands Government cannot support the provision laid down in paragraph 2 of this article.

“It seems essential to respect the wishes of the drawer who has released himself from the guarantee of payment.

“It will be necessary, however, to provide that such a document, although valid in ordinary law, is not in the nature of a bill of exchange.”

It was true that in regard to the legal effects of a stipulation for release, the suggestion contained in the Dutch Government's observation was contrary to the Czechoslovak proposal. M. Srb did not know the reasons for which the Dutch delegation had not submitted to the Conference a definite proposal on the lines of its Government's suggestion.

The Dutch Government's view, however, like the Czechoslovak proposal, appeared to indicate that it would be preferable to restrict the power to introduce stipulations for release in bills of exchange.

M. TROULLIER (International Chamber of Commerce) said that the International Chamber of Commerce had been very unfavourably impressed by the proposal to grant the drawer the possibility of release from his guarantee. Those who made use of negotiable instruments with bankers and traders feared that this exemption would cause very grave dangers.

Cases might occur in which dishonest drawers would release themselves from guaranteeing acceptance and take advantage of this right to indulge in kite-flying; they would say: “I shall put the name of a drawee who is well known to be solvent and release myself from guaranteeing acceptance. My bill will therefore be accepted and I shall be able to borrow money on it. Between now and the date of maturity, I shall have time enough to find the necessary funds”.

The objection might perhaps be made that the real debtor on a bill of exchange was always the drawer. At the previous meeting, the Conference had again stated this to be the case and had observed that a bill was valid even when wrong. The drawer, however, might be insolvent and, with a stipulation permitting release from acceptance, there would be nothing to prevent him from issuing duds.

M. HAMMERSCHLAG (Austria) was in favour of neither of the modifications suggested. If the drawer was prevented from releasing himself from guaranteeing acceptance, this would prevent the use of non-acceptable drafts which were still current in many countries, among them, he believed, France, and which the drawer did not wish to be presented for acceptance in order to avoid the costs of protest.

Non-acceptable drafts should not be prohibited, since traders regarded them as being of some use in some circumstances. In Austria, there was considerable propaganda in favour of non-acceptable drafts. The same was, M. Hammerschlag thought, the case in a number of other countries. Further, it would be quite contrary to the nature of a bill of exchange to allow the drawer to release himself from payment and it would make bills entirely worthless. M. Hammerschlag therefore urged the Conference to accept the text of the Committee of Experts.

Baron CARTON DE WIART (Belgium) did not understand how the drawer could release himself from the guarantee for payment, but he supported M. Hammerschlag's observations in regard to the drawer's right of release from the guarantee of acceptance. The practice of non-acceptable drafts existed and, in fact, very many drawees, although they were quite determined to pay, disliked being presented with drafts for acceptance — which was perhaps a regrettable practice. That was especially so in regard to very large firms. As this custom was very widespread in certain countries, the stipulation for release from the guarantee of acceptance should not be prohibited.

M. SULKOWSKI (Poland) was in favour of adhering to the text adopted at The Hague and endorsed by the experts. Private persons were often afraid to accept a bill because of the very strict liability falling upon them as the result of exchange law; they were, however, ready to pay the bill if it was presented to them on maturity. This had been very rightly pointed out by the Belgian representative.

Accordingly, the extension of non-acceptable drafts at present in use in some countries should not be prevented. The holder apparently ran no danger, for he was always free to accept payment or to refuse a draft in which the drawer had released himself from his liability for acceptance.

Prince VARNVAIDYA (Siam) said that, according to present Siamese law, release was allowed both from the guarantee of acceptance and from the guarantee of payment. The views of his Government were exactly the same as those of the Netherlands Government, as set forth in the Preparatory Documents, page 53. If the Netherlands delegation had put forward a formal amendment in that sense, he would have supported it, but as it had not done so he would be content with the declaration which he had made. He regretted that he was unable to support the amendment proposed by the Czechoslovak delegation.

M. VISCHER (Switzerland) thought that the Czechoslovak proposal should be discussed at the same time as Article 21, for it was directly connected with the question of the issue of non-acceptable bills of exchange. The latter were unknown in Switzerland, but they apparently met a need in certain countries, more particularly France and Austria. He was ready, therefore, to accept the proposal. The Hague text, as it was, had been adopted with the object of achieving agreement.

The question would, in any case, be better dealt with in Article 21.

The PRESIDENT thought that there was no need to adjourn the question of guarantee until Article 21, since the latter did not deal with exactly the same subject.

The amendment submitted by the Czechoslovak delegation was put to the vote and defeated.

The second paragraph of Article 9 and the article as a whole were approved at the first reading.

CHAPTER II. — ENDORSEMENT.

ARTICLE 10, FIRST AND SECOND PARAGRAPHS.

The first and second paragraphs were approved at the first reading.

ARTICLE 10, THIRD PARAGRAPH.

The PRESIDENT observed that the French delegation had proposed that the words " these persons may endorse the bill afresh " should be replaced by the sentence : " If the bill has been endorsed to the drawee, the latter may not endorse the bill afresh ".

The French delegation considered that if the bill had been endorsed to a drawee who accepted, the latter thus became his own creditor and the bill lapsed by the mergence of identity.

M. HAMMERSCHLAG (Austria) agreed that if the bill was endorsed by a drawee who accepted it, this involved mergence of identity. On the contrary, if the drawee endorsed the bill afresh, the debt would revive. Some such procedure was desirable in order to avoid fresh expense for stamp, etc. Was there any serious reason for preventing that?

M. VAN NIEROP (Netherlands) quite understood the French delegation's objections. Legally, the debt was extinguished and, from the French legal point of view, the bill also lapsed. Practical considerations must, however, be taken into account, for the Conference had been called to draw up a law for traders and bankers. The buyers of acceptances were the banks, which bought them in order to have a very liquid portfolio. Generally speaking, the banks found enough paper on the market; they found a sufficient number of bills accepted by others than themselves. Nevertheless, there were cases where the market for acceptances was very limited and where the banks did not find the paper they preferred. They were then forced to take their own acceptances. They acted in this manner, not in order to extinguish their debts, but simply in order to have liquid assets at their disposal. For that reason, though it was a legal heresy, banks should be allowed to endorse their own acceptances. It was a question of a banking necessity. M. van Nierop would regret it if the French delegation's proposal were accepted.

M. NAMITKIEWICZ (Poland) recalled that there were two opinions on this matter in French doctrine, both supported by distinguished experts in the science of law. According to M. Lyon-Caen and M. Renaud, transfer to the drawee meant that the bill lapsed though merging or rather by a kind of anticipated payment. The bill could not be revived even if it were endorsed by the drawee to a third party.

The second opinion was that expressed in the Treatise by Thaler and Percerou. It was to the effect that endorsement by the drawee, if he was also the acceptor, produced the usual consequences it being impossible to set up against third parties the fact of the merging of identity. According to the first opinion, endorsement in favour of the acceptor was of a special kind; it conferred limited rights. True, the acceptor who was at the same time the holder might enjoy the protection conferred upon him by Article 15, but he was deprived of the rights resulting from Article 10 in particular, the fundamental right of transferring the bill by endorsement.

The French delegation, led by Professor Percerou, had sacrificed the opinion of Thaler and Percerou in favour of that of French case-law, which did not admit the acceptor's endorsement.

The Hague draft Regulation, if adopted, would better safeguard the circulation of bills and the interests of the parties. The desire to safeguard the interests of other persons bound on the bill would not justify the immobilisation of the bill acquired by the acceptor in virtue of an endorsement and the creation of a kind of surety to guarantee that the liability would expire at the time of maturity.

The acceptor did not redeem the bill before maturity, but acquired it by endorsement. He acted in his own interests, which ought to be protected by the law if not detrimental to the rights of others. Sometimes he acquired the bill before maturity in the hope of profiting by the discount and extinguishing his liability. Sometimes, too, he decided to acquire the bill which he had accepted because it represented the maximum guarantee and security he could obtain. Why, then, should the acceptor be forbidden to intervene as an endorser in respect of the liability if the law allowed everyone else to do so?

In conclusion, M. Namitkiewicz thought that the Hague text should be retained.

Baron CARTON DE WIART (Belgium) said that the Belgian delegation completely agreed with the conclusions of M. van Nierop's very lucid statement.

M. PERCEROU (France) remarked that the advantage of the provision lay in the fact that the acceptor, after redemption of the bill, could put it back into circulation and thus keep his portfolio liquid. It was suggested that this would result in a diminution of costs, since, according to the practice current in Austria and Belgium, a bill of exchange that was put back into circulation was not subject to further stamp duties. M. Percerou wondered whether the Treasury in France would agree to the same solution.

M. GIANNINI (Italy) considered that the question had two aspects, a practical and a theoretical aspect.

From the practical point of view, there were several possible causes of the situation dealt with by this provision. A person might, at a certain moment, find it necessary to get back possession of an instrument put into circulation, but without having on that account any intention to pay it. The adoption of the radical solution, whereby the person who resumed possession of the instrument was considered as bound to pay it, would handicap the working of a practical system which met certain special exigencies.

In Italy, a bill could be put back into circulation and the Treasury had never raised any difficulties. There was an Italian bill the object of which was to confirm this practice.

There was a theoretical objection to that, and in this connection M. Giannini would not try to make M. Percerou the professor contradict M. Percerou the delegate. Such situations arose fairly often, but in M. Giannini's opinion the proposed amendment was negligible and he doubted whether there was any considerable danger of confusion. No such confusion existed in Italy at all events.

In conclusion, M. Giannini hoped that, if the question was put to the vote, the French representatives would support the original text without the French amendment.

M. PERCEROU (France) would not press the French amendment.

The PRESIDENT, without wishing to re-open the discussion, thought that the Conference ought not to attach too much weight in the discussions to fiscal arguments. Its aim was to draw up a law on bills of exchange and promissory notes, and it would be for the different Governments to take such measures as suited them in regard to stamp and duties.

The third paragraph of Article 10 was approved at the first reading.

Article 10 as a whole was approved at the first reading.

ARTICLE II.

The first and second paragraphs were approved at the first reading.

ARTICLE II, THIRD PARAGRAPH.

The PRESIDENT pointed out that an Italian amendment suggested that the third paragraph should read as follows :

“ An endorsement to bearer is regarded as an endorsement in blank.”

M. MOSSA (Italy) said that the Italian amendment was intended to keep the endorsement to bearer, which was considered to be an endorsement in blank. In the Italian delegation's opinion, an endorsement in blank was nothing less than an endorsement to bearer. The necessities of the circulation of bills made it very useful to keep the endorsement to bearer. The Italian proposal, far from being detrimental to the system of bills of exchange, was really connected with the fundamental principles of bills of exchange.

Prince VARNVAIDYA (Siam) and Baron MARKS VON WÜRTEMBERG (Sweden) supported the Italian amendment.

M. GIANNINI (Italy) pointed out that the Italian amendment tended to bring the Uniform Regulation nearer to the Anglo-Saxon system of law.

M. HERMANN-OTAVSKY (Czechoslovakia) feared that the Italian amendment might cause certain difficulties in the application of Article 13. Might an endorsement to bearer be filled in? In that case, would it be necessary to cancel the words “ to bearers ”?

M. PERCEROU (France) asked if it was logical to refuse to admit the validity of a bill of exchange to bearer but nevertheless to admit that of an endorsement to bearer. Was there not some inconsistency?

M. ARCANGELI (Italy) reminded the Conference that an endorsement in blank was contemplated by the draft. Legal literature was unanimous in agreeing that, in practice, an endorsement in blank had the same effect as an endorsement to bearer. The Italian delegation did not wish to lay undue importance on a question of mere words; but, as M. Giannini had pointed out, the proposal advanced the draft Regulation a step nearer the Anglo-Saxon system; and, in these circumstances, the Italian delegation would press its proposal.

M. HAMMERSCHLAG (Austria) thought that perhaps M. Percerou was logically right in asking whether it was not inconsistent to allow endorsements to bearer and to refuse to allow bills of exchange to bearer; but the principal reason for which it was impossible to allow bills of exchange to bearer was the opposition of the banks of issue. This practical argument was of real importance. It appeared that there was no such opposition to endorsements to bearer, since an endorsement of that kind did not create a bill of exchange that was capable of being a substitute for bank-notes.

M. PERCEROU (France) thought that, in practice, banks of issue might have objections to the issue of bills to bearer, and he wondered whether they would not also have objections to transferring bills endorsed to bearer. Moreover, he did not think that the endorsement to bearer and the endorsement in blank had absolutely the same effects.

M. Percerou therefore asked the Italian delegation to make a slight change in its proposal by saying that an endorsement to bearer was equivalent to an endorsement in blank.

In reply to a question from the President, he said that there was no real difference in French between the expressions “ l'endorsement au porteur est considéré comme un endorserment en blanc ” and “ l'endorsement au porteur vaut un endorserment en blanc ”.

M. GIANNINI (Italy) accepted the formula proposed by the French delegation.

M. PERCEROU (France) added that the expression “ endorsement en blanc ” had been used in the French Law of June 14th, 1865.

M. SULKOWSKI (Poland) thought that the inconsistency pointed out by M. Percerou might be taken up again at the second reading.

The Austrian delegate had considered that it was impossible to admit bills of exchange to bearer, because they would be detrimental to the prerogatives of the banks of issue. Personally, M. Sulkowski did not think this fear justified, for the fundamental reason that bank-notes were legal tender and must always be accepted by a creditor; a bill of exchange, on the other hand, was not legal tender.

He pointed out that, even if an endorsement to bearer was allowed, a bill of exchange would not be converted into an instrument to bearer, since the rights of a bearer who availed himself of his rights by endorsing the bill to bearer would nevertheless be established by an unbroken chain of endorsements preceding the endorsement to bearer.

The PRESIDENT said that Article 12 of the German law as well as Article 134 in the Dutch Commercial Code allowed endorsements in blank.

Mr. GUTTERIDGE (Great Britain), M. HAMMERSCHLAG (Austria), Prince VARNAIDYA (Siam) and M. MONTEJO (Spain) pointed out that it was the same in the law of their countries.

The amendment proposed by the Italian delegation was unanimously approved at the first reading in the following revised form: "An endorsement to bearer is equivalent to an endorsement in blank".

Article II as a whole was approved at the first reading.

ARTICLE 12, FIRST PARAGRAPH.

The PRESIDENT said that the German delegation proposed to restore the Hague text of 1912, the first paragraph of which read :

"An endorsement must be written on the bill of exchange or on a slip attached thereto (*allonge*). It must be signed by the endorser."

M. QUASSOWSKI (Germany) explained that the German delegation did not think it advisable to suggest as a general rule that an endorsement should be written on the back of the bill. Causes of nullity should be avoided as far as possible, and a distinction must be made between completed endorsements and endorsements in blank. True, the latter must be written on the back of the bill, since otherwise it would be impossible to ascertain in what manner the signatory had bound himself and whether it was by an acceptance of an "aval" or an endorsement. In any case, there was no reason to declare ordinary endorsements made on the face of a bill null and void. Obviously, according to commercial custom, endorsements were usually made on the back of a bill ; but an endorsement on the face might occur, and there was no sufficient reason to regard it as invalid. It should be also observed that the custom was not to write endorsements on the back of *allonges*, and that was the reason for which the German delegation had proposed that only endorsements in blank should be written on the back of bills of exchange.

The first paragraph of the amendment proposed by the German delegation was approved at the first reading by 14 votes to 9.

ARTICLE 12, SECOND PARAGRAPH.

The PRESIDENT thought that, as the Conference had adopted the first part of the German amendment, it should also adopt the second part, which read as follows :

"An endorsement is valid even though the beneficiary is not specified or the endorser has done nothing more than put his signature on the back of the bill or *allonge* (endorsement in blank)."

M. PERCEROU (France) was afraid that the meaning of the proposed text might be misunderstood and suggested that the second paragraph should read as follows :

"An endorsement is valid even though the beneficiary is not specified or the endorser has confined himself to putting his signature to the bill. In this case, nevertheless, an endorsement will be valid only if it is written on the back of the bill of exchange or on an *allonge*."

M. ARCANGELI (Italy) agreed that this wording was clearer.

M. QUASSOWSKI (Germany) accepted the modification proposed by M. Percerou.

M. PERCEROU (France) proposed the following draft :

"The endorsement need not specify the beneficiary, or may consist only of the signature of the endorser (endorsement in blank)..."

M. ARCANGELI (Italy) observed that an endorsement was in blank when the name of the person in whose favour the endorsement had been made was omitted. An endorsement in blank might contain the words "to order". The text before the Conference covered both endorsement with the words "to order" and endorsement by signature alone.

As for the question whether endorsement should be made on the back or face of the bill, it should be remarked that if endorsement included the words "to order", there was no possible doubt ; the person who had signed had quite demonstrated his intention to endorse the bill, even though his signature had been written on the face.

M. Arcangeli asked whether M. Percerou meant that even in this case the signature should be written on the back of the bill.

M. PERCEROU (France) believed that everyone was in agreement on the substance of the question. It was important to avoid all confusion between endorsement and the apposition of another signature for an "aval" ; but as yet there was no fixed rule for the way in which the signature should be written. It would apparently be better to hold over this latter point and refer it to the Drafting Committee.

The PRESIDENT reminded the Conference that it had already adopted the German amendment to the first paragraph. If the amendment to the second paragraph was rejected, the result would be that the German system would apply to one part of the article and the system of the Committee

of Experts to the other part. It would therefore be best if the Conference adopted the second part of the German amendment, too, which now read as follows :

“ The endorsement may leave the beneficiary unspecified or may consist simply of the apposition of the signature of the endorser (endorsement in blank). In that case, the endorsement, to be valid, must be written on the back of the bill of exchange or on the slip attached thereto (*allonge*).”

The second paragraph of the amendment proposed by the German delegation was approved at the first reading in the above form.

Article 12 as a whole was approved at the first reading.

ARTICLE 13.

Approved as a whole at the first reading.

ARTICLE 14.

Approved as a whole at the first reading.

ARTICLE 15, FIRST PARAGRAPH.

Approved at the first reading.

ARTICLE 15, SECOND PARAGRAPH.

The PRESIDENT said that the observations by the German Government contained the following amendment :

“ Where a person has lost a bill of exchange in any manner whatever, the holder who shows his right thereto in the manner mentioned in the preceding paragraph is not bound to give up the bill unless he has acquired it in bad faith. He has acted in bad faith if, in acquiring the bill, he was aware, or through gross negligence unaware, of the fact that the transferer was not the legitimate holder or his representative, or else that he was not entitled or legally able to dispose of the bill.”

M. QUASSOWSKI (Germany) said that this amendment was of considerable importance and he would not be exaggerating if he said that this was the most controversial and doubtful point in the whole of exchange law. Members might imagine how many conflicting opinions there would be if the interpretation of a provision of that kind was left to the discretion of the different countries. There was general uncertainty as to the notion, bad faith. What was bad faith? The answer given by German common law was quite clear. If a person was aware of an irregularity or was unaware of it owing to gross negligence, that was bad faith ; but the draft contained no definition, and the question remained extremely doubtful. Perhaps bad faith might be compared to the idea of conspiracy to defraud. It might perhaps mean the knowledge of certain facts, or it might have yet some other meaning. In order to avoid all these doubts, it would be better to replace this rather hazy expression by a more precise paraphrase.

In addition, the facts to which the expression “ bad faith ” referred would have to be determined. The draft made it impossible to know whether the bad faith of the person who had acquired the bill depended on the fact that the preceding endorser had had no right to it, or whether it depended on some other fact, such as that a previous endorser had lost the bill.

Under the text proposed by the German delegation, the only decisive facts were that the acquirer of the bill was aware, or, through gross negligence, unaware, of the defects in the transferred bill.

Consequently, if the acquirer realised that his immediate endorser had no right to the bill, or if he was ignorant of this fact through gross negligence, he did not acquire the bill. But if he was aware, or if through gross negligence he was unaware, of the fact that some previous endorser had lost the bill, then he would have full right to hold the bill.

This solution would, M. Quassowski believed, probably settle many difficulties and at the same time it appeared to be in conformity with equity, for if a person in acquiring a bill was unaware of the fact that the bill had been purloined from the legitimate holder, and if he acquired it in a lawful manner, then he ought to be able to transfer it, in the same conditions, even in the case when the acquirer realised that the bill had been lost.

This question was as important as it was difficult and subtle. M. Quassowski did not think that the formula proposed by the German delegation was perfect. The question certainly deserved careful examination, and he personally was ready to welcome any helpful modification. He suggested that a sub-committee might be set up to deal with this question, as had already been done for incomplete bills of exchange.

M. SULKOWSKI (Poland) thought that the idea of bad faith was sufficiently clear. If the words “ bad faith ” were taken in connection with the following words, “ gross negligence ”, there could be no possible doubt. Bad faith obviously depended on knowledge, on the fact that the person who acquired the bill knew that the person who had transferred it had no right to dispose of it. He could not acquire it in such a case, just as he could not do so where he was ignorant of these facts through gross negligence.

Apart from that, the German proposal involved a modification to the provisions of Article 15, paragraph 2, which only related to the case of defect of right in the person transferring the bill. The German delegation was proposing that the principle of protecting the person who had acquired a bill in good faith should be extended to cases where such a person had acquired a bill of exchange from a person who was not capable. In this way, the German proposal would certainly make for greater security in the circulation of bills of exchange.

But he wondered whether this modification was justified in substance. Should the interests of an incapable person be sacrificed for the benefit of a person who acquired a bill in good faith?

This question was related to the provisions of Article 3 of the draft Convention drawn up by the experts. The Conference would have to define the provisions of a law which would determine the capacity of a person, and a choice would have to be made between national law and the law of the place where the bill of exchange had been signed. If the national law were adopted, it would be inconsistent to admit that the obligation contracted by an incapable person was not valid, and to admit, at the same time, that a bill of exchange might nevertheless be validly acquired from such an incapable person.

The German proposal therefore appeared to go too far. The problem was of such extraordinary complexity that it would be useful for a sub-committee to examine it.

M. GIANNINI (Italy) said that his delegation had considered the German proposal very sympathetically. It had noted, however, that M. Quassowski, when raising the problem, had himself realised the difficulties which would be met in drawing up a text. He desired to draw attention to a general problem; when a general problem was defined in a convention, or in a special provision of any kind, the scope of its interpretation should be limited. For that reason, in the first place, it should be stated, not that the bearer "was acting in bad faith" but that he was "considered to be acting in bad faith".

It was dangerous to insert a definition of a general character in a special Convention, for the very simple reason that either it meant nothing, and was in that case useless, or else it meant something that was not in conformity with the general principles of the question, and in that case it could only be accepted with difficulty.

The object of the German proposal seemed to be to make the definition of bad faith clear. Italian theory and practice had never encountered any difficulties in regard to this expression. It seemed, however, to be the fate of international Conventions to include things which were not strictly useful and which were sometimes even useless. An endeavour should, however, be made to keep down the number of useless insertions. What was it that the German delegation proposed? It proposed to state that "the holder had acted in bad faith if, in acquiring the bill, he was aware or, through gross negligence, unaware of the fact that the transferrer was not the legitimate holder or his representative, or else that he was not entitled or was legally unable to dispose of the bill". In that latter case, however, he was not the legitimate holder, and the two cases contemplated were, in reality, merely additional explanations to an explanation. If the last words were unnecessary, since they had added nothing, what divergence was there between the German delegation's text and that of the experts? There seemed to be no difference, for the text of the experts said: "unless he has acquired it in bad faith, or unless, in acquiring it, he has been guilty of gross negligence".

This text omitted to deal with the question whether gross negligence could in all cases be considered an act of bad faith. To assimilate it in all respects in this special Convention to the intention to defraud would be going somewhat too far and might establish a dangerous precedent. It would be preferable to adopt a somewhat more elastic formula which would nevertheless allay all apprehensions.

The Hague Conventions, though not in force, had a very great influence, not only in the States which had adopted them, but also in the other States, either owing to the special laws which had been voted, or because of the interpretations and guiding principles which they had furnished for the law on the subject. They had had a considerable influence on legal theory.

The formula adopted had caused no apprehension to Italian thinkers nor probably to French thinkers either. That did not appear, however, to be the case in Germany, since the German delegation had made certain observations on the point. But did the formula which it proposed allay their apprehensions? M. Giannini would not care to press the formula, for the German delegation itself had maintained that its terms could be amended by a sub-committee. Was it, however, really necessary to appoint a sub-committee? He did not think that it would be competent to settle the question of substance. The question was that of finding the best possible formula, and that was a task for the Drafting Committee. If the latter was merely instructed to convert the decisions unanimously adopted by the Conference into a text, its practical utility would be very small. That was not the idea which the President had had in mind in proposing the Drafting Committee. Such a course would not be in conformity with the general practice of conferences.

If there were any doubts on the point, the entire question should be sent to the Drafting Committee. He did not oppose the examination of the German proposal, but he thought that it merely formulated a doubt and did not solve the problem. The proposal itself gave rise to certain apprehensions which the movers themselves shared, since they were anxious for a formula to be found.

Both in order to gain time and for technical reasons, M. Giannini proposed that the entire problem should be submitted to the Drafting Committee. While awaiting the results of its investigations, the words "bad faith" could be passed, unless it were decided later to change the formula.

Mr. GUTTERIDGE (Great Britain) agreed that the present question was one of the most important in the whole draft. He desired to inform the Conference of the attitude of English law towards the question of bad faith. The test which English law applied was one which worked well from both the commercial and the juridical points of view. The test was simply this: were there any elements of suspicion present in the mind of the holder when he took the instrument? If there were no elements of suspicion present in his mind, then he had acted like an honest man and in good faith. If, on the other hand, he had any suspicion whatever, he was not acting honestly nor in good faith.

The importance of this point of view lay in the fact that it entirely ignored the element of negligence. According to English law, negligence did not enter into the matter at all; it was merely a question whether a man had been dishonest, not whether he had been careless.

Mr. Gutteridge had always felt the strongest aversion to the use of the term "gross negligence". That term had found its way into both English and Continental law, and its origin, presumably, was to be found in Roman law. In England, there was the greatest difficulty in distinguishing between simple negligence and gross negligence. One of the English judges had summed up the matter very aptly when he said: "What is gross negligence? Gross negligence is merely negligence with the addition of an abusive epithet". There was no real distinction between the two, and Mr. Gutteridge felt that, if the element of "gross negligence" was introduced into the matter, difficulties were likely to arise in any discussion before a court of law.

M. SCHELTEMA (Netherlands) emphasised the fact that the object of the German amendment was not merely to define "bad faith".

The German delegate's argument was as follows: "If I endorse a bill of exchange and if, being the bearer, I learn that the bill has been lost or stolen at some other time, but if I knew also that the person who directly preceded me as holder was acting in good faith, am I acting in bad faith?"

To put it in other words: In cases of bad faith, must only the relations of the holder and his direct predecessor be taken into account, or what may have happened in the past as well?

The German amendment raised also the question to what the bad faith mentioned in Article 15 referred.

M. QUASSOWSKI (Germany) explained that the object of the German delegation's proposal was to obviate, as far as possible, the difficulties arising in this matter.

In the first place, the meaning of the term "bad faith" must be defined. This was not so clear as the Polish delegate seemed to consider. Did bad faith cover cases of fraudulent understanding?

The second object of the German delegation's proposal was to lay down that paragraph 2 of Article 15 covered only cases in which the act of transfer was incomplete. These were the cases mentioned by the Netherlands delegate.

The provision proposed by the German delegation was therefore indispensable for the sake of clearness.

M. PERCEROU (France) was certain that the importance of this problem had escaped neither the Hague Conference nor the Committee of Experts. Its study, however, had shown that the idea of bad faith could not be defined in a manner which would satisfy all States. The attempt to define its meaning in the present regulation would lead to the great objection that it might leave uncovered cases which really ought to be included in that idea.

It would be best to adopt the text submitted to the Conference and leave it to the Drafting Committee to propose a better wording, if they could discover one.

M. SULKOWSKI (Poland), referring to M. Quassowski's observations, thought that the notion of fraudulent understanding was different from that of bad faith.

The words "fraudulent understanding" had been struck out by the experts from Article 16 and replaced by the expression "bad faith". The German delegation's proposal was to the effect that the expression "fraudulent understanding" should be restored in Article 16. If that proposal was adopted, there would be no possible doubt that "fraudulent understanding" differed from "bad faith". The first of these two ideas covered cases of collusion; that was to say, cases where the person who transferred the bill and the person who acquired it acted with the common intent of defrauding the debtor by depriving him of the defence he might set up.

The PRESIDENT was glad to note that several members considered that there was no need to have a special committee to study the question. The Conference should not recoil before the first difficulty, and, if the question was reduced to its simplest proportions, could it really be said that the difficulties were either so great or so numerous? The President did not think so.

The Conference had before it a text which had been drawn up with the greatest care, first in 1910, then in 1912, and later by different committees. That text had resisted all assaults and remained unchanged. One single amendment had been made in it, the words "fraudulent understanding" being replaced by the words "bad faith".

The German delegation, in its amendment, replaced the words: "Where a person has been dispossessed of a bill of exchange" by the words: "Where a person has lost a bill of exchange." The draft proposed by the Committee of Experts was preferable, for the word "lost" could not cover, for example, the theft of a bill.

Secondly, the German amendment said: "The holder has acted in bad faith if, in acquiring the bill, he was aware or, through gross negligence, unaware . . ." The President thought that it was a legal heresy to maintain that the holder was guilty of bad faith when he "was unaware through gross negligence".

The passage stating that "he (the holder) was not entitled or legally able to dispose of the bill" did not concern the holder, as M. Giannini thought, but his predecessor.

On this point, the President urged the need for the greatest caution. In the first place, a special article would be inserted in the Convention on conflicts of laws. Secondly, and this was more important, the Conference would have to examine an article laying down that, even if an endorsement was not valid because of some defect inherent in the person endorsing it, the next holder, nevertheless, received the bill with all the rights attaching to it.

If the text of the Committee of Experts was compared with the German delegation's amendment, certain important differences would be noted. The Committee's text said:

"The holder is not bound to give up the bill unless he has acquired it in bad faith, or unless, in acquiring it, he has been guilty of gross negligence."

The German delegation's amendment, however, stated that :

“ The holder has acted in bad faith if in acquiring the bill he was aware or, through gross negligence, unaware of the fact that the transferer was not the legitimate holder.”

On this point, the German amendment left less freedom to the judge than the text of the Committee of Experts. The article in the draft left the judge free to decide whether it was only in respect of the immediate transferrer that the holder should be guilty of bad faith, or whether this also might happen in respect of a predecessor.

Which was the better wording? The President could not decide this point at the moment.

There remained the question of bad faith or gross negligence. The British delegate who had described the English law might be answered as follows : “ Do not take too much for granted. You say you are not in favour of the slight difference in meaning between *culpa lata* and simple negligence, but the question will none the less have to be settled by your judge. In one case the judge will say : ‘ Yes, there has been negligence, but it is simple negligence ’ ; while in any other case the judge will say : ‘ You are wrong ; you have committed gross negligence which you ought to have avoided ’ ”.

This question would therefore arise in practice and in commerce, even in England.

So far as the question of bad faith was concerned, the judge must be left a certain margin to decide whether in special cases there had or had not been bad faith.

The continuation of the discussion was postponed to the next meeting.

SEVENTH MEETING.

Held on May 16th, 1930, at 10.30 a.m.

President : M. J. LIMBURG.

11. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continued).

ARTICLE 15 (Continuation).

M. GIANNINI (Italy) said that a private exchange of view had taken place with regard to the problem raised by the German delegation in connection with the second paragraph of Article 15 and the conclusion reached was that the second paragraph should be retained as it stood, since the doubts which had been expressed could be considered as removed as a result of the explanations which would appear in the Minutes or in the general report of the Conference. During the exchange of views, it had become clear that it might be very dangerous to explain in a special Convention what was understood, from the general point of view, by “ bad faith ”. The problem did not arise only in regard to bills of exchange, it might arise again in other spheres of international law. It had seemed preferable from the general point of view not to raise the question in order to avoid the assumption that the interpretation was doubtful from the international standpoint. The delegates who had taken part in the exchange of views had considered certain particular cases which were the same as those referred to in the German amendment. As to the problem of capacity, they had noted that, in the Hague Convention, there was an article which laid down that it was for the national legislations to draw up rules governing the matter. The framers of the Hague system had defined their attitude towards the problem. With regard, on the one hand, to the facilitation of the circulation of bills of exchange which was the particular object of the uniform regulation, and, on the other hand, to the problem of the protection of incapable persons not possessing capacity, the Hague Convention laid down that the national law operated always.

The delegates in question had considered that the German preoccupations regarding the two other problems mentioned in that delegation's proposal would be fully covered by the explanations in the general report, which would explain the solution adopted for the problems. Those explanations would be of service in practice in the interpretation of the Convention. It was in that spirit that the delegates had agreed to retain the second paragraph of the draft.

M. Giannini added that there had also been an unofficial exchange of views on the relationship between Articles 15 and 16 ; but, owing to lack of time, it had been impossible to conclude it, and he asked the Conference to be good enough to adjourn the discussion of Article 16.

The PRESIDENT thought that the time had come to consider the appointment of a Rapporteur. In his opinion, the Drafting Committee should elect one of its members. It was regrettable that there had been no general reports on the 1910 and 1912 Conferences. This Conference should avoid making the same mistake.

M. QUASSOWSKI (Germany) said that the German delegation would withdraw their proposal for Article 15, M. Giannini's explanations having given them entire satisfaction. They therefore accepted the text of Article 15 as it stood.

The second paragraph of Article 15 was approved at the first reading.

Article 15 as a whole was approved at the first reading.

ARTICLE 16.

The PRESIDENT pointed out that the Italian delegation had asked that the discussion of this article should be held over. For his part, he saw no objection to that suggestion, in view of the fact that there was no close connection between Article 16 and Article 17. He therefore proposed that the Conference should discuss Article 17.

The Conference agreed.

ARTICLE 17, FIRST PARAGRAPH.

Approved at the first reading.

ARTICLE 17, SECOND PARAGRAPH.

The PRESIDENT pointed out that this paragraph had some relation to Article 16, and could be adopted subject to the discussion on that article.

The second paragraph was approved provisionally at the first reading.

ARTICLE 17, THIRD PARAGRAPH.

The PRESIDENT pointed out that the Italian delegation had submitted an amendment to substitute the words "is not terminated" for the words "is not revoked".

M. NAMITKIEWICZ (Poland) accepted the Italian amendment, which, in his opinion, made the text clearer.

Nevertheless, the Polish delegation had some explanations to make concerning this paragraph. In the observations on the article, the Committee of Experts had stated that the provision had been inserted with a view to increasing the credit of the bill of exchange and facilitating its circulation. It would, however, appear necessary to introduce the third paragraph for other reasons. In the interest of the parties, it should be laid down that the mandate was not revoked by the death of the party giving the mandate or by the fact that he had become incapable. In the case of incapacity or death, it was in the interest of the party giving the mandate or his assigns that the mandate should be executed promptly. On the other hand, it was of great importance to the agent that his mandate could be executed, especially when he was in relations outside the scope of exchange law with the party giving the mandate.

For those reasons, the Polish delegation was in favour of the third paragraph as amended by the Italian delegation.

M. TROULLIER (International Chamber of Commerce) pointed out that the International Chamber of Commerce had at first raised objections to the insertion of the paragraph. The International Chamber had observed that, if the agent was ignorant of the reasons for which the mandate was terminated, what he had done in ignorance thereof was valid. Nevertheless, after reflection, it considered that it was desirable to accept the text of the experts.

M. PERCEROU (France) proposed that, in the Italian amendment (French text), the words "*ne cesse pas*" should be replaced by "*ne prend pas fin par...*".

The third paragraph was approved at the first reading in the following form:

"The mandate contained in an endorsement by procuration is not terminated by the death of the person giving the mandate or by the fact that he has become incapable."

M. QUASSOWSKI (Germany) stated that he would not press the observations submitted by the German Government.

Article 17 as a whole was approved at the first reading.

ARTICLE 18.

The PRESIDENT pointed out that the German delegation had submitted an amendment to delete the words "...but an endorsement by him only avails as an agency endorsement, without prejudice to the right of the creditor who holds the pledge to realise the pledge when the debt falls due".

M. QUASSOWSKI (Germany) pointed out that the provisions of Article 18 had been discussed very closely at The Hague. There was a difficulty of substance which it was not easy to avoid. The problem was as follows: it was necessary, on the one hand, to protect the rights of the endorser, who was the creditor holding the pledge until the debt secured by the pledge had matured; and, on the other hand, to give to the creditor holding the pledge the right to sell the bill and to transfer it when the debt secured by the pledge fell due. The experts wished to solve the problem by distinguishing between the two cases. Until maturity, the endorsement made by the creditor holding the pledge was only valid as an agency endorsement. After the debt had matured, however, the creditor holding the pledge had the right to realise the pledge; that was to say, to transfer the bill by means of an ordinary endorsement. As M. Hammerschlag had pointed out at the Hague Conference, it could not be admitted that the question whether such an endorsement was transferable or not should be solved in a different manner according to whether the debt had matured or not, since that fact could not be ascertained from the bill of exchange.

It appeared essential to determine the effects of the endorsement made by the creditor holding the pledge on uniform lines ; but how should those effects be determined? There appeared to be three possibilities : (1) to prescribe that the endorsement of a holder was only equivalent to an ordinary assignment ; (2) to decide that it was only equivalent to an agency endorsement ; (3) to give the holder the right to endorse the bill by means of an ordinary endorsement. M. Upka, Professor at Vienna, had suggested a provision on the lines of the first solution. The second solution appeared in the Hague text, which left it to the common law of the various countries to determine the rules for the realisation of the pledge.

The German delegate considered that if the debt secured had fallen due the creditor holding the pledge should be able to transfer the bill by means of an ordinary endorsement. The realisation of the pledge — that was to say, the discounting of the bill — would seem to be almost impossible if an ordinary endorsement were not permitted.

M. Quassowski was of opinion that the effects of the endorsement should be regulated on uniform lines, and therefore proposed that the creditor holding the pledge should have an unrestricted right to make ordinary endorsements. Doubtless, the objection would be raised that this solution did not sufficiently protect the debtor who had given the bill as a pledge. In the same way, it might be said that the solution decreased the differences between pledged and unpledged bills, but there was no other satisfactory solution.

For Germany, the introduction of the " endorsement by way of pledge " would be an innovation. The determination of the endorsement would raise difficulties, and for that reason M. Quassowski wondered whether it was, in fact, necessary to introduce such endorsements. He would ask the delegates of the countries with experience of that kind of endorsement whether the provisions in their law were of practical value.

M. SULKOWSKI (Poland) pointed out that the Hague regulation went far to assimilate endorsement of a bill by way of pledge nearer to the endorsement by the holder in the ordinary way. The uniform regulation said that the persons liable could not invoke defences against the holder which could be set up by the endorser ; in other words, the creditor who held the pledge was in this respect treated as an owner.

The German proposal would tend to assimilate more the endorsement by way of pledge and the ordinary endorsement by a holder, and to recognise the right of the creditor who held the pledge to transfer the bill of exchange as if it were his property. If that proposal were adopted, there would be no difference between a creditor holding the pledge and a holder in the ordinary way. The former would always have the legal status of the holder, whether it was a question of the defences which could be set up or of the transfer of the bill of exchange.

In substance, the German proposal seemed justified. The creditor who held the pledge should be able to transfer the bill of exchange as if it were his property, if, for instance, he assigned the debt secured by the bill of exchange. On the other hand, that possibility should exist in cases in which the debt secured by the bill of exchange had matured.

At the same time, it might be asked whether the question was really worth settling. Article 18 would always be a fragmentary solution. A bill of exchange could be given in pledge, not only by the means provided in Article 18 — that was to say, by an endorsement by way of pledge — but also in other ways. It could be made over as a pledge by an ordinary endorsement without any mention of pledge. Under some legislations, a bill could be made over as a pledge merely by surrendering possession of it.

Further, in view of the close relation between the provision of Article 18 and the provisions of civil law, which it was not proposed to unify, the stipulation might lead to confusion if that special point were settled while other cases were disregarded. M. Sulkowski wondered whether it would serve any practical interest to settle the question. Before the war cases of pledge had occurred sometimes. In Germany, in particular, there had been a practice of putting bills of exchange in pawn (*en pension*) in France in order to take advantage of the difference in the discount rate, which was higher in Germany than in France. At the present time, cases of pledging were rare. When a person in possession of a bill of exchange needed the sum which it represented he discounted the bill.

In conclusion, the Polish delegate suggested that the provision should be deleted, and the matter left to be settled by the civil law of each country.

M. EKEBERG (Sweden) believed that endorsement involving a pledge was unknown in the exchange law of most countries. If those countries were in future to accustom themselves to the system, it was reasonable for them to ask that the relevant provisions should be drafted as clearly as possible. The proposed text did not altogether fulfil these requirements.

Suppose, for instance, a bank received a bill of exchange as security for a debt by means of an endorsement " by way of pledge ". The bank might, for one reason or another, desire to withdraw from the transaction, and for that purpose to transfer the pledge together with the principal debt. If Article 18 were interpreted literally, the bank would nevertheless be unable to dispose of the bill of exchange, except by an endorsement by procuration ; but that would obviously not be satisfactory to the person to whom the principal debt had been ceded. The endorsement by procuration did not give him the right to sell the bill of exchange when the principal debt fell due, and did not release him from the defences which might be set up against the endorser.

Was it really intended, in the draft under discussion, that, on the assignment of the principal debt, a bill of exchange could only be assigned with the effects of an endorsement by procuration ?

The German delegate had raised a still more important objection. If a bill of exchange was, in the first place, endorsed by procuration and afterwards by an ordinary endorsement, the result would be a lack of clearness that would be particularly undesirable in the law on a matter such as bills of exchange. The value of the ordinary endorsement would, in that case, depend on a

circumstance which was independent of the bill of exchange. It was necessary to know whether or not the principal debt had fallen due when the endorsement was made, which fact was, as a general rule, absolutely unknown to the third party. A provision of that sort would not meet the requirements of security in economic matters, and would not conform to the need for clarity and precision that characterised the law on these subjects.

In those circumstances, was this provision, which was foreign to a number of countries and which hardly seemed to be used, really necessary for the greater number of States? Even if the legislation of a few countries mentioned endorsement "by way of pledge", was not the pledge currently given by means of an ordinary endorsement? It might be asked whether a uniform regulation should provide for the employment of that method in all countries. It was inevitable that the uniform regulation should be relatively complicated and difficult to understand on some points at first sight; but, as far as possible, an effort should be made to limit its provisions.

As far as the substance was concerned, the Swedish delegation saw no objection, in principle, to supporting the German proposal, but wondered whether it would not be preferable simply to omit Article 18, and to make a reservation that States who desired to do so had a right to maintain the rules already in force in their territory, at any rate during a certain transitional period.

The PRESIDENT was under the impression that the members who had spoken so far had not taken into consideration the fact that the article referred to cases where the expressions "value in security" or "value in pledge" were contained in the endorsement of the bill itself. It was obviously possible that neither of those stipulations would be found in the endorsement, but that, nevertheless, it had been intended to pledge the bill of exchange. For the moment, however, the Conference was not concerned with that possibility; the question was whether, in actual practice, there existed bills of exchange of which the endorsement contained one or other of the above stipulations. If the answer was in the affirmative, it was necessary to regulate the legal effects of the terms "value in pledge" and "value in security".

M. WEILLER (Italy) considered that the question whether an endorsement "by way of pledge" in the special form of an endorsement with a special clause was a practical one or not could never be settled conclusively. Nevertheless, if a bill of exchange was to be as perfect an instrument as possible, it must fulfil all possible requirements. Endorsement by way of pledge was a legal instrument that existed, and there was no good reason for discontinuing its use. If it was not very useful, at any rate it rendered some service, and might prove still more serviceable in the future. Moreover, it offered no danger.

In the second place, M. Weiller considered that the legal provisions governing this instrument should be simple. That should serve as a test for the German proposal. Theoretically, the latter appeared very valuable, but from the practical standpoint it seemed very complicated; in fact, there were two kinds of pledges for the transfer of bills of exchange. The first was the fiduciary pledge referred to by the President. A bill of exchange had been surrendered as a pledge. It was a question of a contract between the parties, and the endorsement was an ordinary endorsement. That implied great confidence between the parties. The special form of endorsement showed that confidence did not exist. If confidence did not exist before maturity, there was no reason why the parties should deserve it more after maturity.

The German proposal divided the position into two periods of time: the period up to maturity and the period after maturity of the principal debt — and not of the exchange debt — for which the bill had been given in pledge with the special form of endorsement. It was clear that until maturity, the creditor who held the bill with the special endorsement could only dispose of it by endorsing it by procuration, since he could not do so himself. When maturity supervened, the creditor had a claim on the principal debt. He could demand payment, and the debtor could set up his defences. The question, however, was one of a pledge, and at that moment civil law entered into the realm of exchange law. It would be said that the bill had become a commodity, which could be sold to cover the principal debt. But, according to the law of the different countries it could only be sold with the permission of the court; the creditor could not take the law into his own hands. If, however, the endorsement "by way of pledge" were given the effect of an ordinary endorsement, the creditor would have to take the law into his own hands and would treat the bill like any commodity which he could transfer to the possession of another person. It should not be forgotten, however, that it was not a commodity, but a bill of exchange that was involved, and the new holder must be able to see that the endorser had a limited right, which would not lose its character as a limited right because the bill had matured. It was possible that the debt did not exist, and the debt did not afford any proof at all that the relationship was real and effective. The German proposal could be supported for theoretical reasons, if greater stress were laid on the character of the original acquisition of the ownership of a bill of exchange sold under the above condition; but, as the new holder was obliged to obtain information as to his predecessors, he had not acted in absolutely good faith.

Finally, the abstract nature of the transfer obtained by endorsement "by way of pledge" was not made clear. There was always a second endorsement of a causal character, which was bound up with the fundamental relationship and subsisted after maturity.

In conclusion, it appeared to M. Weiller that the solution by which the second endorsement would be an endorsement for procuration — that was to say, an endorsement which transferred the possession of the right existing before maturity — was entirely correct; and he believed that M. Sulkowski, who was a specialist in the matter, was of very nearly the same opinion. M. Weiller therefore proposed the adoption of Article 18 as it stood, apart from possible revision in the drafting of the phrase: "without prejudice to the right of the creditor who holds the pledge to realise the pledge when the debt falls due".

M. VISCHER (Switzerland) did not attach very great practical importance to the system of endorsement in security. Nevertheless, if that system were to be introduced, the article should be so drafted that such endorsement did not become entirely useless. It was valuable by reason of the fact that the endorsement of the creditor who held the pledge was only equivalent to an endorsement by procuration, and that it secured to the person who had pledged the bill against all subsequent holders the defences which could be set up against the creditor who held the pledge. It would therefore be necessary, if endorsement in security were introduced into the uniform law, to provide for the protection of the debtor holding the pledge. In those circumstances, M. Vischer was unable to accept the proposal of the German delegate.

The Swiss delegate did not believe that the institution of the endorsement in security was really needed. It was unknown in Switzerland. However, there was no opposition to its introduction, and it was realised that, in certain cases, it might perhaps be of use, and M. Vischer would be prepared to accept it if the other delegations considered it necessary. Personally, he could also agree to delete Article 18, but on condition that those States that had the practice of endorsement in security gave their consent.

M. HAMMERSCHLAG (Austria) recognised that the question was extremely delicate. It had already given rise to long discussions at The Hague. There was the following alternative. If an endorser "by way of pledge" were given the same rights as those which existed in the case of an ordinary endorsement, as was proposed by the German delegate, he would, in fact, be given rights which exceeded those usually granted to a person who received a pledge. In that case, the endorser "by way of pledge" would be able to realise the bill before the debt fell due. On the other hand, if the endorsement by way of pledge were given the character of an endorsement by procuration, and that was the Hague solution, the endorser "by way of pledge" would not have sufficient right to be able to realise his pledge on the maturity of the debt. Moreover, an injustice would be done to the latter, who would be deprived of the right of setting up defences against his predecessors.

The Committee of Experts had endeavoured to find another solution by making what he might term a separation between the rights of the endorser "by way of pledge" before and after the maturity of the debt guaranteed; but certain legitimate criticisms had been put forward in connection with separation of that kind, because the maturity of the debt guaranteed did not depend on the bill of exchange. Whatever solution the Conference might adopt, criticisms would probably be raised by the professors and experts. For that reason, M. Hammerschlag wondered whether it was necessary or even desirable to deal with the problem of the endorsement in security. He would be glad to have the opinion of the delegations who were in favour of regulating the question.

In his country, particularly before the war, banks drew or gave bills of exchange in pledge (*en pension*) although there was no rule on the subject, and no difficulty had arisen. In those circumstances, it would be better not to deal with the point, but simply to delete Article 18. The consequence of such a solution would be that the courts would have to decide what effects would result from the expression "endorsement by way of pledge" in a bill of exchange. The Austrian Supreme Court had decided in cases of that kind that the holder of the bill of exchange could legitimately ask for payment by the acceptor. That was sufficient, in M. Hammerschlag's opinion. He did not believe that the suppression of Article 18 would cause difficulties. Nevertheless, if certain delegations felt that it was absolutely indispensable to settle the question by a uniform rule, he would make no objection, but in that case he would support the Hague text.

The PRESIDENT considered that the Conference should take as its starting-point the fact that such bills existed, as had been done in the Uniform Regulation of The Hague and that of the Committee of Experts. There were in circulation bills of exchange with the endorsements "value in pledge" and "value in security", and the endorser attached a servitude to them. He wondered whether, in those circumstances, it was necessary to give subsequent endorsers more right than the original endorser had desired to give. *Beneficia non obtruduntur.*

M. PERCEROU (France) explained the situation in France.

The French Commercial Code contained the following provision in Article 91, paragraph 2 :

"A pledge in connection with negotiable instruments can also be established by a regular endorsement, indicating that the instruments have been surrendered in security."

What, then, was the exact effect of the endorsement in security when it was established in that manner?

The endorsee in security could not sell the instrument surrendered as security before the maturity of the secured debt. If the instrument matured before the principal debt arose, he could recover the instrument. If, on the contrary, the principal debt secured by the bill matured before the bill itself, what was the right of the creditor who held the pledge? He must conform to Article 93 of the French Commercial Code—that was to say, call on the debtor who had surrendered the bill as security to pay it. If the debtor did not do so, he could, without any further notice, realise the bill eight days later, but by auction.

Those were the legal effects in France of endorsement in security. It should at once be added that those effects were, in general, hardly in conformity with practical needs, and, consequently, endorsements in security were somewhat rare in France. Nevertheless, they existed. When, however, it was desired to surrender a bill as security, when, for example, a banker wished to take bills in pawn (*en pension*), the endorsement was made in the same manner as an endorsement to transfer (simple signature of the endorser). The banker who received the bill as security was in a very favourable situation. His rights were greater than those of an ordinary creditor who held a pledge. He had the same rights as an owner.

It was permissible to ask whether, from the strictly legal point of view, that practice could withstand criticism. Indeed, it resulted in a kind of *commissorium pactum* (*pacte comissoire*).

The creditor obtained a bill which, in his relations with the debtor, could only be a pledge on which, in theory, he had only the rights of a creditor by way of pledge — *i.e.*, a pledge which he ought only to be able to realise in the circumstances previously indicated. But, in reality, it was at his disposal as though he had received the bill by transfer.

Nevertheless, in spite of that situation in France, provision was made for endorsement in security under the law. Was it possible in these conditions to disregard it?

What was the solution? It would be desirable to maintain the provision regarding endorsement in security while permitting States who did not wish to allow it in their territory to make a reservation. That was the solution which had been accepted at The Hague and which seemed to be the least undesirable.

As to the criticism of the experts' system on the ground of inconsistency—namely, that it admitted that an endorsement could be at the same time an endorsement by procuration until the maturity of the principal debt, and then an endorsement of transfer (since on maturity of the principal debt the bill could be sold), M. Percerou did not think that that criticism was justified. Indeed, as endorsement, the endorsement in security was only an endorsement by procuration. If on maturity the creditor could sell the bill, that was not by virtue of the ordinary form of endorsement but in virtue of the realisation of the pledge (sale by auction). That was what was understood by the addition of the paragraph which read: "Without prejudice to the right of the creditor who holds the pledge to realise the pledge when the debt falls due"; that was to say, to realise it in accordance with the ordinary rules governing the pledge. To that paragraph could be added "according to the particular rules on the pledge in each State".

Indeed, the system accepted at The Hague — with the preceding reservation — could be adopted with advantage.

M. BARBOZA-CARNEIRO (Economic Committee) said that the Conference was faced with one of the cases which required a solution which he would not care to see adopted very often; that was to say, the adoption of the reservation made at The Hague. Nevertheless, placed as the Conference was between the radical proposal to delete Article 18 and the maintenance of the article, and in view of the difficulty which would result for certain countries if the Hague reservation were not adopted, the Conference would, M. Barboza-Carneiro believed, be acting wisely if it supported M. Percerou's suggestion.

Baron CARTON DE WIART (Belgium) stated that the system of putting bills of exchange in pawn (*en pension*) had been employed for many years. It had caused no difficulty. On the contrary, he believed that the method referred to in Article 18 had been very little used. Nevertheless, he saw no objection, since several delegates requested it to maintain the article which was very kely to fall into complete disuse.

M. GIANNINI (Italy) said, in the first place, that he was of opinion that, by their proposal, the German delegation, though they had not the courage to kill Article 18, nevertheless removed the reason for its existence. If the German amendment were adopted, the endorsement containing the expression "value in security" would become an ordinary endorsement. In other words, the results would be the same if the rule were simply deleted.

The position in Italian law was as follows. The Code contained a rule, and a draft rule was under discussion. In the Code, it was laid down that the endorsement which contained the expression "value in security" or some equivalent expression did not transfer the ownership of the bill of exchange, but authorised the holder to exercise all the rights of the bill, to make protest and endorsement by procuration. In the draft regulation, it was provided that the endorsement which contained the expression "value in security", or any other expression involving a pledge, enabled the holder to exercise all rights arising from the bill of exchange identical to those of endorsement by procuration, but that defences founded on personal relations with the endorser could not be set up against him.

Finally, what was the practical importance of the question? A distinction should be made between its national and international importance.

In Italy, its importance from the national point of view was very small and tended, moreover, to diminish.

From the international point of view, on the other hand, the problem existed even if it were disregarded; and, although it had a very limited bearing, it was necessary to consider it. M. Ekeberg had suggested that the question should be disregarded, fearing that the insertion of a provision in the Convention would incite those States for whom the question did not actually arise to deal with it. The Conference must, however, provide for cases in which an instrument issued in certain countries circulated in another country. If the German proposal, which reduced the endorsement in security to an ordinary endorsement, were adopted, the effect would be to remove all security. Either a cautious rule should be laid down or the question should be left to national law, as had been proposed.

M. Giannini would be glad to be able to support the formula adopted at the Hague Conference in 1912, and even to say simply that the endorsement in that case was considered as an endorsement by procuration. That rule was a very cautious one, and would allay the preoccupations of certain members of the Conference.

If it was desired to leave the question to national law, the fact should be expressly stated in the Convention; but it would then be necessary, in practice, each time such a bill was presented, to study the national laws so as to discover the provisions relating to that particular form of endorsement, whilst the adoption of a moderate but uniform rule would limit the disadvantages to a minimum. In conclusion, if the Conference preferred to support the method of leaving the matter to national law, M. Giannini would raise no objection. On the contrary, he would find it very difficult to accept the German proposal.

The continuation of the discussion was postponed to the next meeting.

EIGHTH MEETING.

Held on May 16th, 1930, at 3 p.m.

President: M. J. LIMBURG.

12. Discussion of the Draft Uniform Regulations concerning Bills of Exchange and Promissory Notes : First Reading (Continuation).

ARTICLE 18 (Continuation).

M. TROUILLIER (International Chamber of Commerce) said that two cases might arise :

1. When the debt guaranteed by the bill fell due after the bill itself fell due, a case which presented no serious difficulties ;
2. Where the debt guaranteed fell due before the maturity of the bill itself.

It was the difficulty in the second case that had drawn the attention of the German delegation. According to Article 18, endorsement by the creditor holding a pledge before the maturity of the debt guaranteed only availed as an agency endorsement ; but, on the other hand, endorsement by the creditor holding a pledge after the maturity of the debt guaranteed was subject to the ordinary rules. According to the German delegation, the difficulty would then be the following : how to distinguish the moment at which the endorsement by the creditor holding a pledge began only to be of avail as an agency endorsement or the moment at which it began, on the contrary, to produce its ordinary effects. Surely it would be very simple to provide that, in the case of a bill of exchange given as a guarantee or a pledge, the date of the maturity of the debt guaranteed should be stipulated on the instrument ?

He thought that there would be no disadvantage in that procedure ; such at least was the impression that several members of the Committee of the International Chamber of Commerce had had.

If, for any reason, this solution did not satisfy the Conference, the International Chamber of Commerce would suggest that Article 18 should be kept as it stood, with the reservation that the Drafting Committee could amend it. The main fear of the International Chamber of Commerce was that the Conference might be led to provide for certain questions concerning the suspension of payment and the realisation of pledges which were the object of special provisions in every country, which provisions, for the moment at least, could not be included in a uniform law. In such a case, they would have to have recourse to the provisions of Article 4 of the Convention of the experts, which reserved each State the right to legislate for itself on the matter. The dangers and inconveniences resulting from this had been clearly pointed out by M. Giannini.

M. Trouillier himself had tried to view the matter from the commercial point of view.

In conclusion, he said that the International Chamber of Commerce would suggest that the date of the maturity of the debt guaranteed should appear on the bill of exchange.

M. Gomez MONTEJO (Spain) said that the Commercial Code that was in force in Spain at the present moment dated from 1896 ; but since its initiation many attempts had been made to improve it, and in 1926 the Minister of Justice had instructed the General Committee of Codification to draw up a preliminary legislative draft in which the exact text of Article 18 of the 1912 Hague Convention had been inserted as Article 547. Consequently, if the text of this article was put to the vote, the Spanish delegation would support it.

Mr. GUTTERIDGE (Great Britain) said that the practice of endorsing bills specially by way of pledge was unknown in England. It was true that a great many bills were pledged by way of security for advances, chiefly by bill brokers with the banks, but the method adopted was a very simple one and had already been referred to by Baron Carton de Wiart. The bills were endorsed in blank and deposited, and if any juridical question arose the matter was dealt with by the ordinary law of England which applied to the hypothecation of movables.

His object in speaking, however, was to call attention to the fact that a question of principle was involved which might go somewhat further than the particular article under discussion. It was true that there was no endorsement of the kind in question in England, but it would be a bold man who would prophesy that no bill of exchange endorsed in that way would ever find its way to the London money market. Several members had said that such endorsements were still in use, and from the point of view of the Anglo-Saxon countries, without going into any of the juridical questions involved, it would be very useful if the Conference could see its way to define the legal obligations following from an endorsement of the kind in question, so that if the question had to be dealt with they would have some indication of what the law was without having to make a prolonged search through all kinds of foreign codes dealing with the matter.

M. SULKOWSKI (Poland) said that the discussion had shown how very complicated was the question of endorsement as pledge. As he has already pointed out at the previous meeting, this question was intimately connected with civil law, and he thought that if the provisions of Article 18 were kept there would be the risk that this article might contradict other provisions of civil law which were in force in some countries, and which could not be unified because of their considerable differences.

It had been suggested at the previous meeting that this article should be kept in the Regulation, with the addition of the reservation provided for by the Hague Convention. As a matter of fact, Article 4 of the Hague Convention of 1912 laid it down that "every Contracting State may provide, in derogation of Article 18 of the Regulation, that, so far as relates to an endorsement made within its territory, a statement implying a pledge shall be deemed to be unwritten".

Personally, M. Sulkowski did not think that the solution provided by Article 4 was an ideal one, because, if the reservation under Article 4 was maintained, the situation of the creditor would become very ambiguous; in certain countries he would be considered as a creditor holding a pledge; in other countries as an owner. As a result, there would be many conflicts which it would be extremely difficult to settle by regulations concerning the conflicts of exchange laws.

M. Sulkowski wished to propose a solution diametrically opposite to that which had already been suggested. In his opinion, Article 18 of the Regulation should be deleted and a reservation should be made allowing each country to regulate the juridical effects of an endorsement in security by the provisions of its own national legislation. He thought, however, that this right should be confined to bills of exchange which had been drawn up and which were payable in the country of the State concerned, so that such a provision, if it were undertaken by a State, ought to be recognised by the other States, too. That might prove important in the case when a bill of exchange of a purely internal character passed into circulation abroad.

M. Sulkowski submitted the following proposal:

"Each State shall have the right, as far as bills of exchange and promissory notes drawn up and payable in its own territory are concerned, to regulate the juridical effects of an endorsement containing a clause implying a pledge. Such provisions shall be recognised by all the other Contracting States."

M. Sulkowski asked the Conference to come to a decision on the fundamental point whether the question of the endorsement by way of pledge should be settled in the Regulation itself or whether a special reservation should be drawn up for this purpose. If the Conference thought that a reservation ought to be inserted in the Convention, then the Drafting Committee could be asked to draw up a formula.

M. SCHMIDT (International Chamber of Commerce) said that Article 18 had given rise to a great difference of opinion and he thought that the Conference had been attempting to join two problems which could only be settled separately.

During the discussion, mention had been made of bills of exchange "*en pension*". Recourse was often had to that system in Germany. These bills of exchange were used when it was desired to obtain German money for bills of exchange drawn in foreign currency. When the debt matured (and it always matured before the bill of exchange fell due), the money was usually received, the bill handed back to the endorser and the whole transaction concluded. In such a case, there was no necessity for an endorsement in pledge; a blank endorsement was quite sufficient.

A case had also been mentioned in which a French wine merchant sold wine to a merchant in Sweden. In that case the bill of exchange was sold, and in order to give the holder greater security he was also given the goods in pledge. It was only for a transaction of that nature that it would be necessary to make such a stipulation as that contained in Article 18.

M. Schmidt thought, however, that it was necessary to know quite definitely whether Article 18 would regulate both the questions or only one of the two.

M. EIGTVED (Denmark) doubted whether the provisions of Article 18 were of great importance in practical life. In any case, the endorsement of a bill of exchange in pledge was not known in Denmark, and he thought that it would be more advisable to make some provision which would limit the rights of holders of bills of exchange. For that reason, the Danish delegation agreed with the Swedish delegation that it would be best to delete the article in question and to adopt the reservation proposed by M. Sulkowski.

M. LOEBER (Latvia) pointed out that Article 18 would establish quite a new provision as far as Latvia was concerned. According to Latvian law, the holder of a bill of exchange had the right to establish a sufficient security by other means so long as they were in conformity with the civil law, admitting documents or credits as the object of the pledge. For that reason, the provisions of Article 18 could not be accepted by Latvia.

During the discussion, it has been suggested that a reservation might be made in favour of States who found themselves unable to accept this article, but the reservation as it stood in the Hague Convention (Article 4) did not provide sufficient security for States which were unable to accept Article 18 of the Regulation. Article 4 of the Convention gave every State the right to declare the above-mentioned endorsement unwritten, if it had been made within its territory, but this article did not give States the right to regard as "unwritten" an endorsement that contained a stipulation "value in security" which had been made within the territory of a foreign State. Article 4 of the Hague Convention did not, therefore, provide sufficient security for States that found themselves unable to accept Article 18 of the Regulation, unless the Convention might be completed by such a provision as he himself had suggested.

M. BOUTERON (France), wished to add to the statement which had been made by M. Percerou at the previous meeting and to support the suggestion made by the British delegate. The question at stake was to know whether uniform legislation would validate endorsement in security and, if the answer was in the affirmative, to know what scope it would give such endorsement.

M. Bouteron reminded the Conference that it was not only commercial effects that were governed by the legislation on bills of exchange and which could consequently receive an endorsement of security. For example, life assurance policies were very common in France and could be remitted as a pledge with a formal endorsement of security.

The French delegation therefore thought that there was a serious reason for keeping the provisions of Article 18, which preserved the remittance of a commercial instrument as a pledge.

M. HAMMERSCHLAG (Austria) said that the representatives of certain countries were opposed to the deletion of Article 18. If the Conference agreed, there would be no need to discuss the Polish proposal, but if not, and should it be decided to keep the article in question, it would be dangerous to accept the Polish proposal because, to begin with, it was necessary to avoid discriminating between national and international bills of exchange. A bill of exchange could quite well be drawn up in Poland and payable in Poland, but between its issue and its maturity it might become an international bill. Consequently, it was impossible to make this distinction and, if the article were not omitted, the matter would then have to be settled in the best way possible.

On the other hand, it appeared from the discussion that the German proposal, which suggested that an endorsement for a pledge should be equivalent to a regular endorsement, had not been approved by most of the members of the Conference. M. Hammerschlag thought indeed that this proposal went a little far, and consequently he favoured M. Giannini's proposal that the text of too the Hague Convention should be reproduced.

M. Deoclecio DE CAMPOS (Brazil) said that his delegation agreed with the other delegations that reservations ought to be made regarding stipulations of endorsements in security. The Brazilian delegation (in conformity with Brazilian law and the commercial customs of that country) had accepted this reservation at The Hague.

He agreed with M. Giannini that, from the international point of view, it would be useful to draw up the text with a certain discretion, but always subject to the reservations of the juridical provisions of the countries concerned. In agreement with his colleague M. Berboza-Carneiro, the representative of the Economic Committee, he was in favour of adopting the text of The Hague.

M. EKEBERG (Sweden) said that it appeared, in the first place, from the discussion that a large number of countries represented at the Conference did not recognise pledge endorsements and did not wish to introduce them into their legislation. It also appeared that the importance of this kind of endorsement was decreasing more and more in States where it was recognised by law, such as France and Italy. It seemed clear from the discussion that had taken place that such endorsements were of almost no practical importance in international relations.

What conclusion should be drawn from these facts when the Conference had to choose between the various proposals that had been presented? He recalled a proverb which had been current in ancient Rome and which he thought ought also to be well known in modern Italy : *De minimis non curat lex*.

In Sweden it was customary to speak of the principle of legislative economy, and it was not the duty of the law to settle questions which were only of theoretical value. This principle was even more important when it came to drawing up laws whose scope had to be international.

Countries that did not recognise endorsements in pledge, and which did not wish to recognise them, were being asked to introduce a dead provision into their legislation which would deal with cases rarely met with in practice, namely, cases in which bills of exchange furnished with an endorsement in pledge might go astray in one of these countries. That was too much to ask. There was a Swedish proverb which said that a gnat should not be killed with a hammer. M. Ekeberg warned the Conference not to apply this method. There was a large number of questions of much greater importance which had been left on one side in order not to overload the text of the Uniform Regulation. If the Conference began to regulate all sorts of questions of exchange provisions, it would never come to an end.

The matter, therefore, ought to be settled by a reservation in favour of those countries that wished to preserve pledge endorsements and he himself had no hesitation in asking for the suppression of this article, while leaving the Convention to deal with exceptions. If this proposal were adopted, it could be submitted to the Drafting Committee.

M. HAMMERSCHLAG (Austria) drew the attention of the Conference to the difficulties that would arise from the Swedish proposal. The Hague Convention had made certain reservations on this subject, but each of these showed how the question ought to be settled. There was no question of any reservation that should give each State the possibility of settling the question in any way it liked.

It was therefore indispensable that, if there was any desire to make a reservation on this point, its contents should be made quite clear.

The PRESIDENT had had the same intention as M. Ekeberg. He wished to summarise the discussion. Once more the truth of the adage : *Si duo faciunt idem non est idem* would be apparent. The conclusion he had drawn from the discussion was different from that drawn by M. Ekeberg. In any case, it could not be maintained if the article were deleted that it had died *unsung*. In listening to the discussion, the President had felt pity for the article in question.

The following points were to be noted :

1. The Conference had been asked to decide whether the article should, or should not, be deleted. A negative answer had been received from M. Troullier and a reply which amounted to a negative from M. Schmidt, both speaking on behalf of the International Chamber of Commerce.

2. The British delegate had urged the Conference to settle the matter and had pointed out that no such article as Article 18 existed in England, which therefore desired to know how to act in the future.

3. It had been said that in practice the article would be very rarely applied, and some delegates had gone so far as to quote the maxim : *De minimis non curat prætor*. But that

maxim did not mean that the prætor must pay no attention to circumstances which only rarely occurred. Even if they only had a certain degree of importance, the prætor must pay attention to them.

The President asked the Swedish delegate what objection there could be to the maintenance of this article if it were true that in practice it would hardly ever come into play. The article laid down that, when the endorsement contained the stipulation "value in security" or "value in pledge", the consequences stated in the article would follow. It was quite possible to take the view that that article should be made part of the Uniform Regulation and introduced into the national legislation of the various countries. It was quite possible, too, that the article would be a dead-letter for twenty-two States out of twenty-five, because they possessed no bills of exchange in which the endorser had included the stipulation "value in security" or "value in pledge". What harm would be caused? There would be three States in which this stipulation would have effect. The Swedish delegate might urge that a bill of exchange issued in one of the three States recognising this stipulation might, when put into international circulation, reach countries which did not recognise this system. If this happened, where was the harm? In the articles which had been, or were to be, examined, all kinds of restrictions made by the drawer himself, were contemplated, as well as restrictions which could be made by the endorser. Why should a drawer or an endorser be prevented from including the stipulation in question in the bill of exchange? The President did not understand the objection. In view of the fact that, on the one hand, various restrictions were allowed, particularly "endorsement by procuration", why should not countries who possessed, or might possess, this article in their legislation be allowed the use of it naturally with reservations regarding its wording? This was what the representative of Spain had pointed out. M. Bouteron had drawn attention to other securities which in practice had become promissory notes. He had not referred to bills of lading, but to insurance policies.

The objection could be made that if the Conference accepted all articles which gave rise to no inconvenience, where would it stop?

The President made two observations in reply. The first was that the Hague Conference of 1912 and the Committee of Experts had been composed of persons with intimate knowledge of practical affairs.

The second was that, in this reply, *latet anguis in herba*, certain delegations wished to allow a reservation to be made, and in regard to this reservation the "executioners" of the article were not in agreement. As far as the President was concerned, he was not in favour of reservations for the reasons which he had given and which were similar to those put forward by the French and Italian delegations.

M. Giannini had suggested — the President did not think that he had actually made a formal proposal — that the Conference should return to the wording adopted at The Hague, which would mean the deletion of the words "without prejudice to the right of the creditor who holds the pledge to realise the pledge when the debt falls due". The President would prefer to accept the deletion of this phrase rather than the total deletion of the article. Here, however, arose the question whether the experts had not added these words in order to insert something which, in their view, was quite usual but which should, in future, be absolutely certain. If the Conference should return to the wording of The Hague, would the creditor holding the pledge who possessed the bill of exchange at the moment when the main debt for which he had received the pledge fell due have the right to realise the pledge? The President thought that he should have this right. The only object, therefore, of the words added by the Committee of Experts was to prevent any doubt on the matter.

If the words in question were deleted and the article maintained, several theses might well be written on it, but two opinions would be expressed in these theses. Some would maintain that the Conference deleted the words because it did not desire to retain them. Others would say it deleted them because it was the natural thing to do.

In conclusion, the President was in favour of maintaining the article unchanged.

M. EKEBERG (Sweden) recalled the arguments of substance which he had put forward in favour of deleting the article. In his view, its stipulations would not strengthen the security which that instrument of credit known as a bill of exchange should have from the point of view of legitimate commerce, for it would be impossible for a third party to discover whether an endorsement was in the nature of a procuration or whether it should possess the ordinary value attaching to an endorsement.

It was not enough to ask for the maintenance of the article on the pretext that it did no harm. In his view, an article whose sole merit was to do no harm was of necessity bad, for it might lead to confusion. Consequently, M. Ekeberg maintained his proposal to delete the article.

The PRESIDENT pointed out that he could not take part in the discussion except to clear up doubtful points. He would therefore refrain from replying to M. Ekeberg's arguments.

M. GIANNINI (Italy) asked for a return to the principles adopted at The Hague, for the following reasons. What were the cases which might arise? The first hypothesis was that the date upon which the debt fell due and the date on which the bill of exchange fell due might coincide. In that case, no difficulty would arise. There might, however, be cases in which the debt would fall due before the bill of exchange or *vice versa*.

What would be the position in the first hypothesis? M. Giannini would take an example. Supposing that he possessed a bill of exchange and that the debt having fallen due he decided to wait until the bill of exchange reached maturity. It could be maintained that he could negotiate the bill of exchange. He wondered, however, who would want to buy it when the debt had already fallen due?

To take the opposite hypothesis—that was to say, that in which the bill of exchange had fallen due—supposing he confidently kept it while waiting for the debt to reach maturity. He would in

that case run two risks — first, the risk of not receiving the sum due on the bill of exchange, and secondly, of not receiving the amount of the debt either. He would be in an unfortunate situation either way, for in the first case he would be unable to find anyone to buy the bill of exchange, and in the second he ran the risk of obtaining nothing at all. It was for reasons of prudence that M. Giannini proposed that the Conference should maintain the wording adopted at The Hague.

M. Giannini returned to the Polish proposal to the effect that each State should be allowed to settle the legal consequences of an endorsement containing the stipulation implying a pledge. That proposal ran the risk of preventing that uniformity which it was the object of the Conference to attain. In his view, it would be preferable to have fewer but clearer provisions.

The PRESIDENT thought the moment had now come when the Conference could vote on the article. He would recall the several proposals made :

1. The Polish delegation asked for the deletion of the article with a reservation which had been laid before the Conference ;
2. The Swedish delegation also asked for the article's deletion with a reservation that had not yet been drafted ;
3. The German delegation had submitted an amendment to Article 18.

As a general rule, amendments were first of all voted upon, but in this case it would be more practical to vote first on the deletion or maintenance of the article. Consequently, the President proposed to vote by roll-call on this point.

The vote by roll-call took place.

There voted in favour of the maintenance of the article the representatives of : Belgium, Brazil, Colombia, Czechoslovakia, France, Great Britain, Italy, Japan, Luxemburg, Portugal, Roumania, Siam, Spain, Switzerland, Turkey and Venezuela.

There voted in favour of deletion the representatives of : Austria, Danzig, Denmark, Finland, Germany, Hungary, Latvia, the Netherlands, Norway, Poland, Sweden and Yugoslavia.

The representatives of Bulgaria, Cuba, Ecuador, Greece, and Peru were absent.

The article was maintained by 16 votes to 12.

The PRESIDENT said that the Conference could now be called upon to take a decision on the various amendments.

M. QUASSOWSKI (Germany) said that the German amendment was withdrawn.

The PRESIDENT asked the Conference to vote on the Italian amendment to delete the last words of the first paragraph : “ without prejudice to the right of the creditor who holds the pledge to realise the pledge when the debt falls due ”.

By 18 votes to 5, the Conference adopted the Italian amendment.

The first paragraph of Article 18 was approved at the first reading.

ARTICLE 18, SECOND PARAGRAPH.

M. SULKOWSKI (Poland) thought the Conference should adjourn its decision until it had decided on the final wording of Article 16 with which the second paragraph of Article 18 was closely connected.

M. SCHELTEMA (Netherlands) desired a word of explanation. He took the following example. A creditor holding a pledge endorsed a bill of exchange. The endorsement was by procuration and in this case all the defences set up against the endorser could be set up against the creditor holding a pledge since it was an endorsement by procuration. Nevertheless, the second paragraph of Article 18 laid down that the parties liable could not set up against the holder defences founded on their personal relations with the endorser. He thought that what the article really meant was that the parties liable could not set up against the creditor holding a pledge pleas based on their personal relations with the endorser. He would prefer, therefore, to substitute the words “ creditor holding a pledge ” for the word “ holder ”.

M. PERCEROU (France) proposed that the expression “ beneficiary of an endorsement given as a guarantee ” should be substituted for the word “ holder ”.

The PRESIDENT thought that the words “ creditor holding a pledge ” were clearer.

M. PERCEROU (France) thought that M. Scheltema would be satisfied if the word “ holder ” were maintained and if the Conference stated in its report that this term meant the creditor holding a pledge and not his successor.

M. SCHELTEMA (Netherlands) accepted this suggestion. It was quite clear that the person receiving the endorsement by procuration was not the holder under exchange law.

The PRESIDENT proposed to put Article 18 to the vote, it being understood it should be discussed again when Article 16 was before the Conference.

With this reservation, Article 18 was approved at the first reading.

ARTICLE 19.

The PRESIDENT said that the Czechoslovak delegation had proposed the following amendment :

“ I. (a) Instead of the first sentence, insert the following text :

“ ‘ If the bill of exchange has been endorsed after the expiration of the limit of time fixed for drawing up protest for non-payment, the endorser acquires against the acceptors the rights resulting from acceptance if there has been acceptance. He also

acquires rights to take proceedings against persons who have endorsed the bill of exchange after the expiration of this limit of time.'

"(b) In the second sentence of Article 19, delete the words 'or after the expiration of the limit of time fixed for drawing it up'."

M. SRB (Czechoslovakia) proposed that the Conference should deal with the principle of the Czechoslovak amendment and leave the wording to another occasion.

What was the difference between the text of that amendment and that of the experts? According to the experts' text, a distinction should be drawn between two categories of endorsements made after maturity: (1) an endorsement made after the maturity of the bill of exchange but before the protest for non-payment had been made and before the expiration of the limit of time fixed for drawing up that protest; (2) an endorsement made after the protest or after the expiration of the limit of time fixed for drawing up the protest. For both categories, a special provision had been laid down by the experts. According to the Czechoslovak amendment three categories of endorsements after maturity must be drawn up. The first category was that mentioned in the first sentence of the experts' text and concerned endorsements made after maturity but before the protest for non-payment and before the expiration of the limit of time fixed for drawing up that protest. As far as the legal effects of such an endorsement were concerned, the Czechoslovak delegation approved the text of the experts and recognised that an endorsement did not differ from the endorsement made before maturity.

Nevertheless, he thought that it was not absolutely necessary to say this in the text. Naturally, if the Conference did not share this opinion and if it wished to keep the first sentence of the experts' text, the Czechoslovak delegation would not oppose such a procedure.

What it desired was that a distinction should be made between the endorsement of a matured and not protested bill of exchange (*lettre de change préjudiciée*), that was to say, an endorsement made after the expiry of the limit of time fixed for drawing up the protest and the endorsement of a bill of exchange which had been protested. No reliance deserved to be placed any longer on such a bill; it had failed to fulfil its normal object. Consequently, it was quite right to exclude any possibility that the endorsement of such a document should make any proceedings under the laws of bills of exchange possible. In so far as that category of endorsements was concerned, therefore, M. Srb also agreed with the text of the experts. The situation, however, was not the same in the case of a matured and not protested bill of exchange (*lettre de change préjudiciée*). Cases might occur in which such a bill was paid by the acceptor. There was no legitimate reason, therefore, why the person who had acquired a matured and not protested bill of exchange (*lettre de change préjudiciée*) by endorsement should not have rights to take proceedings in regard to the acceptor.

He thought, therefore, it would be more just to recognise that the relations between the endorser of a matured and not protested bill of exchange (*lettre de change préjudiciée*) and subsequent endorsers should be settled by the laws governing bills of exchange.

This did not appear to be an isolated point of view. A similar solution to that contemplated in the Czechoslovak amendment was, for example, to be found in Article 16 of the Austrian law and appeared also in Swiss legislation. Finally, M. Srb quoted the letter of the Latvian Government, which emphasised the following point:

"In practice, however, and in legal theory, a distinction is made between the endorsement of matured and not protested bills of exchange (*lettre de change préjudiciée*) and endorsement after protest."

The Latvian Government, however, had moved no amendment.

To sum up: the Czechoslovak amendment gave rise to two questions — one of substance, the other subsidiary. The main question was to ascertain whether a distinction should, or should not, be made between the legal effects of the endorsement of a matured and not protested bill of exchange (*lettre de change préjudiciée*) and those of the endorsement of a bill of exchange which had been protested. If an affirmative reply were to be given to this question of substance, the second question would arise, which was: What should be the legal effects of the endorsement of a matured and not protested bill of exchange (*lettre de change préjudiciée*)?

M. MOLENGRAAFF (Netherlands) presented an amendment with a view to adding to article 19 a new paragraph reading as follows:

"In the absence of proof to the contrary, an undated endorsement shall be regarded as having been made before the protest or before the expiration of the limit of time fixed for drawing it up."

His delegation had merely wished to express an idea designed to complete the provisions of Article 19 of the Uniform Regulation.

He thought the amendment was in harmony with the views of the Conference and that the experts could have no objection against the proposed solution. Its object was to improve the delicate situation which arose in regard to the proof to be furnished by the holder of a bill of exchange acquired by an undated endorsement in the case in which he asked payment from the drawee who has accepted the bill. According to the Dutch proposal, the onus of proof fell on the acceptor who maintained that endorsement had occurred before the expiration of the limit of time fixed for drawing up the protest.

The objection might be made that the words "before the protest" were not necessary, because it followed from the act of protest that endorsements had been made on the bill of exchange. That objection, however, was only valid in the case of an authentic protest and not for the case of the simplified protest which was used in a number of countries.

M. LA LUMIA (Italy) noted that this proposal covered two hypotheses. In the first, the undated endorsement was considered in the light of the protest and, in the second, the same

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M. Giannini returned to the Polish proposal to the effect that each State should be allowed to settle the legal consequences of an endorsement containing the stipulation implying a pledge. That proposal ran the risk of preventing that uniformity which it was the object of the Conference to attain. In his view, it would be preferable to have fewer but clearer provisions.

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acquires rights to take proceedings against persons who have endorsed the bill of exchange after the expiration of this limit of time.'

"(b) In the second sentence of Article 19, delete the words 'or after the expiration of the limit of time fixed for drawing it up'."

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What was the difference between the text of that amendment and that of the experts? According to the experts' text, a distinction should be drawn between two categories of endorsements made after maturity: (1) an endorsement made after the maturity of the bill of exchange but before the protest for non-payment had been made and before the expiration of the limit of time fixed for drawing up that protest; (2) an endorsement made after the protest or after the expiration of the limit of time fixed for drawing up the protest. For both categories, a special provision had been laid down by the experts. According to the Czechoslovak amendment three categories of endorsements after maturity must be drawn up. The first category was that mentioned in the first sentence of the experts' text and concerned endorsements made after maturity but before the protest for non-payment and before the expiration of the limit of time fixed for drawing up that protest. As far as the legal effects of such an endorsement were concerned, the Czechoslovak delegation approved the text of the experts and recognised that an endorsement did not differ from the endorsement made before maturity.

Nevertheless, he thought that it was not absolutely necessary to say this in the text. Naturally, if the Conference did not share this opinion and if it wished to keep the first sentence of the experts' text, the Czechoslovak delegation would not oppose such a procedure.

What it desired was that a distinction should be made between the endorsement of a matured and not protested bill of exchange (*lettre de change préjudiciée*), that was to say, an endorsement made after the expiry of the limit of time fixed for drawing up the protest and the endorsement of a bill of exchange which had been protested. No reliance deserved to be placed any longer on such a bill; it had failed to fulfil its normal object. Consequently, it was quite right to exclude any possibility that the endorsement of such a document should make any proceedings under the laws of bills of exchange possible. In so far as that category of endorsements was concerned, therefore, M. Srb also agreed with the text of the experts. The situation, however, was not the same in the case of a matured and not protested bill of exchange (*lettre de change préjudiciée*). Cases might occur in which such a bill was paid by the acceptor. There was no legitimate reason, therefore, why the person who had acquired a matured and not protested bill of exchange (*lettre de change préjudiciée*) by endorsement should not have rights to take proceedings in regard to the acceptor.

He thought, therefore, it would be more just to recognise that the relations between the endorser of a matured and not protested bill of exchange (*lettre de change préjudiciée*) and subsequent endorsers should be settled by the laws governing bills of exchange.

This did not appear to be an isolated point of view. A similar solution to that contemplated in the Czechoslovak amendment was, for example, to be found in Article 16 of the Austrian law and appeared also in Swiss legislation. Finally, M. Srb quoted the letter of the Latvian Government, which emphasised the following point:

"In practice, however, and in legal theory, a distinction is made between the endorsement of matured and not protested bills of exchange (*lettre de change préjudiciée*) and endorsement after protest."

The Latvian Government, however, had moved no amendment.

To sum up: the Czechoslovak amendment gave rise to two questions — one of substance, the other subsidiary. The main question was to ascertain whether a distinction should, or should not, be made between the legal effects of the endorsement of a matured and not protested bill of exchange (*lettre de change préjudiciée*) and those of the endorsement of a bill of exchange which had been protested. If an affirmative reply were to be given to this question of substance, the second question would arise, which was: What should be the legal effects of the endorsement of a matured and not protested bill of exchange (*lettre de change préjudiciée*)?

M. MOLENGRAAFF (Netherlands) presented an amendment with a view to adding to article 19 a new paragraph reading as follows:

"In the absence of proof to the contrary, an undated endorsement shall be regarded as having been made before the protest or before the expiration of the limit of time fixed for drawing it up."

His delegation had merely wished to express an idea designed to complete the provisions of Article 19 of the Uniform Regulation.

He thought the amendment was in harmony with the views of the Conference and that the experts could have no objection against the proposed solution. Its object was to improve the delicate situation which arose in regard to the proof to be furnished by the holder of a bill of exchange acquired by an undated endorsement in the case in which he asked payment from the drawee who has accepted the bill. According to the Dutch proposal, the onus of proof fell on the acceptor who maintained that endorsement had occurred before the expiration of the limit of time fixed for drawing up the protest.

The objection might be made that the words "before the protest" were not necessary, because it followed from the act of protest that endorsements had been made on the bill of exchange. That objection, however, was only valid in the case of an authentic protest and not for the case of the simplified protest which was used in a number of countries.

M. LA LUMIA (Italy) noted that this proposal covered two hypotheses. In the first, the undated endorsement was considered in the light of the protest and, in the second, the same

endorsement was considered in the light of the expiration of the limit of time fixed for drawing up the protest.

In both cases, the Dutch delegation proposed the application of the principle *præsumptis juris tantum*; that was to say, that without proof to the contrary the undated endorsement should be regarded as having taken place before the protest or before the expiration of the limit of time fixed for drawing it up. In the first hypothesis, however, there were no grounds in Italian legislation for accepting the amendment, for in that legislation the protest reproduced in full the bill of exchange, including the undated endorsements. There were, however, two cases. Either the endorsement was reproduced in the protest, in which case the endorsement had been made beforehand, or else the endorsement had not been reproduced, in which case it had undoubtedly been made afterwards. Subject to these observations, the Italian delegate agreed with the Dutch proposal.

The PRESIDENT read the following amendment submitted by the Japanese delegation :

“ The Japanese delegation interprets the provision in Article 19, which says that ‘ an endorsement after protest for non-payment or after the expiration of the limit of time fixed for drawing it up operates only as an ordinary cession ’, as meaning that the person in favour of whom the bill is endorsed only acquires the rights which belonged to the endorser.

“ Should this interpretation not be accepted, it would be preferable to modify the provision as follows :

“ ‘ When the holder has made the endorsement after the expiration of the limit of time fixed for the protest for non-payment, the person in favour of whom the bill is endorsed shall only acquire the rights which belonged to the endorser.’ ”

The President thought that he could reply on behalf of the Conference that the article clearly meant that the person in whose favour the bill was endorsed only acquired the rights belonging to the endorser because he was the transferee. That case therefore was governed by civil cession.

If the Japanese delegation was satisfied with this reply, which would be recorded in the Minutes, it might not maintain its amendment.

M. SHIMADA (Japan) said that the Japanese delegation was satisfied with the explanation given by the President and withdrew its amendment.

M. PERCEROU (France) understood the Dutch proposal to mean that an undated endorsement was presumed to have taken place before the expiration of the time-limit for protest and before the protest itself.

As far as the presumption of priority to the expiration of the time-limit of the protest was concerned, he saw no objection.

In so far as the presumption of the priority of the drawing up of the protest was concerned, he thought the amendment impossible from the French point of view. According to French law, protests must contain the exact description of the document and consequently must mention the endorsements already made upon it. If an endorsement was not contained in the protest, which was a deed in good and due form, it could not be presumed that that endorsement had been made previously to the protest. Consequently, upon this point it was impossible for M. Percerou to accept the Dutch proposal. It was not possible to make a presumption which was contrary to the terms of a deed in good and due form.

M. VISCHER (Switzerland) said that the Czechoslovak delegation had pointed out, when questioning this proposal, that the object was to maintain the legislation in force in certain countries, among others, in Switzerland. The Swiss delegation did not in any way desire the maintenance of present Swiss legislation and would prefer the Hague solution, which seemed simpler and more in conformity with the desired object. The Swiss delegation could not therefore agree with the Czechoslovak proposal.

M. Vischer agreed with M. Percerou in thinking that the Dutch proposal should refer only to cases in which no protests had been made.

M. LA LUMIA (Italy) noted that the observation of M. Percerou was based on the assumption that the question of protest was dealt with in the legislation of all countries in the same way as it was dealt with in Italy and France, where the protest reproduced the bill of exchange in its entirety. But the legislations of some countries dealt more summarily with the question of protests where there was no mention of endorsements.

For those reasons, the first part of the Dutch delegations' amendment was unnecessary in so far as the Italian and French legislation was concerned ; but it was justified in the case of Dutch law and of those legal systems in general that provided for summary protest. For that reason, the Italian delegation was prepared to support it.

M. QUASSOWSKI (Germany) thought that the question raised by M. Percerou was one of form. He proposed, therefore, that it should be submitted to the Drafting Committee.

The German delegation also thought that the Dutch proposal was a very practical form of simplification and should therefore be approved in principle.

M. BOUTERON (France) wished to draw the Conference's attention to the scope of the expression contained in Article 19 : “ an endorsement after maturity has the same effect as an endorsement before maturity ”. In France the Commercial Code released the circulation of commercial paper from all opposition, except in cases where an instrument was lost or where the holder became bankrupt. Consequently, from the moment of maturity, there was nothing to prevent the creditors of the holder from enforcing a seizure on the drawee, or the holder from making over to a third party on the date of maturity a cession of his debt and that that cession should be notified

to the drawee. If this case were taken into consideration, could the drawee, without regarding the opposition or the cession of which he had been notified, make a valid demand? In the present state of French law, it would be decided that the drawee was not released, for Article 145 of the French Commercial Code laid down that the presumption of freedom established in favour of the drawee only existed if payment had been made at maturity.

It was in this connection that the present wording of Article 39 of the Uniform Regulations was somewhat similar to the provisions of the French Commercial Code. That article laid down that the drawee who had paid before maturity did so at his own risk and that if he paid at maturity then he was legally released.

M. BOUTERON did not think that the article covered the situation of the drawee when he paid after maturity. Consequently, he thought that a reservation should be made immediately, at any rate in regard to the final wording of Article 19 until Article 39 has been adopted.

The PRESIDENT called upon the Conference to vote on the first part of the Czechoslovak amendment (paragraph (a)).

Paragraph (a) was rejected.

M. HERMANN-OTAVSKY (Czechoslovakia) said that, since paragraph (a) of the Czechoslovak amendment had been rejected, the Czechoslovak delegation would withdraw paragraph (b).

The PRESIDENT put the Dutch proposal to the vote.

M. MOLENGRAAFF (Netherlands) asked the Conference to vote on the principle contained in this text. The final wording should be entrusted to the Drafting Committee.

M. PERCEROU (France) would willingly agree to the second part of the amendment, but, for reasons which he had explained, he could not accept the proposal that a presumption should be set against the terms of a deed in good and due form. He asked whether the Dutch delegation still maintained the words "made before the protest".

The PRESIDENT asked the Dutch delegation whether it agreed that the Conference should vote on the amendment in two parts. The first vote would concern the following words: "in the absence of proof to the contrary, an undated endorsement shall be regarded as having been made before the protest". The second vote would concern the end of the amendment: "or before the expiration of the limit of time fixed for drawing it up".

M. MOLENGRAAFF (Netherlands) accepted this suggestion.

The first part of the amendment was adopted by 9 votes to 8.

The second part was adopted unanimously.

The PRESIDENT, in reply to a question from M. Percerou, said that the Drafting Committee would be asked to define what was meant by "protest".

M. MONTEJO (Spain) thought that the matter would be made clearer if a system of numbering were adopted similar to that inserted in Article 1, where it was stated that a bill of exchange was composed of a number of elements, among which was the date. This was numbered 7. The Spanish Code used a similar system in regard to endorsements. No. 3 in the list concerning endorsements was the date. He thought that a system could be adopted by which the date should be inserted with an endorsement. It could be said that circumstances required similar references in Articles 10, 11 and 12. It was obvious that in Article 19, which referred to endorsement after maturity, the date of the endorsement was an essential matter. He thought, therefore, that it would be useful to stipulate that the date should be inserted.

Article 19 was approved at a first reading with the reservation that the Conference should perhaps return to it when it was discussing Article 32.

CHAPTER III. — ACCEPTANCE.

ARTICLE 20.

Article 20 was approved at a first reading.

ARTICLE 21, FIRST PARAGRAPH.

The first paragraph was approved at a first reading.

ARTICLE 21, SECOND PARAGRAPH.

M. SHIMADA (Japan) said that the holder of a bill of exchange could not assert his rights unless he could present the bill for acceptance. If the drawer could prevent the presentment of the bill for acceptance by words inserted in the bill, it was to be feared that an incomplete bill might be put into circulation. It was to prevent this practice that the Japanese delegation proposed to substitute the following text for the second paragraph of Article 21:

"He cannot prohibit in the bill of exchange the presentment for acceptance."

M. SCHELTEMA (Netherlands) said that the Dutch law contained practically the same rules as those laid down in paragraph 2 of the article. It possessed the rule that the drawer could prohibit the presentment of a bill for acceptance, and he saw no reason why this right should be refused to the drawer. Further, Dutch law contained the two exceptions provided for in the second paragraph of Article 21, with, however, a small difference. In the Netherlands, it was impossible to prohibit the presentment for acceptance in the case of a bill drawn payable at a certain time after sight, for in that case acceptance was necessary in order to define maturity. Further, it was impossible to prohibit the presentment for acceptance in the case of a bill which was domiciled but which contained no mention of the domiciliary, for in the case of such a bill it must necessarily be presented for acceptance in order that the drawee could record upon it the name and domicile of the domiciliary. These two exceptions appeared, therefore, rational. Nevertheless, the exception provided for in paragraph 2 was wider; M. Scheltema saw no necessity for it. He would prepare a paragraph to run as follows :

“ Except in the case of a domiciled bill without designation of the domiciliary, or a bill drawn payable at a certain time after sight, he may prohibit presentment for acceptance.”

This was not a formal amendment, for the proposal had not been submitted in writing to the Conference. It was an observation upon which M. Scheltema desired to draw the attention of his colleagues.

The PRESIDENT said that the German delegation had submitted an amendment which seemed to have the same purpose as M. Scheltema's proposal. It suggested to amend the second paragraph as follows :

“ Except in the case of a domiciled bill *or a bill payable in a locality other than the domicile of the drawee* (if the third party is not indicated in the bill), or in the case of a bill drawn payable at a certain time after sight, he may prohibit on the bill presentment for acceptance.”

M. SCHELTEMA (Netherlands) had submitted his proposal in ignorance of the German proposal, which he was quite willing to examine.

M. ALBRECHT (Germany) did not think that the meaning of the German amendment was the same as that of the Dutch amendment. The object of the Dutch amendment was to reduce the restriction contained in the second paragraph of Article 21. The German amendment was designed, on the contrary, to extend it.

According to German legislation, a drawer could not prevent a bill of exchange from being presented to the drawee for acceptance, and it was not without hesitation that the German delegation had accepted the system laid down in the Uniform Regulation. He thought, however, that it was necessary to restrict the case in which the drawer could forbid the presentment for acceptance of a bill of exchange. A restriction was already expressed in paragraph 2 of Article 21. According to this provision, the drawer could not prohibit in the bill the presentment for acceptance if it was a domiciled bill of exchange. Evidently, the reason was that if the drawer was allowed to prohibit the presentment of a domiciled bill to the drawee for acceptance, the drawee might be unable to make the necessary arrangements to pay the bill. It might be presented when he had not even had the opportunity of seeing it.

According to the decision which the Conference had adopted regarding Article 4 of the Uniform Regulation, a domiciled bill of exchange was merely a bill payable by a third party. The reasons in favour of the restriction contained in paragraph 2 of Article 21 in the case of a domiciled bill of exchange should be, he thought, equally applied to cases covered by Article 26 ; that was to say, when the drawer had indicated a place of payment which was different from the domicile of the drawee. Cases where a protest might be made against a bill without the drawee even having seen it could not be admitted.

For those reasons, the German delegation proposed to insert the words in paragraph 2 : “ or a bill payable in a locality other than the domicile of the drawee (if the third party is not indicated in the bill) ”. The object of this proposal was to deal uniformly with the case of a domiciled bill of exchange and a bill which stated that the place of payment was other than that of the domicile of the drawee.

M. PERCEROU (France) thought that there was an essential difference in the object of the Dutch and German amendment. The object of the Dutch amendment was merely to let the holder know the place where he would have to present the bill falling due in order to obtain payment. If the domiciliary was not shown, the holder must be in a position to present it to the drawee in order that the latter could indicate the domiciliary. Logically, the Dutch amendment meant that, if domiciliation showed at the same time the domiciliary, the provision they were dealing with lost its *raison d'être*. The German delegation, on the other hand, was dealing with the protection of the drawee. Cases might arise in which the drawer, having domiciled the bill in the residence of a third party, the drawee being in ignorance of this fact, the holder might present the bill to this third party who, knowing that the drawee was his correspondent, might settle it contrary to the wishes of the drawee.

This amendment was not necessary, because the text was drafted in general terms and covered the two cases raised by the German amendment. Whether the bill was domiciled in the same locality as that of the domicile of the drawee or whether it was in another locality, the existing text should completely allay the apprehensions of the German delegation. M. Percerou shared the views of this delegation as to the point of substance, but thought the formula proposed was not necessary.

To sum up : basing his views on the statements of the German delegation, M. Percerou thought that the Dutch delegation's amendment should be rejected, but that it would be unnecessary to amend the present text to give satisfaction to the German delegation.

The PRESIDENT pointed out that, properly speaking, there was no Netherlands amendment at all. M. Scheltema had merely made a simple suggestion.

M. SULKOWSKI (Poland) thought that, in spite of that, the substance of the German proposal was justified. The question was the same as that which had been discussed at the time of the debates on Article 4. The idea of a domiciled bill had been fixed in such a manner that the expression "domiciled bill" had to mean a bill of exchange payable at the address of a third party. But this idea did not cover the cases under Article 26, when a bill of exchange had a place of payment other than the residence of the drawee and when the drawer had not mentioned the domiciliary.

Two possible cases might arise under Article 26. The drawer might mention the domiciliary or he might leave this to be done by the drawee, who would mention the domiciliary himself at the time that the bill of exchange was accepted.

The possibility would have to be taken into account that the domiciliary might have been mentioned. In such a case, it was true, some person must exist who had been mentioned by the drawer as domiciliary. However, the drawee did not know this person, since it was possible that the drawer had not given him warning.

In the latter case, it was necessary for the drawee to take note of the designation of the domiciliary by the drawer so that he might be in a position to arrange for the bill of exchange to be payable at maturity. He would only be able to undertake these arrangements in the case when the bill of exchange had been presented to him for acceptance; consequently, in this case, presentment for acceptance could not be prohibited.

M. SULKOWSKI therefore thought that the German proposal was justified, whereas the Netherlands proposal was inclined to exclude the obligation to present such a bill for acceptance.

M. VISCHER (Switzerland) supported the German proposal for the same reasons as M. Sulkowski.

The PRESIDENT asked the German delegation if the words between brackets in its amendment could not be put after the words "domiciled bill".

M. ALBRECHT (Germany) thought that the wording of the German amendment was preferable as it stood.

The PRESIDENT thought that the German amendment had a good chance of being adopted and for that reason he did not wish any misunderstandings to be allowed to exist. According to the view the Conference had taken of Article 4, a domiciled bill was a bill payable at the address of a third party or payable in a locality other than that where the drawee was domiciled. In the second case, taken into account by the German delegation, there was no other person than the drawee. For that reason, the President asked if the words between brackets ought not to be put after the words "in the case of a domiciled bill", for the parenthesis applied to both cases.

M. PERCEROU (France) suggested that it should read as follows :

"Except in the case of a bill domiciled at the address of a third party or payable in a locality other than the domicile of the drawee and containing no mention of the domiciliary, he may prohibit on the bill presentment for acceptance."

M. ALBRECHT (Germany) was willing to accept the suggestion that the words "if the third party is not indicated in the bill" should be put after the word "or".

M. GIANNINI (Italy) pointed out that these questions had already been discussed under Article 4 and that the solution that was now being proposed had then been rejected but had re-appeared in connection with paragraph 2 of Article 21. M. Giannini declared that he could not change his opinion and the question was one not merely of drafting, but really of the extension of the scope of domiciled bills of exchange. He would therefore vote against the German proposal.

In reply to a question of Baron Carton de Wiart, the PRESIDENT said that Article 4 had not been amended, but that the words "domiciled bill of exchange" had been placed after the words "at the residence of a third person".

The German amendment did not constitute an extension of domiciled bills, but it made provision that the presentment for acceptance in the case of domiciled bills should not be forbidden.

In conclusion, the President asked if it would not be better to avoid saying "a bill of exchange domiciled at the address of a third party", since a domiciled bill was a bill at the address of a third party. Would not the following wording be better? :

"Except in the case of a domiciled bill of exchange payable at the address of a third party or payable in a locality other than the domicile of the drawee."

Baron CARTON DE WIART (Belgium) proposed the following text :

"... except in the case of a bill of exchange payable elsewhere than at the domicile of the drawee."

M. ALBRECHT (Germany) found himself unable to agree to this proposal, for a domiciled bill might be payable at the domicile of the drawee at the address of another person. Two different cases might occur : (1) a bill of exchange might be domiciled — *i.e.*, payable at the address of a third party ; (2) a bill of exchange might be payable in some other place than that of the drawee's domicile, but without any indication of the domiciliary.

The PRESIDENT asked the German delegation if it was ready to accept the suggestion of M. Percerou.

M. ALBRECHT (Germany) declared that the German delegation wished to keep its proposal as it stood, and in reply to an observation of M. Bouteron (France) he added that the German proposal would naturally be subject to certain modifications of drafting.

The German amendment was adopted by 15 votes, subject to a revision of its wording.

M. GIANNINI (Italy) said that, as the Conference had modified Article 21 by adopting the German amendment, it was perhaps illogical to keep Article 4 in the form in which it had been adopted. This matter would have to be examined.

The PRESIDENT replied that the Drafting Committee would be instructed to compare the texts of Articles 4 and 21 and to submit to the Conference either a small amendment to Article 4 or a small amendment to the German amendment to Article 21.

M. SHIMADA (Japan) declared that the Japanese delegation withdrew its amendment.

Paragraph 2, as amended by the German delegation, was approved at a first reading.

Paragraphs 3 and 4, as well as Article 21 as a whole, were adopted at a first reading.

NINTH MEETING.

Held on May 17th, 1930, at 9.30 a.m.

President: M. J. LIMBURG.

13. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes First reading (Continuation of the Discussion).

ARTICLE 22, PARAGRAPH 1.

The PRESIDENT read the text of the British amendment to paragraph 1 :

“ Bills of exchange payable at a certain time after sight must be presented for acceptance within a time which is reasonable, having regard to all the circumstances of the case.”

If that proposal were not accepted, the British delegate suggested that the period should be extended from six to twelve months.

On the other hand, the Czechoslovak delegation had also submitted an amendment prolonging the period from six months to two years.

M. HERMANN-OTAVSKY (Czechoslovakia) stated that the Czechoslovak delegation would agree to decrease the period laid down in their amendment from two years to twelve months.

M. SRB (Czechoslovakia) found the first British amendment somewhat vague. It was preferable to fix an exact time-limit, and a period of twelve months appeared to be reasonable.

Mr. GUTTERIDGE (Great Britain) apologised for the form in which he had drafted his amendment, but explained that he had been in some doubt as to the period which ought to be fixed. It had occurred to him that it might save time if he put down the British rule in the amendment, which would make it unnecessary for him to say anything about the law of England on the matter.

The British Government regarded the question as of very great practical importance. It was the experience of English bankers that bills which were drawn in certain parts of the world were in circulation for a considerable time. He had been at pains to ascertain the views of the English banking community on the matter, and believed he was authorised to say on their behalf that their opinion emphatically was that the period of six months was too short and would result in inconvenience. He had himself seen bills drawn in the interior of South America which had taken nearly a year to reach London.

On mature reflection, he had come to the conclusion that the best course would be to suggest the period of twelve months proposed by the late Sir Mackenzie Chalmers and Mr. Jackson, Governor of the Bank of England at the Hague Conference of 1912. It was not absolutely certain that twelve months would cover every case. Mr. Jackson had pointed out at The Hague in 1912 that a bill might be in circulation for even longer in certain extreme cases and had shown the Conference a bill drawn on London in Bolivia which had been circulated in Jerusalem and elsewhere in the East and presented for acceptance only after fourteen months of wandering.

A bill of exchange was the most ambulatory and adventurous of all commercial documents — even more so than a bill of lading. The British Government would be very glad if the Conference could see its way to extend the time-limit. The question was simply one of business convenience.

Baron CARTON DE WIART (Belgium) accepted the arguments put forward by Mr. Gutteridge. He had consulted various persons interested in overseas trade, and the period of six months seemed rather short. At the same time, the wanderings of bills of exchange should not be encouraged. It was not in the interest of the drawee, the drawer or the endorsers that they should be prolonged. To sum up, he was opposed to the proposal of a period of two years, but he accepted the period of twelve months.

M. Deoclecio DE CAMPOS (Brazil) stated that, although Article 9 of the Brazilian law fixed a period of six months, the amendment of the British and Czechoslovak delegations would correspond with the interests and the needs of commerce in Brazil. He therefore approved the period of twelve months.

Paragraph 1, as amended by the British and Czechoslovak delegations, was approved at a first reading.

ARTICLE 22, SECOND PARAGRAPH.

Paragraph 2 was approved at a first reading.

ARTICLE 22, PARAGRAPH 3.

The PRESIDENT pointed out that there was a British amendment to delete paragraph 3.

Mr. GUTTERIDGE (Great Britain) explained that some doubt had been raised in England as to the exact purpose of the third paragraph. If it meant that the endorser was entitled to abridge the time so far as he himself was concerned, he had no objection and would withdraw his amendment. Perhaps M. Percerou could give some information which would render the amendment unnecessary.

M. PERCEROU (France) replied that the Committee of Experts had not discussed the point, but had merely confined itself to reproducing the Hague text. In his opinion, when an endorser abridged the time for presentment, this clause would not operate as far as his predecessors were concerned, but would probably operate as far as subsequent endorsers were concerned.

Mr. GUTTERIDGE (Great Britain) ventured to think that, after what M. Percerou had said, it should not be difficult to arrive at a formula which would put the matter on a proper footing. It appeared to be obvious that it would be far too drastic to allow an endorser to modify the duties of his predecessors, but there was no reason why his modification should not affect his successors. Baron Carton de Wiart had handed to him the following suggestion, which would meet the situation more accurately than would a mere cancellation :

“ These times may be abridged to the endorsers as regards the effect of their endorsements.”

He would like, therefore, to withdraw his amendment in favour of Baron Carton de Wiart's proposal.

M. SULKOWSKI (Poland) considered that the abridging of the time for presentment could not affect the predecessors, nor, in his opinion, did it bind future endorsers. The scope of a clause abridging the time for presentment was strictly limited to the endorser who had inserted it. Subsequent endorsers were held responsible in accordance with the terms of the fundamental bill of exchange. M. Sulkowski took as an example the clause without security. If an endorser inserted that clause, it only limited his own responsibility, but had no effect on the successive endorsers. The same must be the case for a clause abridging the time for presentment. In any case, it was essential to explain in the text itself the exact bearing of the clause in question.

M. ARCANGELI (Italy) was also of opinion that, although its scope was limited, the question should be cleared up. He himself supported M. Percerou's view. There was, however, a third possibility : that the insertion of the clause bound all the endorsers, previous or future. Indeed, according to the article, the drawer was obliged to retain the amount of the bill of exchange at the disposal of the holder for a whole year, since the holder might present it when he thought desirable. In those circumstances, the situation of the drawer was only made worse when an endorser asked for the discharge of the sum before the end of the year, whereas the situation of the preceding endorsers was improved.

In the Italian Code, the Hague formula had been adopted and the question was settled in the sense indicated by M. Percerou. The new Italian draft code was silent on this specific point, but the rapporteur — M. Arcangeli himself — was of the third opinion for the reasons which he had just developed. If, however, the Conference adopted M. Percerou's explanation, M. Arcangeli would support it.

The PRESIDENT said that he could not, at present, ask the Conference to take a decision on the Belgian and British amendments. Even after its acceptance, the same question would continue to arise. On the other hand, he would point out to the Italian delegate that sometimes it was considered preferable to pay a sum at as late a date as possible.

M. DE LA VALLÉE POUSSIN (Belgium) did not believe that the problem was as complicated as it appeared. It was dominated by a fundamental principle ; the endorser who abridged the time carried out an act of a unilateral character, an act which could affect only the engagements of that endorser, and not those of other signatories. The situation created by the endorser, who had

abridged the time, bound the holder, at the earliest date of maturity, to present the bill for acceptance. If he did not do so, he lost his right of recourse against the endorser who had abridged the period. For the rest, however, the situation remained the same as before. The authors of the Hague draft had not lost sight of the preoccupation which led the British delegation to submit its amendment. It had understood the provision which was the object of the third paragraph in the sense that the abridging of the time, a unilateral act of an endorser, affected only the endorsement of that endorser and not of the others.

M. Lyon-Caen and M. Simon had commented on that provision in their report in the Second Hague Conference, as follows :

“ It would be exorbitant if the endorser were allowed to increase the time during which the drawer wished to remain as security to the endorser and the last holder. It is understood, however, that an endorser may desire to be released from uncertainty sooner than the drawer can expect to be released.”

In the view of the Belgian delegate, they should have added : “ and the other endorsers who have not abridged the time ”.

That passage of the report sufficiently explained the bearing of paragraph 3 and gave it the meaning which Baron Carton de Wiart and the British delegation wished it to have.

The Belgian delegate was in favour of the adoption of the Hague text, as explained in the preparatory works of the Conferences of 1910 and 1912. Nevertheless, if the Conference considered that the position was not sufficiently clear, he would be prepared to accept the British amendment.

M. VISCHER (Switzerland) fully supported M. Sulkowski's point of view. That conception, moreover, had been introduced into the present legislation of all those countries whose laws were more or less based on the *Deutsche Wechselordnung*. In Switzerland, Germany and the Scandinavian countries, it was admitted that the effects of the abridging of the time by an endorser could only apply to that endorser, but that his successors were bound by the prescriptions of the drawer. That rule appeared to be quite equitable. There was no reason why any endorser should not be permitted to reduce the value of the bill of exchange by means of an abridging of the period for presentment. It was a question of giving an endorser the right to restrict his security and his undertaking.

In conclusion, the delegate of Switzerland proposed that paragraph 3 be completed in the following manner : “ The time may be abridged by an endorser as regards the effects of his endorsement ”.

M. QUASSOWSKI (Germany) considered that an endorser should be allowed to prescribe a period for special presentment ; that was a practical necessity. Such prescription, however, should affect only the endorser himself, and the observance or non-observance of the time-limit could only affect the endorser. That was the logical consequence of the independence of persons possessing exchange obligations. It was a fundamental principle of exchange law which could in no case be neglected. From the practical point of view, that solution was sufficient, for the succeeding endorsers could themselves prescribe a special time. On that point, M. Quassowski was in agreement with the delegates of Poland, Belgium and Switzerland. It would be desirable to state clearly either in the report or in the text of the draft Regulation itself what was the legal situation. It would, however, be preferable to establish it in the text of the draft itself in the sense indicated by the Swiss delegate.

M. PERCEROU (France) admitted that the third paragraph was not sufficiently clear, since there were different opinions in the Conference itself as to the meaning to be given to it. With still more reason, the public would not know exactly what was meant by the text.

In regard to the principle, the importance of the question was more general. It was necessary to know what would be the effect of an expression inserted in an endorsement. The question arose not only in regard to the clause of acceptance, but also in regard to the clause of security and the clause of *retour sans frais*.

When an endorser inserted the clause *retour sans frais* in a bill, it was understood that the holder was dispensed from the requirement to protest the bill in order to retain his right of recourse against the endorser who had stipulated *retour sans frais*. Was he also dispensing from protesting it in order to retain his recourse in connection with future endorsers? The question was controversial, but it was generally admitted in France that dispensing with protests concerned not only the endorser who had stipulated the clause *retour sans frais*, but also future endorsers. M. Percerou therefore considered that when an endorser had inserted in his endorsement a stipulation which modified the original text of the draft, future endorsers, even when they did not repeat that expression, should in principle be considered as accepting it. If that point were admitted in the case in question, it would also have to be admitted that the abridging of the time for acceptance affected first the endorser who had stipulated it and afterwards future endorsers who had accepted the bill thus modified but not the preceding endorsers.

If that solution were accepted, M. Percerou would propose that the formula should be drafted as follows :

“ These times may be abridged by the endorsers ; that abridgment affects only the endorser who has stipulated it and future endorsers.”

If, on the contrary, the Conference was of opinion that the abridgment affected only the person who made it, that should be stated clearly.

M. SCHELTEMA (Netherlands) could not accept M. Percerou's view. In his opinion, the endorsement was a kind of cession of rights, and for that reason the endorsee acquired the rights of the endorser, except in so far as those rights, in accordance with Article 17 of the Regulation, were greater in extent than those of the endorser. Moreover, a question of succession was involved.

The obligations of the endorser were not a consequence of succession. He had not altogether the same obligations as his predecessor. His obligations arose from the fact that he himself had endorsed the bill of exchange. It was from that action that his obligation arose: *das Endossament ist eine neue Tratte*. M. Scheltema therefore considered that there could be no succession in regard to the obligations assumed by an endorser. That was also the reason why, when an endorser made a restriction on a bill of exchange, that restriction could not affect his successors.

M. HERMANN-OTAVSKY (Czechoslovakia) supported the views expressed by the representatives of Poland, Germany and Switzerland and agreed that the endorser who inserted a clause should alone be bound by the consequences of that clause. The endorser repeated the mandate of the drawer of the bill. He could not settle such exchange relations as were general in character; those were fixed by the drawer. In spite of that, the delegate of Czechoslovakia wondered, in the light of the interesting explanations given by M. Percerou and M. Arcangeli, whether his Italian and French colleagues were not starting out from a conception peculiar to Romanic exchange law. The problem appeared to him more fundamental and wider in scope than the particular question with which they were dealing at present.

Summarising the discussion, M. GIANNINI (Italy) said that Article 22 as it stood, with either the formula of the experts or that of the British delegation, was liable to differences of interpretation. That was regrettable.

Was the endorsement absolutely autonomous? That was the problem. There were three possible solutions, which might be drafted as follows:

1. This period of time might be abridged by the endorser in regard to the effects of his endorsement. The situation of the previous and subsequent endorsers is not affected.

2. This period of time might be abridged by the endorser. The effects of this abridgment extend to all subsequent endorsers. That solution had been proposed by M. Percerou and was in conformity with the French and Italian legislations.

3. This period of time might be abridged by the endorser. The effects of this abridgment extended to all parties, whether previous or subsequent.

The second solution laid down a general rule: the effects of an intermediate endorsement bound only the subsequent endorsers. In his opinion, it could therefore be adopted. The Conference, however, should now take a decision on the three formulæ before it.

In view of the independence of exchange acts, M. HAMMERSCHLAG (Austria) accepted the view of M. Sulkowski. There was no reason for preventing an endorser from restricting his responsibility.

That question, moreover, was fundamental and did not concern only the article under discussion. Article 21, paragraph 4, provided: "Every endorser may stipulate that the bill shall be presented for acceptance . . ." That referred to a clause made by a single endorser. Article 45 raised the same question; the Committee of Experts had deleted the words "or an endorser" and added the words "emanating from an endorser". The clause is deemed unwritten, because otherwise a doubt might be raised as to the possibility of setting up defences against that clause in regard to subsequent endorsers.

In those circumstances, it was necessary to deal with the problem in a general manner.

M. ASZTALOS (Hungary) pointed out that the last paragraph of Article 52 contained the solution to the whole question.

The PRESIDENT observed that in fact the last paragraph of Article 52, which was as follows: "If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser only can avail himself of it", solved the problem. At the same time, that did not prevent the Conference from taking a decision on the question. It would simply not be necessary to do so when Article 52 was under discussion.

He believed that the Conference was not opposed to the elimination of the third solution; it remained for it to decide, therefore, between the system of Article 52, according to which the abridgment bound only the endorser who inserted the clause, and the system explained by M. Percerou, according to which the clause affected all subsequent endorsers.

The system laid down in Article 52 was adopted by 18 votes to 7.

In order to harmonise the text adopted with that of Article 52, the PRESIDENT proposed that the former should be drafted as follows: "These times may be abridged by the endorser. At the same time, the endorser only can avail himself of that stipulation" with the reservation that the wording could be revised by the Drafting Committee.

M. HAMMERSCHLAG (Austria) wondered whether, in view of the fact that the question was settled by Article 52, the amendment was still necessary.

The PRESIDENT replied that it was not absolutely certain as yet whether Article 52 referred only to presentment. He proposed for the time being to leave the text as it stood, on the understanding that the Drafting Committee would consider the question.

M. GIANNINI (Italy) drew the attention of the Conference to the fact that Article 52 regulated a certain series of problems, whilst Article 22 contained the general principle according to which the time-limit for presentment could be abridged. He accepted the President's proposal to refer the question to the Drafting Committee.

Paragraph 3 of Article 22 as amended was adopted at a first reading.

Article 22 as a whole was approved at a first reading.

ARTICLE 23.

M. BOUTERON (France) said that the French delegation did not wish to submit an amendment to Article 23, but only to propose a new form of drafting. In its present form, it did not prevent the drawee from demanding a second presentment, even if the holder was prepared to give up the bill. The drawee might indeed prefer not to keep the bill in his possession, but to have it presented on the following day. M. Bouteron did not believe that the holder should be exposed to such a possibility. If the Conference agreed with that view, it would be preferable to redraft the second paragraph of Article 23 as follows :

“ If the holder does not give up the bill, the drawee may ask that it be presented to him a second time on the following day.”

The importance of that observation from the point of view of French commercial practice was much greater, since the holder, in conformity with the prescriptions of Article 125 of the French Commercial Code, could always leave the bill with the drawee, who could keep it for twenty-four hours.

In view of the observation of M. Bouteron, the PRESIDENT considered that the two paragraphs of Article 23 should be discussed together ; the Czechoslovak delegation had moved to omit the second paragraph.

M. SRB (Czechoslovakia) said that Czechoslovak legislation did not give to the drawee the right to ask for a second presentment of the bill of exchange on the following day. The necessity for a provision such as that contained in the second paragraph of Article 23 had never been felt in practice.

M. Srb considered that the provision was contrary to the nature of transactions in bills of exchange and to the principles regarding rapidity and stability of procedure in connection with those bills.

Apart from a few quite exceptional cases, it was not difficult for the drawee to decide at once whether he wished to accept or refuse the bill. It was therefore superfluous to give him time for consideration. For that reason, he proposed the omission of paragraph 2.

Mr. GUTTERIDGE (Great Britain) called attention to the fact that the article in its present form was expressly approved of by Sir Mackenzie Chalmers in the report he had made in 1923 ; it expressed the practice not only on the Continent but also in England.

The Czechoslovak amendment was put to the vote and rejected by a large majority.

The PRESIDENT called on the Conference to take a decision on the amendment submitted by M. Bouteron. He regretted to observe that the amendment changed the paragraph more than had been expected at first sight.

M. SULKOWSKI (Poland) considered that the French amendment was not acceptable. It was in contradiction with paragraph 1 of Article 23, which stipulated that the holder was not compelled to give up the instrument. Moreover, the right of delay provided for by the article in question, even when the holder had given up the instrument, had its reason and importance. This delay allowed the drawee to get information from the drawer concerning the bill which had been presented for his acceptance and of the issue of which he had perhaps not been warned. M. Sulkowski declared himself in favour of keeping to the text of the experts' draft.

In reply to a question by M. de la Vallée Poussin, who asked whether the French proposal excluded the second part of paragraph 2 of Article 23, beginning with the words “ Parties interested are not allowed . . . ”, the PRESIDENT replied in the affirmative.

M. STUB HOLMBOE (Norway) asked what would be the position of the holder who gave up the instrument if the French amendment were adopted. Within what time-limit would the drawee have to take his decision ?

The PRESIDENT said that with the French amendment, if the holder wished to give up the instrument, the drawee would have no right to demand a second presentment on the following day.

If the holder refused to give up the instrument, the drawee would immediately take his decision.

M. STUB HOLMBOE (Norway) did not agree with that opinion, and considered that the drawee should be allowed a time-limit of twenty-four hours.

Mr. GUTTERIDGE (Great Britain) said that that was English practice ; the bill was left for 24 hours, and if it was not given up it was immediately noted.

M. QUASSOWSKI (Germany) proposed that consideration of the French proposal be referred to a later meeting, in order that the delegates might be enabled to consider its exact bearing.

The PRESIDENT proposed that a vote should be taken at once with the reservation that there should be a further discussion of the amendment if requested.

Baron CARTON DE WIART (Belgium) drew attention to the fact that Article 43 provided that if the bill were not accepted protest should be made within the time-limit fixed for presentment for acceptance. That stipulation should give satisfaction to the representatives of Norway.

The PRESIDENT put M. Bouteron's amendment to the vote with the above reservation.
The amendment was rejected by 12 votes to 5.

Before taking a vote on the second part of the second paragraph of the article, the PRESIDENT proposed to make the following change in its terms :

“ Parties interested are not allowed to make this demand unless this fact is specified in the protest.”

Paragraph 2 as modified was put to the vote and adopted at a first reading.

The article as a whole was also adopted at a first reading.

ARTICLE 24, PARAGRAPH 1.

The first paragraph was approved at a first reading.

ARTICLE 24, PARAGRAPH 2.

M. MONTEJO (Spain) wished to refer to the heading of the chapter, which was entitled “ Acceptance ”. Article 21 to 23, however, dealt with the presentment of bills of exchange, while from Article 24 on it was dealt with acceptance. M. Montejo explained that in the draft Spanish Commercial Code there was a chapter entitled : “ Presentation and acceptance of bills of exchange.” He asked whether that formula could not be adopted for Chapter III, which was at present under discussion.

M. TROULLIER (International Chamber of Commerce) pointed out that the International Chamber of Commerce had received a number of complaints from merchants in regard to an apparent contradiction between paragraph 2 of Article 24 and Article 34. According to Article 24, in order to preserve his right of recourse, the holder had always to make protest. Article 34 laid down that there might be an absence of protest.

M. Troullier did not believe that there was really a contradiction, but in order to make the text clearer, Article 34 should perhaps be slightly modified by the addition of the words “ of the acceptor only ”.

The PRESIDENT pointed out that this observation, together with that of M. Montejo, would be taken into consideration when Article 34 was examined.

Article 24 was approved at a first reading.

The PRESIDENT observed that the question whether a bill of exchange could be filled in in blank was still in suspense.

ARTICLE 25, FIRST PARAGRAPH.

The PRESIDENT pointed out that the British delegation had submitted the following amendment :

“ An acceptance is unconditional, but the drawee may, *with the consent of the holder of the bill*, restrict it to part of the sum payable.”

Mr. GUTTERIDGE (Great Britain) wished to state the point as briefly as he could, but hoped that it would not be assumed that the point was not regarded as one of very considerable importance.

The objection to a partial acceptance was twofold. In the first place, it made the amount of the bill uncertain. Secondly, it might in certain events involve the taking of separate proceedings against the acceptor on the one hand and the remaining parties on the other, a matter which must of necessity involve a great deal of unnecessary trouble and expense. He spoke with some diffidence, because he was not sufficiently familiar with Continental procedure to say how far that would be the case in every system of law, but he thought the best thing he could do would be to refer to the views of Sir Mackenzie D. Chalmers, who had said :

“ The Uniform Regulation (Article 25), in accordance with the universal Continental rule, allows a partial acceptance, but makes any other qualification equivalent to a refusal to accept. Under English law, the holder has the option to take or refuse a partial acceptance, and this seems the sounder rule. If a partial acceptance could be forced on an unwilling holder, it practically makes the amount payable by the bill uncertain. Moreover, if the bill is dishonoured at maturity, the holder has to go back on the drawer and endorsers by two separate proceedings, which is both vexatious and costly.”

He did not want to prolong his argument, but would like to repeat that his Government regarded it as a point of considerable importance and for that reason he would ask the Conference to consider it.

M. HAMMERSCHLAG (Austria) pointed out that on that point there was a difference between the Anglo-Saxon and Continental law. Article 22 of the Austrian legislation on bills of exchange

stipulated that the drawee could restrict acceptance for part of the amount of the bill of exchange. Before taking a decision, it would be necessary to know whether it was rather the interests of holder that were to be defended in this matter or those of the drawer and the endorsers.

M. Hammerschlag felt that it would be more equitable to allow partial acceptance without the consent of the holder, for, as a result of that partial acceptance, a certain number of persons would be exonerated from part of their responsibility. On the contrary, if partial acceptance depended on the consent of the holder, and if the holder refused consent, the drawer and the endorsers would have full responsibility.

The British amendment was rejected.

Paragraph 1 was approved at a first reading.

ARTICLE 25, PARAGRAPH 2.

The PRESIDENT pointed out that there was an Italian amendment to replace the word "modification" by "limitation" or "condition".

The Italian amendment was rejected by 10 votes to 10.

M. GIANNINI (Italy) said that he would be satisfied if the report made it clear that the word "condition" was implied in the word "modification".

Article 25 as a whole was approved at a first reading.

ARTICLE 26, PARAGRAPH 1.

M. HAMMERSCHLAG (Austria) drew the attention of the Drafting Committee to the desirability of replacing "lieu" by "localité", in conformity with the wording that the Conference had decided upon for Article 4.

The PRESIDENT replied that the Drafting Committee's attention had already been drawn to that point in connection with several other articles.

He submitted the following proposal to amend paragraph 1 of Article 26 brought forward by the Japanese delegation :

"In the case provided for in paragraph 1 of Article 26, in which it is stipulated that the acceptor is deemed to have undertaken to pay the bill himself at the place of payment, the latter should be able to specify an address at the place of payment."

M. GIANNINI (Italy) considered that satisfaction could be given to the Japanese delegate. There was nothing to prevent the address from being indicated.

Paragraph 1 was approved at a first reading.

ARTICLE 26, PARAGRAPH 2.

The PRESIDENT submitted the following Japanese proposal to amend the paragraph :

"Paragraph 2 of Article 26 should add that when the drawer has not mentioned the domiciliary on the bill of exchange the drawee may also designate him in the acceptance."

M. SHIMADA (Japan) said that he would be satisfied if his interpretation were included in the Conference's report. The Japanese delegation, moreover, desired that the legal position of the domiciliary should be explained.

The PRESIDENT said that, as the Conference agreed to this interpretation, it could consequently appear in the report. He then read the following observations of the Japanese delegation, which concerned not acceptance but payment :

"In Article 26, the legal position of the domiciliary should be defined on the following lines :

"When the holder makes a request for payment, he must submit this request to the domiciliary specified on the bill of exchange, at the same time presenting the said bill.

"If the domiciliary refuses to effect the payment, the holder must have a protest for non-payment drawn up.

"If the holder omits the formalities prescribed in the foregoing paragraph, he loses the rights resulting from the bill of exchange as against the acceptor, the drawer and the previous endorsers."

M. SHIMADA (Japan) felt that, in all matters connected with bills of exchange and promissory notes, it would be preferable that the drawer or the drawee should indicate the domiciliary. That observation should therefore appear either in an article or in the report.

The PRESIDENT asked M. Shimada whether he would agree that the question should be studied at the same time as the question of payment.

M. SHIMADA (Japan) agreed.

Paragraph 2 was approved at a first reading.

Article 26 as a whole was approved at a first reading.

ARTICLE 27, PARAGRAPH 1.

M. BOUTERON (France) asked that, for the reasons given when Article 19 had been discussed, a reservation should be made in regard to the drafting of Article 27 until Article 39 was under consideration. The first paragraph of Article 27 provided that, "by accepting, the drawee undertakes to pay the bill of exchange at its maturity". It did not, however, prevent the drawee, in accepting, from undertaking to pay the bill of exchange, not only at its maturity, but also after its maturity.

The PRESIDENT did not agree with M. Bouteron on that point. The object of the paragraph was to point out that the drawee had to pay; he had to pay at maturity. There was, however, no objection to saying in another article that, if he did not pay at maturity, he could still do so afterwards. The same was the case when the drawee was justified in any particular case in paying after maturity. Paragraph 1 of Article 27 raised a great principle in exchange affairs, which, in his opinion, should be dealt with there.

M. BOUTERON (France) withdrew his observation on Article 27, but reserved his right to return to it in regard to the connection between Article 39 and Article 19.

Paragraph 1 was approved at a first reading.

ARTICLE 27, PARAGRAPH 2.

Paragraph 2 was approved at a first reading.

Article 27 as a whole was approved at a first reading.

ARTICLE 28.

The PRESIDENT pointed out that amendments had been submitted by the Czechoslovak, German, Norwegian and Danish delegations. The Czechoslovak amendment was as follows:

"When once the bill has been accepted, acceptance may not be withdrawn by the acceptor."

M. SRB (Czechoslovakia) stated that the principle, according to which, once acceptance was made, the acceptor could not withdraw it, that was to say, the principle contrary to — that stipulated in Article 28 — was considered by many of its authors, in particular the German authors, as a principle resulting from the nature of bill of exchange.

The Czechoslovak delegation considered that the provision contained in the Hague text and in that of the experts was dangerous in practice. In a great many cases, it would be very difficult and even impossible to prove the date of cancellation, and the stipulation contained in Article 28 was such as to give rise to many disputes. According to the text of the experts, cancellation could only produce the legal effects referred to in the text if it were made before the drawee gave up the instrument. M. Srb took as an example a case in which the drawee had accepted the bill of exchange, but has retained it in order to consider whether or not he should cancel his acceptance. The bill of exchange was stolen from him. He was therefore unable himself to give up the instrument. If the bill of exchange was returned to him a few days later, could he, according to the text of the experts, cancel his acceptance, even if the bill of exchange had already been endorsed in good faith by other persons?

According to the text of the experts, the drawee who had cancelled his acceptance was bound by that acceptance if the cancellation was made after the drawee had informed the holder or any signatory in writing that he had accepted the instrument. Was the drawee bound only in regard to those whom he had informed of his acceptance or to all persons who had claims arising from the bill of exchange?

M. Srb believed that the text of the experts could be interpreted in the wider sense — that was to say, that the drawee was bound in regard to all persons who had any claim resulting from the bill of exchange. How could those persons, however, have proof that the drawee had informed any signatory that he had accepted the bill of exchange?

Still other questions might arise. In order to avoid any doubt or misunderstanding, the Czechoslovak delegation proposed a very clear provision; that was to say, "acceptance once given cannot be withdrawn by the acceptor". There might be cases in which that provision would appear to be a little too hard on the acceptor, but these cases would, in the opinion of the Czechoslovak delegation, be extremely rare.

M. GRÖNVALL (Finland) stated that the exchange laws of the northern countries did not allow the cancellation of acceptances. It had to be admitted that, in the case referred to in Article 28 of the Regulation, the acceptor often put himself into the undesirable situation in which he found himself. He wondered, therefore, whether it was necessary to be so indulgent towards him, especially if that could only be done by the adoption of a provision introducing into exchange law an element of uncertainty which should be avoided. The Finnish delegate therefore did not wish to participate in what appeared to him to be so undesirable a decision.

M. LOEBER (Latvia) was against the second part of Article 28 of the Regulation, by which the drawee was bound by the terms of his acceptance if he had cancelled it after having informed in writing the holder or any signatory that he had accepted the bill. In this respect, M. Loeber would refer to the well-known principle of exchange law: "*quod non est in cambio non est in mundo*".

M. Loeber was in favour of the deletion of the second part of Article 28, beginning with the words : " Nevertheless, the drawee. . ." On the other hand, the first part of Article 28, according to which a cancelled acceptance was deemed to be refused, could be accepted by Latvia, for it was fully in conformity with Latvian law on bills of exchange (Article 29, paragraph 2). That law laid down that a bill of exchange upon which was recorded the cancellation of the acceptance was deemed not to have been accepted.

M. SULKOWSKI (Poland) was unable to accept the point of view of the Czechoslovak delegation that the responsibility of the drawee should remain when he had accepted the bill of exchange, even if later he cancelled that acceptance. Such a provision was too severe, for it might very well be that his signature had been affixed in error.

Nor did the solution proposed by the experts in the text under discussion seem to him to be more satisfactory.

Indeed, Article 28 laid down the principle that the drawee was responsible when he had accepted the bill of exchange, even if he afterwards cancelled his acceptance, if that acceptance had been signified in writing to the holder or to some signatory before cancellation of the acceptance. That, however, did not result from the bill of exchange itself. In those circumstances M. Sulkowski was of opinion that the Conference should not accept the article in its present form.

Such an acceptance in writing was not without legal importance, but it was a question of civil law, and the Conference should refrain from inserting in the Convention precise provision in that connection.

Moreover, the problem had a general bearing. It was not the acceptor alone who could be called on to cancel his signature, but all the other signatories to the bill of exchange. Why, therefore, should the question be settled only in regard to the acceptor?

The provision, which was, moreover, very complicated, had a very limited practical importance. It was such as to give rise to a certain amount of confusion, and he considered that it would be preferable not to introduce it into the Uniform Regulation.

In conclusion, if the provision proposed by the experts were adopted, it would appear as though a decision had been taken on the very controversial question of whether the obligation under exchange law began from the time when the signature was affixed or whether the signatory only became responsible when the bill of exchange was put into circulation and only when that had been done at his desire ; or, finally, whether that responsibility existed in all cases when a bill had been put into circulation, even when it had been circulated against his desire. Article 28 would give rise to arguments in connection with the solution of the problem in the sense of the second of the solutions proposed, which would not help to increase the security of the circulation of bills of exchange.

M. Sulkowski therefore proposed that the article be deleted and that the question be left to be dealt with under civil law.

M. DE LA VALLÉE POUSSIN (Belgium) noted that the omission of the article would raise no difficulty in countries in which the matter was settled only under civil law. That, however, was not the case everywhere, and in certain countries it was dealt with under exchange law. It was the case in Belgium, in particular, where the law of 1872 on bills of exchange provided for cancellation and its effects after acceptance. If the Uniform Regulation did not settle this question, ambiguities would inevitably result. It was necessary to deal with the matter, either by absolutely prohibiting cancellation or by accepting it and regulating its consequences.

TENTH MEETING.

Held on May 19th, 1930, at 10 a.m.

President: M. J. LIMBURG.

14. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes First reading (Continuation).

ARTICLE 28 (Continuation).

The PRESIDENT said that there were five amendments to this article : that proposed by the Netherlands delegation, which consisted in suppressing at the end of the article the words " nevertheless, the drawer has been. . ." ; that from the Czechoslovak delegation, which was as follows : " When once the bill has been accepted, acceptance may not be withdrawn by the acceptor " ; and that from the Danish delegation, which proposed the following text :

" Where the drawee who has put his acceptance on a bill desires to cancel it, he must have the cancellation legally recorded before the bill leaves his hands, failing which, the cancellation shall be deemed null and void."

It appeared that the word " legally " might raise certain difficulties. Ought the drawee to announce this cancellation by a deed executed before a notary, or was it sufficient if he merely carried it out before witnesses?

M. EIGTVED (Denmark) explained that the idea of the Danish amendment was to complete the Czechoslovak proposal, for the Danish delegation thought that once acceptance had been given by the acceptor no cancellation was possible. For that reason, M. Eigtved was ready to support the Czechoslovak proposal.

Cases might, however, arise (not very often, it was true) when the acceptor ought to have the right to suppress acceptance. In such cases, it seemed just that the burden of the proof should fall on the acceptor and logical that the acceptor should be obliged to furnish this proof in due time — namely, before the bill had left his hands.

The Danish delegation therefore proposed that the drawee ought to make a legal statement of the cancellation before allowing the bill to leave his hands ; but apart from that, M. Eigtved admitted that the expression “legally” was perhaps a little too wide and suggested that it might be replaced either by “deed executed before a notary” or “public deed” or even by “protest”.

M. QUASSOWSKI (Germany) said that a cancelled acceptance was deemed to be refused. The result of such a cancelled acceptance was the same as the ordinary effects brought about by a refusal of acceptance ; for example, the holder had the right to appeal for want of acceptance. The second part of the text of the preliminary draft did not say that in these circumstances acceptance, although cancelled, was as valid as ordinary acceptance ; it only laid down the same responsibility for the drawee either towards the holder or towards the other signatory to whom he had communicated the acceptance.

That was certainly the best system. It avoided the radical solution proposed by the Czechoslovak delegation, according to which, once acceptance was given, it could not be withdrawn by the acceptor. Such a solution was grossly unjust, and for that reason it had been rejected by the Hague Conference and by the experts.

The text of the draft was in conformity with the juridical position of exchange law. It was in no way detrimental to the principle *quod non est in cambio non est in mundo* ; more than that, the cancelled acceptance was equivalent to an acceptance that had been refused except for the special responsibility of the drawee under the second part of the article.

It seemed unnecessary from the point of view of exchange law to make any official declaration such as that in the Danish proposal without taking into account the fact that it was almost impossible for a public officer to say at what moment an acceptance, which he had not witnessed, had been granted.

M. Quassowski approved of Article 28 in principle, but wished to make an observation concerning its drafting. According to the second part of the article, acceptance ought to be recorded before being cancelled, but it was obvious that notice would always be given before an acceptance was cancelled. That was obvious, because it seemed impossible for the drawee to notify his acceptance after he had cancelled it. Another difficulty presented itself ; at what moment did the notification of acceptance become valid ? That was a question of common law, the regulation of which differed in every country.

The question was to know what was the decisive moment : was it the moment when notification was drawn up, was it the moment when notification was sent or the moment when notification was received ? If, as was laid down by common law, the reception of notification was the decisive moment, notification would only become valid after it had been received by the person to whom it was addressed, and that would take place even if notification had been sent before acceptance had been cancelled. In this case, the drawee was not connected with the matter. Consequently, it was a matter of indifference whether the notification arrived before or after the moment when acceptance was cancelled. For that reason, it seemed best to modify the wording of the second part of the article in the following way : “If he has informed. . .”.

M. MOLENGRAAFF (Netherlands) reminded the Conference that under the Netherlands amendment the second part of Article 28, which began with the words “nevertheless, the drawee is bound. . .”, would be suppressed.

This provision took it for granted that the drawee had cancelled his acceptance before the bill had left his hands. In other words, the drawee gave up the bill of exchange, on which acceptance had been cancelled, to the holder who had asked for acceptance. This holder and all later holders, even those who had claims arising out of the bill, would know merely by examining the instrument that acceptance had been cancelled before the bill had left the drawee's hands. Under Article 28, that was equivalent to an acceptance that had been refused.

The situation was in no wise modified by the fact that the drawee had made known before he had crossed out his acceptance by writing to some signatory that he had accepted the bill, for a special undertaking in writing did not result from the cancellation of the bill of exchange — it was only to the person destined to receive such a communication that the drawee pointed out that he had accepted the bill before cancellation.

Even if the drawee made it known by writing to the holder who had asked him for acceptance that he had given acceptance, the bill of exchange did not remain any the less a bill of exchange whose acceptance had been cancelled — *i.e.*, under Article 28 a bill of exchange of which acceptance had been refused. In the same way, other signatories and later holders would not be able merely by examining the instrument to realise what had been said in the communication made to the holder.

As a result of this, it might be said that this communication from the drawee only concerned the relationship between the person destined to receive this communication and the drawee himself. It could not influence the relationship between the drawee and the other persons whose rights depended on the bill.

Consequently, this written statement sent by the drawee was outside the domain of exchange law, and the right of the person who received such a communication came under civil law.

For all these reasons, the Netherlands delegation thought that the words that it proposed to suppress were not pertinent in any uniform regulation on bills of exchange.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that the Conference ought to take special account of the question of the security of the circulation of bills of exchange. The revocability of the acceptance ought only to be affected when a charge of wilful misrepresentation could be legitimately brought against the holder. Cancellation was too easy a form of revocation ; it had nothing personal about it, since it consisted in a mere stroke of the pen. It was impossible to say that its effects came under the scope of exchange law ; at the most, they might be covered by civil law. The drawee who had accepted by mistake a bill of exchange might, according to the circumstances, notify the person who had acquired the bill of this fact or, better still, he might expressly write his revocation on the bill as the result of his error. In this case, the holder who had acquired the bill and knew of the acceptance by mistake would no longer be acting in good faith in this respect and would be consequently exposed to a charge of wilful misrepresentation. But a mere cancellation that gave no clue to the origin or reason of this cancellation ought not to be brought up against a *bona fide* holder.

The PRESIDENT said that the importance of Article 28 was to be found, not in what it said, but in what it did not say. As a matter of fact, it contained a negative principle : acceptance once given could not be withdrawn. It was quite natural that, when it came to the recognition of a debt, it should be impossible for anyone to withdraw his signature.

It had been pointed out that the acceptor who had already signed his acceptance, but who still had the bill in his possession, might reflect upon the matter and finally cancel his signature. There was no reason to take this case into account in a special article, but it had been thought that, if no provision was made in the Uniform Regulation, it might happen that the acceptor's signature would be cancelled after the bill had left his hands. There might also be connivance between one of the signatories and someone else in order to cancel later what ought to have been cancelled before the bill had left their hands. Was this possibility so dangerous that it ought to have a special article to itself ?

M. SULKOWSKI (Poland) could not agree with the rigid formula proposed by the Czechoslovak delegation. To say that the acceptance could not be withdrawn was equivalent to saying that it still existed and if it were to be considered as being in force the result would be that the holder would not have the right of immediate recourse provided for in the event of non-acceptance. A drawee, however, who cancelled his acceptance would scarcely ever pay when the matured bill was presented to him. Why, in such cases, should the holder be deprived of the right of recourse ? That, however, would be the result of adopting the Czechoslovak proposal.

M. Sulkowski thought that if the drawee cancelled his acceptance his signature must be considered, from the point of view of the laws on bills of exchange, as refused. The holder had, therefore the right of recourse. As far as the case in which the drawee, before cancelling his signature had informed one of the signatories in writing, was concerned, in the view of M. Sulkowski, this should be settled by the provisions of civil law. That question should, therefore, be left to the national legislation and should not be settled by the Conference.

This being so, M. Sulkowski thought that the best formula would be that proposed by the Dutch delegation by which only the first part of Article 28 would be kept. Nevertheless, M. Sulkowski took the view that the words " before the bill has left his hands " were still dangerous. Various theories were current in regard to this question. According to the first, the undertaking began to be binding on the signatory from the moment that it was put into writing. This was the *Kreationstheorie*. According to the second, the undertaking bound the signatory from the moment that he had voluntarily abandoned the bill. This was the *Vertragstheorie*. According to the third, the undertaking came into force at the moment when the bill was put into circulation even if this had occurred contrary to the desire of the signatory. M. Sulkowski supported the last view, for it took account of the necessity of preserving the security of circulation. If, however, the words " before the bill has left his hands " were allowed to remain, it might be thought that the question was solved in accordance with the *Vertragstheorie*, since the words indicated that it was the drawee who abandoned the bill. It might be thought that this provision would merely come into force in cases where the drawee voluntarily abandoned the bill. For that reason, M. Sulkowski proposed to replace the words " before the bill has left his hands " by the words " before the bill has entered into circulation ".

The President had asked in what way it was possible to deal with cases in which the drawee had cancelled his acceptance after having got rid of the bill, and whether such cases often arose.

M. Sulkowski did not think that this question had any practical significance. Further, this was a case similar to that which the Conference would have to examine in the chapter on forgery and alterations. It could always be proved that the sum noted on a bill of exchange had been changed and the holder who furnished proof that he had signed the bill before that change had been made was only responsible for the sum inserted in the bill at the moment when he had signed it. The same was true in cases where the acceptance had been cancelled after the drawee had abandoned the bill. Each holder could prove that the acceptance had appeared on the bill at a particular moment and he could invoke the rights brought into being by this acceptance.

In conclusion, M. Sulkowski was in favour of the Dutch proposal with the amendment he had proposed.

M. STUB HOLMBOE (Norway) said that the proposal which he had made¹ was subsidiary to that put forward by the Czechoslovak delegation. Consequently, he would first vote for that proposal. If it were rejected, the question of the onus of proof would have to be settled. The Norwegian proposal covered cases in which the holder of a bill approached his predecessors in order to exercise his right of recourse if acceptance had been refused. In such a case, it would be for the holder to prove that acceptance had really been refused. In normal cases it would be sufficient, in order to furnish this proof, to draw up an urgent protest if acceptance were

¹ See Annex No. 2.

refused. In the special case now under consideration, however — that in which acceptance once given had been cancelled — it was to be doubted whether the protest, after acceptance, had been refused furnished proof that the cancellation had taken place by the proper date. This was the question which the four Scandinavian Governments had raised in the observations which they had made on Article 28. It was important for the Uniform Regulation to settle this question, and the Norwegian delegation took the view that it should be answered in the affirmative.

The protest if acceptance was refused, if drawn up in time, should at any rate be regarded as valid proof that the acceptance had been really refused even if the refusal took the form of a cancelled acceptance.

M. Stub Holmboe added that, at the moment when he had submitted his proposal to the Bureau of the Conference, the Danish proposal had not yet been put forward. This proposal seemed to him to be also satisfactory. He would therefore support the Danish proposal and vote in favour of one or the other according to whichever was first put to the Conference.

Baron MARKS DE WÜRTEMBERG (Sweden) said that the Swedish delegation would, in the first place, vote for the Czechoslovak proposal. This decision was not based upon theoretical, but upon practical, considerations, and they were, in his view, of some considerable importance. The legal revocability of an acceptance, once signed, left, the door open he thought, to certain doubtful proceedings. Cases frequently occurred in which a drawee who had regretted having signed his acceptance wished to cancel it. He might, for example, have discovered, after his signature, that the goods, for which the bill was to pay, had not been sent off in time or had arrived in a dilapidated condition. He might then determine to make an arrangement with the holder by persuading him, perhaps through an offer of compensation, to return the bill of exchange, and to declare that its cancellation had taken place before the drawee had allowed the bill to leave his hands. If the holder knew that the endorsers, and perhaps the drawer, were persons of very solid reputation, he would run no economic risk from this act, while on their side the drawer and the endorsers would lose, in so far as the drawee was concerned, the right of recourse which acceptance had already conferred upon them. The risk of a fraudulent agreement of this kind was not removed either by the Norwegian or the Danish amendment. The Swedish delegation did not see how to cover this risk except by deleting all legal effects consequent upon the cancellation of the acceptance. The Swedish delegation, however, thought that the two amendments in question, particularly the Norwegian amendment, possessed a number of advantages, and would, therefore, if necessary, vote for one or other of them.

M. GIANNINI (Italy) said that the Italian delegation supported the Dutch proposal for the following reasons.

The formula proposed by the Czechoslovak delegation would, in practice, prove extremely dangerous. The drawee could not be held to an obligation if he had signed a bill of exchange by mistake.

The solution proposed by the Danish delegation, which had met with the support of several delegates, was very logical and might perhaps be of great use. It was necessary, however, to avoid too complicated formalities. If every time a person desired to cancel anything he was compelled to give legal notice, it would gravely interfere with the circulation of bills. In other words, the Danish proposal was not practical.

The formula suggested by the German delegation, though it reduced the inconveniences arising out of the second part of the article, did not remove them altogether. The expression "if he has informed the holder of the cancellation" would always give rise to a number of difficulties.

M. DE LA VALLÉE POUSSIN (Belgium) could not approve the proposal to delete Article 28 altogether. This would be equivalent to maintaining that the manner of determining the consequences of cancellation of acceptance was left to the common law of every participating State. Common law, however, had not been unified and the solutions would therefore be different according to the country. The resulting inconvenience would be all the greater, since the banking laws of a large number of countries, more particularly Belgium, contained definite provisions on this question. It was clear, therefore, that the maintenance of a provision corresponding more or less to that contained in Article 28 was necessary.

In order to conciliate, if possible, the various points of view and to meet a number of difficulties, M. de la Vallée Poussin proposed the following formula :

"The drawee who has put his acceptance on a bill can cancel this before it has left his hands, provided that he informs the holder within twenty-four hours following his acceptance."

The danger of collusion between the drawer and drawee mentioned by the representative of Norway was chimerical. If it existed at all, it would exist in any case, for collusion could take place just as easily before as after acceptance. The limit of time granted to the drawee validly to cancel his acceptance being only twenty-four hours, it would be very surprising if the circumstances leading to that collusion occurred within that period. It was much more likely that this collusion would have taken place before. The danger would therefore exist both under a system which prohibited cancellation and under one which tolerated it.

The PRESIDENT proposed the following compromise, which the Chairman of the Committee of Experts, M. Percerou, was ready to accept :

"The cancellation of acceptance made by the acceptor after a bill has been put back into circulation has no effect."

Mr. GUTTERIDGE (Great Britain) thought that, for the reasons which had been so admirably stated by M. Giannini, it would be very difficult to say nothing in the Regulation about this matter. He called attention to the fact that the amendment proposed by the German delegation would

the law exactly into line with the English law as laid down in Section XXI (1) of the Bills of Exchange Act of 1882. That was a circumstance which might have some weight, in view of the great divergence of opinion which existed on this extremely difficult and important question.

M. VAN NIEROP (Netherlands) referred to the amendment proposed by the President and asked how a person who had accepted a bill could cancel his acceptance after the instrument had been put back into circulation. He did not think that such a case could ever arise.

This article had been inserted to provide for cases where a drawee who had given his acceptance changed his idea and cancelled his signature before returning the instrument to the holder or to the bank.

The PRESIDENT asked if it was necessary in the circumstances to introduce a special provision into the Convention, for, when it came to a recognition of debt, for example, such cancellation was in force everywhere.

M. VAN NIEROP (Netherlands) replied that the recognition of a debt could not be compared with that of a bill of exchange, for the acceptor had no instrument at hand to sign. It was the holder who held it and merely submitted it to him at a given moment for signature. From the juridical point of view, the principle ought to be allowed that once a signature had been given and a bill of exchange put into circulation the question of cancellation no longer arose, but that it was possible to cancel the signature so long as the instrument had not been returned to the holder.

M. HAMMERSCHLAG (Austria) said that the Austrian law laid it down quite simply that acceptance could not be revoked. If it was wished to soften the rigidity of this principle, the Conference must confine itself to cases when acceptance was cancelled before the drawee had informed a signatory of his acceptance. There was no need for the Conference to take into consideration the case when acceptance was cancelled after the bill had been put back into circulation.

In his opinion, therefore, the Conference should accept the text of The Hague, with the simplifications that had been suggested by the German delegation.

M. GIANNINI (Italy) thought that the problem raised by Article 28 was of great importance, for everyone knew that an instrument could be erased — *i.e.*, so well and definitely cancelled that it was absolutely impossible to see what had originally been written. There certainly was a problem, but its solution ought to be as simple as possible. M. Giannini proposed the following text :

“ The drawee may cancel his acceptance of a bill before putting it back into circulation.”

The PRESIDENT drew M. Giannini's attention to the fact that he himself had drawn up a similar text in the following terms :

“ The cancellation of acceptance made by the acceptor after a bill has been put back into circulation has no effect.”

He also reminded him that at first he had proposed the expression : “ after the bill of exchange has left his hands ” instead of “ after the bill of exchange has been put back into circulation ”, but he had changed his text as a result of the observations of M. van Nierop. Personally, he preferred the words “ after the bill of exchange has left his hands ”.

M. VAN NIEROP (Netherlands) thought that the expression “ put back into circulation ” was not accurate, since the drawee did not put a bill into circulation.

The PRESIDENT then proposed the following text :

“ The cancellation of an acceptance made by the acceptor after the remittance of the bill of exchange has no effect.”

M. HERMANN-OTAVSKY (Czechoslovakia) reminded the Conference that the principle aim of its work was to obtain a regulation for bills of exchange, chiefly in their international relations.

For the most part, difficulties arose that were due to distance, which made it impossible to get information about the actual circumstances of the cancellation, about the person who had made it, his intention in so doing, the time it was done, etc. He realised that the Czechoslovak amendment was somewhat rigid, but, on the other hand, he thought that there was no reason why third parties who were actuated by good faith should support the consequences of any error committed by the drawee. If the drawee made a mistake, he ought to be the one to suffer the consequences. In spite of that, he was not deprived of all means of protection. He could always bring a charge of wilful misrepresentation against a third party who was not acting in good faith.

M. SULKOWSKI (Poland) thought that the problem raised by Article 28 might be considered from two aspects. In the first place, they had to know whether the holder had the right of appeal in the case when acceptance had been cancelled and, in the other case, if the acceptor who had cancelled his acceptance remained none the less responsible. These were two quite different aspects of the problem. Personally, he thought that holders' rights of recourse in cases where acceptance had been cancelled ought always to be recognised. From the point of view of exchange law, a cancelled acceptance should be considered as null and void.

The question of deciding if the acceptor who had cancelled his acceptance after the bill of exchange had left his hands was nevertheless responsible was a problem which, in his opinion, ought not to be taken into consideration during the discussion of this article. The Conference could examine it when they came to the article under the heading of “ Forgery and Alterations ”.

In conclusion, the Polish delegate proposed the following formula as a compromise :

“ Where the drawee who has put his acceptance on a bill of exchange has cancelled it, acceptance is deemed to be refused.”

The PRESIDENT pointed out that this amendment came to exactly the same thing as the Netherlands proposal.

M. SULKOWSKI (Poland) did not agree with the President, because the Netherlands amendment contained the words “ after the bill has left his hands ”. As he had already said, this was an aspect of the problem that ought not to be treated here.

M. PERCEROU (France) thought that the question under discussion was not of great practical interest. In actual fact, acceptance was considered by the drawee as an obligation only from the moment when the bill had left his hands. So long as he had it in his possession the undertaking which he has assumed was not final. Consequently, M. Percerou proposed the following formula :

“ The drawee may cancel his acceptance, provided that he has not remitted the bill of exchange to the holder.”

The question whether there had been an exchange of correspondence between the parties, during which the drawee had promised his acceptance, was really a question of damages and not of exchange law.

M. Sulkowski had had in mind the case of a bill being stolen by a third party who handed it to the holder though the acceptor himself had not remitted it. That was a special case which the Conference was not required to examine.

M. GIANNINI (Italy) pointed out to M. Percerou, who had criticised his formula, that the latter was identical to M. Percerou's own formula.

M. PERCEROU (France) proposed the following formula :

“ The acceptor may cancel his acceptance ; in this case, it is deemed to be without effect.”

Mr. KENNEDY (United States of America) said he had in his hand the report of the United States Section of the Inter-American High Commission, which included a digest of the American laws on the subject of bills of exchange and promissory notes, and a comparison of these with the recommendations of the Hague Conference of 1912, made with a view to attaining a greater degree of uniformity of legal and commercial practice throughout the American continent. It has been suggested by one or two members of the Conference that possibly the results of the deliberations of the United States Section of the Inter-American High Commission might be of interest to the Conference. The United States Section made the following observations with reference to Article 28 :

“ This conforms to the law of the United States, which defines acceptance as meaning acceptance completed by delivery or notification. By implication, it is in accordance with the Codes of Peru and El Salvador, which provide that acceptance is irrevocable when the bill has been returned to the holder, and omit reference to revocation prior to that act. In Argentine, Brazil, Chile, Ecuador and Uruguay, acceptance once signed cannot be erased or annulled, even though the bill has not been returned to the holder. Costa Rica must be considered as coming under the same rule, as the Code provides that acceptance once given cannot be withdrawn excepting as set forth above.”

At this point reference was made to Article 27 of the Uniform Regulations :

“ And in incorporating the British Bills of Exchange Act into her code, she failed to include the definitions of terms which are substantially identical with those of the United States Act previously referred to.”

The Commission went on to say that :

“ This is not a matter of very great importance, but inasmuch as it is believed that Anglo-American practice and that of the Hague Regulations is to be preferred, it is urged that this article be generally adopted.”

Since the Inter-American High Commission, in compiling the work to which he had referred, had proceeded along practically the same lines as the present Conference, he hoped that the above quotation would prove of interest.

M. ASSER (Netherlands) thought that the discussion really turned on a question of drafting. The amendment furthest from the text of Article 28 was the Czechoslovak amendment ; it should therefore be put to the vote immediately. M. Asser was in favour of the amendment, which was in accordance with Dutch law. Questions of drafting would be referred to a special Committee appointed for the purpose.

The PRESIDENT thought the situation somewhat more complicated. There were in the different amendments that had been submitted certain shades which touched the substance of the matter. The Conference must pronounce on these different conceptions.

He pointed out that the text of M. Percerou and that of M. Giannini were alike at all points. The one read : “ The drawee may cancel his acceptance on the bill before putting it back into circulation ” ; while the other said : “ The drawee may cancel his acceptance, provided that he has not remitted the bill to the holder ”. He suggested that the movers of these two proposals should agree on a single text.

M. EIGTVED (Denmark) wished to know on whom would lie the onus of proof in the event of the cancellation of the bill before remittance to the holder being contested. He was prepared to withdraw the proposal he had made provided that it was understood that in this matter legal decision might be obtained in one way or another.

The PRESIDENT replied that Article 28 did not contemplate the question of proof.

M. QUASSOWSKI (Germany) preferred the text of the experts, notwithstanding the objections it had aroused. According to that text, an acceptance, if cancelled, was deemed null and void, but the drawee was responsible for this cancellation to the holder to whom he had communicated his acceptance. This rule seemed practical and fair. No provision was made in M. Percerou's proposal for the responsibility of the drawee, and M. Quassowski thought it necessary to make such provision. He was therefore in favour of the text of the experts, subject to the small simplification he had already proposed.

M. VISCHER (Switzerland) thought that, in view of the number of amendments before the Committee, if the latter wished to come to a clear issue which would enable the delegates to vote with a full knowledge of the situation, the various proposals must be referred to a sub-committee consisting of the delegates who had moved the amendments. In this way, part of the amendments would be got rid of and the Conference would have before it a number of definite proposals on which it would be easy to come to a decision.

M. Vischer, like the German delegate, thought that Article 28 as it stood in the Hague Regulation offered the most definite text and the neatest solution. He would, however, be glad of a short time for reflection, so as to be able to vote with a full knowledge of the facts.

Prince VARNVAIDYA (Siam) informed the Conference that the text of Article 28 had already been incorporated in the Siamese Code. He understood that the German delegate wished to propose a certain drafting modification, and he would like to know what that drafting modification was before he voted.

M. SHIMADA (Japan) said that the Japanese delegation supported the German proposal.

Mr. GUTTERIDGE (Great Britain) said he wished to put the same question to the German delegation. As he understood it, the only object of their amendment was to do away with the necessity for written notice, and he would be glad to know if that was really the case.

Baron CARTON DE WIART (Belgium) observed that the Conference had voted the following text for Article 24 :

“ The acceptance is expressed by the word ‘ accepted ’, or any other equivalent term, and it is signed by the drawee.”

The question now was that of the withdrawal of this acceptance. The word “ biffage ” (cancellation) was certainly not very precise, and Baron Carton de Wiart wondered whether, irrespective of the text adopted for the substance of the matter, it would not be possible to add the following paragraph : “ The intention to cancel must be expressed by the words ‘ acceptance withdrawn ’, or any other equivalent words, signed and dated by the acceptor.” This amendment would go far to meet the observation of the Scandinavian delegations. It was only useful if the amendments on the substance submitted by the previous speakers were adopted.

Baron Carton de Wiart recognised the need for great caution in everything appertaining to the wording of bills of exchange. That was a very serious objection. The Conference, however, had adopted a form of wording for acceptance ; logically, it should adopt that wording also in the case of the withdrawal of acceptance.

M. ARCANGELI (Italy) asked whether acceptance must also be dated.

Baron CARTON DE WIART (Belgium) replied in the negative. He thought that the Conference should have stipulated this, but it was perhaps more important to date the suppression of acceptance than acceptance itself.

M. MOLENGRAAFF (Netherlands) said that if M. Giannini's or M. Percerou's proposal were adopted, his amendment would obviously become superfluous.

The PRESIDENT requested the movers of the various amendments to confer before the next meeting, so as to enable a decision to be reached, by the great majority at all events.

M. GIANNINI (Italy) pointed out that the solution would be facilitated if the Conference pronounced on the substance of the question by voting on the Czechoslovak proposal. If that proposal were rejected, an attempt must be made to come to agreement on that of the experts.

The PRESIDENT accepted this proposal, and put the Czechoslovak proposal to the vote.

The Czechoslovak amendment was rejected by 18 votes to 7.

ELEVENTH MEETING

Held on May 19th, 1930, at 3.30 p.m.

President: M. J. LIMBURG.

15. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes First reading (Continuation).

ARTICLE 29.

M. DA MATTA (Portugal) submitted the following amendment :

“ Payment of a bill of exchange may be guaranteed, *as regards the whole or part of the sum*, by an “aval”.

“ This guarantee may be given by a third person, or even by a person who has signed as a party to the bill.”

In the interests of trade, it is necessary to allow all possible latitude to the parties. Apart from the making of conditions which might alter the character of the aval, the giver of the aval ought to be allowed to limit its scope. Everyone had a right both to limit and to extend his obligations. It might happen that a person prepared to guarantee an obligation in certain conditions and for a certain sum did not desire that that obligation should subsist in other conditions. On the other hand, so far as M. da Matta was aware, there was no objection in principle from the legal point of view to accepting the idea contained in the Portuguese amendment. Moreover, Article 304 of the Portuguese Commercial Code affirmed the principle, and the provision under consideration was constantly applied in practice in Portugal.

In M. da Matta's opinion, there was no reason for not allowing the “aval” to be limited to part of the sum accepted.

M. SULKOWSKI (Poland) could not accept the proposal of the Portuguese delegation. He considered that, as far as possible, an endeavour should be made not to render less easy the operation of bills of exchange. The proposal would, however, particularly complicate the legal position. With the desire that the bill of exchange should remain as simple as possible, the principle of bills of exchange payable by partial or successive maturities had been rejected. For a similar reason, M. Sulkowski was opposed to the idea that the “aval” might be given for part of the sum.

On a vote being taken, *the Portuguese amendment was adopted by 10 votes to 9.*

Article 29 as amended was approved at a first reading.

ARTICLE 30, PARAGRAPH 1.

The PRESIDENT recalled that the French delegation had made the following observations regarding Article 30 :

“ The French delegation requests that provision may be made in the Convention or in some other form for the following reservation :

“ By derogation from Article 30, paragraph 1, of the Uniform Law, any contracting State shall have the right to decide that an ‘aval’ may be given in its territory by separate document showing the place in which it has been constituted.

“ *Grounds.*

“ The ‘aval’ by separate document is of the greatest utility. In the first place, the party whose signature has been guaranteed may not wish the bill of exchange to circulate with the mention of an ‘aval’ implying that the persons concerned are not entirely satisfied as to his solvency ; further, the ‘aval’ often applies not to a specific bill of exchange but to all the bills of exchange that the drawer may issue on the drawee during a certain period up to the amount of a specified sum.”

The President believed that it would be preferable to discuss the French proposal with paragraph 1. That did not mean that, if the proposal were adopted, it would be necessary to make any addition to the paragraph.

The following question arose : Was the “aval”, which in France could be made by separate document, simply a civil guarantee or was it an “aval” of exchange ?

M. PERCEROU (France) explained that the “aval” by separate document was frequently used in France. It was not an ordinary guarantee, but a commercial guarantee. Was it a true “aval”? That was a question on which there was disagreement. Personally, M. Percerou did not believe that such an “aval” could be considered as “aval” of exchange properly so called, because the “aval” was not written on the bill. It did not establish a direct relation between the giver of the “aval” and successive takers. It was given to a specified holder and not necessarily transferred automatically with the bill itself.

The PRESIDENT considered that the question should be discussed when Article 31, which stipulated that the "aval" was given on the bill of exchange or on an "allonge", was considered.

On the other hand, Article 31(a) stipulated that the preceding provisions did not apply to what was known as "aval" by separate document.

In regard to the principle, if he had rightly understood M. Percerou, the President concluded that the "aval" by separate document as it existed in France was not, in the opinion of the representative of France, a document of exchange, but a commercial guarantee of a special character, very important in France where there were commercial courts. In those circumstances, the President wondered whether it was desirable to deal with the question in a uniform regulation such as that drawn up by the Conference. He believed that it would be preferable to leave countries free in the matter. It might be said, for instance, that "aval" by separate document was not a document of exchange and that the Conference had not considered it desirable to deal with the matter. In those circumstances, Article 31(a) could be omitted. If the members of the Conference accepted that view, the situation would be greatly facilitated.

M. PERCEROU (France) gave the following explanation in regard to the "aval" by separate document :

For the beneficiary of the "aval" by separate document — who was generally a banker — the "aval" had the same effects as the "aval" of exchange. If, however, the beneficiary rediscounted the bills included in the "aval" by separate document, that "aval" could not be transferred to the discounter since it was not mentioned on the instrument. It could only be transferred by a distinct document of cession. It acted indeed as an "aval" of exchange, but was not transferable automatically with the bill of exchange.

M. TROULLIER (International Chamber of Commerce) explained that the custom of "aval" by separate document was spreading more and more in the commercial world. The International Chamber of Commerce had carefully considered it, and Italian and French bankers were very much in favour of that kind of "aval".

M. Troullier gave a practical example of the employment of the "aval" by separate document.

An important manufacturer was interested in one of his customers who was intelligent and serious, but was for the moment short of capital. He could obviously supply the capital, but did not wish to act in that way, since a liability or an "aval" on a bill would prove to his other customers that the manufacturer had a preference for a certain person and the result might be that he would be in danger of losing several customers. In such a case, what happened in practice was that the trader went to the manufacturer and explained that he was in need of capital. The manufacturer went to a banker and guaranteed by a separate document that he would pay the drafts of the said customer to the amount of a specified sum and within a given time. It was not necessary, therefore, that the existence of "aval" should be known outside the three contracting parties. That, as M. Percerou had explained, was why the "aval" by separate document was not transferred. Nevertheless, traders were greatly in favour of it, and the International Chamber of Commerce had asked M. Troullier to make a point of urging that it be maintained.

From the exchange point of view, it was a question of pure law, which he did not wish to discuss. Nevertheless, in principle, the general opinion was that the "aval" by separate document should be assimilated to the "aval" of exchange in view of proceedings which might later be taken.

M. GIANNINI (Italy) observed that Article 142 of the French Commercial Code simply stipulated that "this guarantee (the 'aval') is given by a third party on the bill itself or by separate document", whilst the other laws did not mention "aval" by separate document. Nevertheless, the problem arose in practice and had a certain importance. M. Giannini felt, however, that it should be considered in a more general manner.

As M. Percerou had said, the "aval" by separate document was not part of the exchange law ; nevertheless it could be introduced at a given moment into exchange procedure. It could not be said that the Conference should not consider the question. At the same time, it might be asked whether the problem was ripe enough for solution in a uniform regulation. It might also be asked whether it would not be better for the Conference to confine itself to making a reservation.

For his part, M. Giannini did not see any advantage in inserting Article 31(a), which stipulated that the above provisions did not apply to what was known as the "aval" by separate document. That article was not absolutely clear, and the observations which followed it, whose object was to explain it, had not altogether succeeded in doing so. There was no reason for putting the formula in a uniform regulation. Was it, then, necessary to make a reservation? The French delegation had proposed a text which M. Giannini thought should be interpreted as follows :

Each contracting State had the right to maintain its national legislation in settling the problem. At the same time, he believed that it would be in the spirit of the French delegation to admit that that particular situation of certain States should be recognised internationally. A sentence should therefore be added in that sense, otherwise the reservation would serve no purpose. Then, however, the question arose as to whether in a uniform regulation it could be asked that the particular situation of certain States should be recognised internationally, and it was therefore necessary to return to what might be called the substance of the problem.

Could a negative conclusion only be reached? The Italian delegation had considered the problem in a general manner. It believed that certain tendencies in connection with the extra-exchange guarantee of credit instruments should not be neglected. Those tendencies were

developing from day to day and were worthy of close attention. Consequently, the Italian delegation submitted to the Conference the following recommendation :

“ The Conference,
“ Considering the development in practice of extra-exchange guarantees for credit instruments,

“ Recommends :

“ That the International Institute of Private Law should undertake a study of the problems relating to the guaranteeing and insurance of exchange debts in connection with the general system of bills of exchange and with the ‘ aval ’ in particular.”

The Italian delegation considered that it was necessary to lay down a strict doctrine. For that reason, it did not desire the insertion at the moment either of Article 31(a) or of the reservation of the French delegation.

The PRESIDENT said that the Conference could take a vote on the recommendation at the end of its work.

He asked M. Percerou for the following information : Personally, he would be disposed to say in Article 30 : “ The ‘ aval ’ is given on the bill of exchange or on an ‘ allonge ’ or by separate document.” There would then be no need for Article 31(a).

If there were any objection to that, it would be advisable to add a few words to Article 31(a) and to say : “ The above provisions do not apply to what is known as, ‘ “ aval ” by separate document ’, which is settled by the national legislation.”

M. PERCEROU (France) observed that M. Giannini’s recommendation was very interesting. The question of general regulations in regard to extra-exchange guarantees deserved careful consideration. That question was, however, rather one for the future ; the “ aval ” by separate document, on the contrary, should at once be the object of a regulation. Positive laws existed in that connection, and they could not be neglected. M. Percerou persisted in believing that the reservation of the French delegation was not useless — it would produce the same effects as that introduced at The Hague. M. Giannini had observed that the reservation did not contain the sentence : “ These bills shall be recognised as valid by other States ”, but that could not be applied to the “ aval ” by separate document, since that “ aval ” was not mentioned in the bill of exchange. Nevertheless, the reservation implied that the validity of the transaction itself, when it was carried out in France, would be recognised by other States. It was obvious that if Article 31(a) was completed by the words suggested by the President, the reservation itself would be unnecessary since the text of the Convention recognised the right of every State to regulate the “ aval ” by separate document in the way it desired. It was for the Conference to choose the best solution.

The PRESIDENT stated that he saw no objection to inserting in Article 30 : “ The ‘ aval ’ is given on the bill of exchange or on an ‘ allonge ’ or by separate document ”. Indeed, the “ aval ” by separate document was frequently employed in France and Belgium. In other States there was no such “ aval ”, and in England the “ aval ” itself was unknown. In those circumstances, what objection could there be to inserting the words : “ or by separate document ”? If there were any objection, it should come from France. That country might very well raise the objection : “ In those circumstances, this “ aval ” is undoubtedly an exchange document, whereas in France the question has not yet been settled.”

M. VAN NIEROP (Netherlands) stated that the Netherlands legislation recognised the “ aval ” by separate document. He supported the President’s proposal. The “ aval ” by separate document was, in act, an ordinary “ aval ”. The “ aval ” on the bill of exchange was very rarely used, in comparison with the “ aval ” by separate document. In the Netherlands only the latter was employed, and doubtless the same was the case in France and Belgium ; moreover, it was certain that the “ aval ” would become still more customary in the future. The person who gave an “ aval ” never desired to give it on the bill of exchange, because he wished to avoid injuring the credit of the person for whom it was given. Sales by payment in instalments, however, were becoming more and more frequent and should be taken into account. They were nearly always made by means of drafts drawn on the purchaser and then discounted by a bank. Those drafts were at the same time guaranteed or assured by assurance companies. The latter could carry out that transaction much more easily by giving the “ aval ” by separate document to the bank which re-discounted the drafts.

For those reasons, M. van Nierop supported the President’s proposal to say : “ The ‘ aval ’ is given on the bill of exchange or on an ‘ allonge ’ or by separate document ”.

M. GIANNINI (Italy) felt that the President’s proposal was unwise. The question was one aspect of a more general problem ; that was why M. Giannini had asked that the International Institute of Private Law should study the problems relating to the guaranteeing and insurance of exchange debts in connection with the general system of bills of exchange and with the “ aval ” in particular. He believed, with the representative of the Netherlands, that the problem would arise in future in connection with the whole system of the guarantee of insurances. M. Giannini pointed out that the problem had already arisen in practice in Italy. It had been settled by the guarantee system. The problem should be studied closely. Great disadvantages might result from the subsidiary guarantee, certain frauds in particular. In any case, the problem was not, at present, ripe for discussion. The legislations which accepted the system could not be asked to give it up ; all that could be done was to make the necessary investigations. M. Giannini added, however, that he saw no objection to discussing later the recommendation which he had submitted. He considered that for the moment the Conference should return to the formula of Article 5 of the Hague Convention, which was almost analogous to that submitted by the French delegation.

M. QUASSOWSKI (Germany) agreed with the President in regard to the reservation proposed by the French delegation. The decisive legal point depended on whether an "aval" was by separate document a true "aval" or an ordinary guarantee. In the latter case, no reservation was necessary. In giving proof, it was necessary to know whether the special provisions of the regulation concerning the true "aval" were applicable to the "aval" by separate document or not. Article 31, paragraph 2, prescribed that the undertaking of the giver of an "aval" was valid, even when the liability which he had guaranteed was inoperative for any reason other than defect of form. It resulted from that provision that if, for instance, the signature of the acceptor was forged, the giver of the "aval" was none the less responsible. M. Quassowski was convinced, however, that that was not so in the case of an "aval" by separate document.

The following example showed the difference between an ordinary guarantee and an "aval". Supposing that an "aval" were given beside the signature of a drawer and that for some reason the signature of the drawer was valueless. The giver of the "aval" was none the less liable. If, on the other hand, an ordinary guarantee were given for a debt which became null and void, the guarantee would also be invalid. Indeed, under common law, the validity of a guarantee depended on the validity of the principal debt, while the validity of an "aval" was independent of the validity of the exchange debt for which the "aval" had been given. M. Quassowski believed, however, that that provision did not apply to the "aval" by separate document, which was a proof that an "aval" of that kind was only an ordinary guarantee. M. Quassowski asked M. Percerou whether that interpretation was correct.

He saw certain objections to the President's proposal to consider the "aval" by separate document in the same way as a true "aval" and considered such an assimilation was inadmissible. It had been stated, for instance, that the claims connected with an "aval" were not transferred to the person who acquired the bill. On the other hand, Article 31, paragraph 2, did not apply to the "aval" by separate document. If the "aval" by separate document were introduced into the regulation itself, all those differences would disappear, and M. Quassowski believed that that would certainly not be in conformity with the intentions of the French delegation.

Mr. GUTTERIDGE (Great Britain) found it rather difficult to appreciate the exact boundary line between an "aval" by separate document and an ordinary guarantee. As, however, he gathered that this was the point which M. Quassowski had discussed, it was not necessary for him to put a separate question.

M. DA MATTA (Portugal) agreed with the Netherlands delegation. Undoubtedly, according to the principles of modern exchange law, the "aval" by separate document was a controversial matter. If a bill of exchange had itself to contain the reasons for its existence, the "aval" should also be inserted. It could not be conceived that an "aval" which was not contained in the instrument could have no exchange effects. Nevertheless, M. da Matta accepted the practical considerations submitted by the Netherlands delegate. Article 35 of the Portuguese legislation contained the following provision :

"An 'aval' may be written on the bill of exchange or given in a separate document or in an ordinary letter."

The application of that provision was becoming more and more frequent in Portugal.

The PRESIDENT called on the Conference to vote on the following proposal of the Netherlands delegation, which would, he believed, give satisfaction to the French delegation. "The 'aval' is given on a bill of exchange on an 'allonge' or by separate document."

On a vote being taken, this proposal was rejected by 16 votes to 7.

The PRESIDENT considered that, in view of the rejection of the amendment, it was desirable to discuss Article 31(a) again in the following form :

"The above provisions do not apply to what is known as 'aval by separate document' which is settled by the national legislation."

M. GIANNINI (Italy) considered that that provision should not be inserted in the Uniform Regulation. It should appear in Article 5 of the Convention.

The PRESIDENT observed that in drawing up the draft Uniform Regulation the experts had inserted Article 31(a) while, on the other hand, maintaining Article 5 of the Convention. He proposed to deal with the question at once. It would be for the Drafting Committee to propose, if it thought fit, the omission of the two articles.

Baron CARTON DE WIART (Belgium) noted that the text of the article referred to "what is known as 'aval' by separate document", as though it was a transaction whose form was definitely fixed. That, however, was not the case. He therefore proposed the words : "The above provisions do not apply to the 'aval' by separate document." The more general formula would be more acceptable.

The PRESIDENT accepted the amendment and proposed that a vote be taken on the text thus amended.

M. ASSER (Netherlands) asked the President whether he maintained his suggestion to add to the article "which is settled by the national legislation of the contracting States". In that case, was it desired to say that the national legislation should settle the whole matter but without giving the "aval" by separate document the character of a document involving exchange effects? Would the States be free to introduce into their law provisions under which the "aval" by separate document would be equivalent to an "aval" with exchange effects?

The PRESIDENT replied that that depended on the legislations. Article 5 of the Convention was as follows :

“ The effects of the obligation entered into by the person giving an ‘ aval ’ and by the acceptor for honour are governed by the laws applicable to the obligation entered into by the person on whose behalf the ‘ aval ’ or acceptance for honour has been granted.”

The Drafting Committee would put that article into harmony with Article 31(a). In order to avoid complicating the discussion, it would be better to vote only on Article 31(a) as it appeared in the Uniform Regulation but with Baron Carton de Wiart's amendment. The Conference would then consider what should be done in regard to Article 5 of the Convention.

M. ASSER (Netherlands) asked whether, in voting on that article, the right of the contracting States to settle the matter as they desired would be left intact.

Baron CARTON DE WIART (Belgium) replied that that right would not be affected.

M. ASSER (Netherlands) considered that in those circumstances a decision had already been taken.

The PRESIDENT said that Article 31(a) would put the “ aval ” by separate document outside the Uniform Regulation.

M. ASSER (Netherlands) thought that this question would thus be left to the discretion of the various States.

M. GIANNINI (Italy) drew the Conference's attention to the fact that the draft Convention to be discussed did not contain Article 5. For that reason, he proposed that Article 31(a) should be adopted in the following form :

“ The above provisions do not apply to ‘ aval ’ by separate document.”

Article 5 of the Hague Convention would then be re-inserted in the Convention, but instead of referring to Article 30 a reference should be made to the corresponding article.

The PRESIDENT pointed out that the wording proposed by M. Giannini was identical with that to be found in the preparatory documents on page 58, for the verb “ apply ” did not markedly differ from the expression “ concern ”¹.

M. Giannini should remember that Article 5 of the Convention made no reference to Article 30. Article 5 quoted by the President was to be found on page 23 of the preparatory documents and was part of the draft Convention which would be discussed by the Conference, whereas Article 5 quoted by M. Giannini was to be found on page 43 of the preparatory documents and formed part of the Hague Convention of 1912.

M. GIANNINI (Italy) replied that this provision had been repeated in the French proposal.

The SECRETARY said that Article 31(a) had the same effect.

The PRESIDENT added that this was the reason why the Committee of Experts had also inserted Article 31(a) in the Uniform Regulation.

M. PERCEROU (France) said that the Conference was faced with two questions which were distinct though connected.

If, as was to be feared, agreement was not reached that the “ aval ” by separate document should be subject to uniform rules (which would in that case have to appear in the Uniform Regulation), it would be necessary, in the first place, to know whether the silence of the Regulation on that point did not at least imply for the countries acceding to the Convention the prohibition of the “ aval ” by separate document. In his opinion that was obvious, but it would be still better to say so expressly.

Then — admitting that each country preserved the right to settle “ aval ” by separate document in any way it liked — there remained the question of conflicts of laws. If, for instance, the French law retained the “ aval ” by separate document whilst other laws did not permit it, what exactly would be the conditions regarding “ aval ” by separate document which would be governed by the French law ? At present, that problem of conflicts of laws was not settled.

In regard to the first question, it would be desirable to settle it at once, and certainly, in his opinion, in the liberal sense ; that was to say, by maintaining the right of each State to subject the “ aval ” by separate document signed on its territory to the rules which it considered preferable. This right could be recognised expressly in two ways.

Either Article 31(a) of the draft Regulation of the experts could be maintained and completed by the addition suggested by the President : “ The above provisions do not apply to the ‘ aval ’ by separate document which is settled by the national law of each contracting State ”, or, as would be preferable, Article 31(a) could be deleted and an article similar to Article 5 of the Hague Convention inserted in the Convention.

The PRESIDENT proposed that the Conference should vote on Article 31(a) in the following form :

“ The above provisions do not apply to ‘ aval ’ by separate document, which is settled by the national legislation of each contracting State.”

The drafting Committee could be instructed, if necessary, to transfer this article from the Regulation to the Convention.

¹ This remark concerns the french text only.

M. DIENA (Italy) thought that by this solution the question of the law applicable to "aval" by separate document would be prejudiced. All that was desired was to express the idea that this question was outside the Convention, in order that each State might settle it in the manner it thought best.

In those circumstances, the PRESIDENT proposed that the Conference should vote on Article 31(a) in the form in which it appeared in the preparatory documents. The Drafting Committee would be instructed to discuss whether an allusion should be made to the national legislation.

M. PERCEROU (France) thought that it would be simpler to decide merely to delete Article 31(a), it being understood that the Convention would include a reservation granting each State the right to make rules for the "aval" by separate document drawn up on its territory.

M. VISCHER (Switzerland) supported the proposal of M. Percerou. He was also in favour of the suppression of Article 31(a), with the introduction of a reservation in favour of an "aval" by separate document.

M. SULKOWSKI (Poland) also thought that this question could not be included in the Uniform Regulation since the practices of "aval" by separate document was not universal. He would therefore support M. Percerou.

M. QUASSOWSKI (Germany) was also of the view that it would be wrong to make any reference in the Uniform Regulation to "aval" by separate document. If the Regulation referred to it, the differences existing between "aval" proper and "aval" by separate document might disappear. M. Quassowski thought, however, that this was not a mere question of drafting, but a question of substance, that the Conference must settle.

M. Deoclecio DE CAMPOS (Brazil) gave some explanations and stated that the Brazilian delegation supported the views expressed by M. Percerou.

M. ASSER (Netherlands) asked M. Percerou if he intended to maintain the French delegation's amendment to the effect that the provisions of Article 5 of the Hague Convention should be inserted in the Regulation.

M. PERCEROU (France) asked the Conference, if it decided to delete Article 31(a), to authorise a reservation similar to that in Article 5 of the Hague Convention.

M. ASSER (Netherlands) supported M. Percerou's suggestion.

The PRESIDENT, summing up the discussion, said that the Conference could vote both on the deletion of Article 31(a) and the insertion of the French reservation in the Convention, at a place to be settled later.

The Conference decided to delete Article 31(a) and insert the French reservation in the Convention.

ARTICLE 30, PARAGRAPHS 1, 2 AND 3.

Paragraphs 1, 2 and 3 were approved at a first reading.

ARTICLE 30, PARAGRAPH 4.

The PRESIDENT submitted the following amendment proposed by the Italian delegation for the last sentence :

"In default of this, the 'aval' is deemed to be given for the person accepting the bill of exchange or, if the bill is not accepted, for the drawer, in whatever place the signature has been affixed."

The Czechoslovak delegation had submitted the following amendment for the lost sentence :

"In default of this, it is deemed to be given for the acceptor and, if the bill of exchange has not yet been accepted, for the drawer."

The PRESIDENT asked for whose account the "aval" was given when it was given before the acceptance of the bill of exchange.

M. ARCANGELI (Italy) said that the principle underlying the Italian proposal was that according to which the "aval" was given for the person having the greatest liability — that was to say the drawee, if he accepted the bill. That was the fundamental principle of exchange law.

In reply to the President's question, M. Arcangeli said that, according to the Italian proposal and even according to the text of the experts, the "aval" was to be held as being given for the drawer. If the bill was accepted later, in accordance with the general principles governing it, it was invariably the situation resulting from the deed that prevailed. Two cases might occur. First, the various declarations (declaration of the "aval", declaration of the acceptance) might be dated. In that event, the solution of the problem was to be found in the bill itself, since the holder was bound to know whether the "aval" had been given before the acceptance. The Italian proposal in that case could give rise to no difficulty. In the second hypothesis, no declaration was dated. In that event, the holder was entitled to consider that the "aval" was given for the drawee if he had accepted it, since the situation which must prevail was that resulting from the bill itself.

M. SRB (Czechoslovakia) considered that the Italian and Czechoslovak amendments were similar in point of substance. The Italian delegation, however, added the words "in whatever place the signature has been affixed". The third paragraph of Article 30 said :

"It is deemed to be constituted by the mere signature of the giver of the 'aval' placed on the face of the bill, except in the case of the signature of the drawee or of a drawer."

Could the words "in whatever place the signature has been affixed" be considered to mean that a signature on the back of the bill sufficed?

M. ARCANGELI (Italy) replied that it was an accepted principle in all countries that the mention of an "aval" on a bill did not suffice to determine who was the party benefiting by the "aval". It was to solve this question that the experts had proposed the text which appeared in their draft and that the Italian delegation had submitted their amendment. It might, however, be useless to lay down the principle, since it might be held that it was operative without being formulated. The Italian delegation, however, had felt that it was preferable to eliminate any possibility of doubt by saying that the "aval" might be mentioned in one place or another indifferently.

M. SRB (Czechoslovakia) explained that he merely wished to know whether it was enough for the signature of the giver of the "aval" to be affixed on the back of the bill.

M. ARCANGELI (Italy) replied that his personal opinion on this point was as follows: Even if the signature of the giver of the "aval" was affixed on the back of the bill, the opinion of the experts must be accepted. The Italian delegation agreed with the experts on the principle. They hoped that the experts also agreed in thinking that the "aval" might be affixed either on the back or on the face of the bill.

M. SRB (Czechoslovakia) wondered whether the words "in whatever place the signature has been affixed" might not be considered as constituting a derogation to the clause contained in the third paragraph of Article 30.

Baron CARTON DE WIART (Belgium) observed that the last paragraph of Article 30 began by a declaration of principle: the "aval" must specify for whose account it was given. What was the question at issue? It was that of giving a special guarantee in favour of the drawer. That, however, was a point of no great importance seeing that Article 31 stipulated in paragraph 3 that the giver of the "aval", when he paid the bill of exchange, had the right "to go back on the person he had guaranteed and the guarantors of the latter".

Without wishing to impose it as a model, for he did not consider that the delegates could invoke their national legislation as an authoritative argument, since the Conference was endeavouring to draw up a law which would be acceptable to all countries, he felt obliged in this particular case to draw attention to the following clause in Belgian law: "The giver of the 'aval' is bound conjointly with the drawer and the endorser, unless otherwise agreed among the parties." Would not this solution meet all the wishes that had been expressed, and would it not be in accordance with the last paragraph of Article 31?

M. NAMITKIEWICZ (Poland) pointed out that many legislations provided that in case of doubt the "aval" was deemed to be given for the account of the acceptor and, in default of acceptance, for the drawer. A clause of that kind appeared in Hungarian, Bulgarian, Italian, Roumanian, Peruvian and Japanese law. In French jurisprudence, on the other hand, it was presumed that the "aval" had been given for the drawer, for the giver of the "aval" who had paid the bill could go back only on the drawer, but not on the endorsers, M. Namitkiewicz thought this solution preferable.

The first part of the fourth paragraph of Article 30 raised a doubt in the case where, for instance, the signature was affixed near that of an endorser, on the back of the bill, without any indication of the person for whom the "aval" was given. The experts' draft settled the question and said that in case of doubt, in default of an indication of the person in whose favour the "aval" had been given, it was to be presumed that the "aval" was given for the drawer.

Where, however, the signature of a person other than an endorser appeared on the back of the bill, there was an inclination to suppose that the "aval" was given in favour of the endorser. If it were laid down that in default of any indication it must be presumed that the "aval" was in favour of the drawer, M. Namitkiewicz considered that in order to obviate any doubt it should be stipulated that the place where the signature of the giver of the "aval" appeared should not be taken into consideration. That idea was, moreover, very well expressed by the last phrase in the Italian amendment, which said: "in whatever place the signature has been affixed".

M. SRB (Czechoslovakia) said that, in view of the explanations given by M. Arcangeli, whose point of view was in conformity with that of the Czechoslovak delegation, the latter would withdraw its amendment and concur in the Italian proposal.

M. QUASSOWSKI (Germany) said that the formula contained in the draft regulation of the experts was in conformity with German law and appeared to him simpler and more practical than the Italian proposal. According to the latter, there would exist in the first place a guarantee for the drawer, and then, after acceptance, for the acceptor. That rule was a somewhat complicated one. That, however, was not the principal reason for which M. Quassowski preferred the text of the experts. There was another and more cogent reason for preferring the latter text, namely, the fact that the giver of the "aval" might guarantee only in the last place; he might ultimately be liable, except where there was a provision to the contrary, such provision expressing an intention which must be presumed and respected by the law.

M. GIANNINI (Italy) said that his delegation withdrew its amendment.

M. SCHELTEMA (Netherlands) wished, before the Conference voted on the article, to be assured that his interpretation of it was correct. The article said: "an 'aval' must specify for whose account it is given". According to Dutch jurisprudence, an "aval" appearing under the signature of one of the other persons was held to be given for that person. This provision would therefore, in the mind of a Dutch judge, be in conformity with the sense of Article 30. Was the opinion of the experts likewise?

The PRESIDENT observed that, if it were said "the 'aval' must specify for whose account it was given", that formula meant that a name must be specified.

M. GIANNINI (Italy) did not wish to open a discussion. He must, however, say that he could not concur in the interpretation of the German delegation. That interpretation would eliminate the possibility of an "aval" for the acceptor drawee, even when given explicitly.

The fourth paragraph of Article 30 was put to the vote and approved at a first reading.

The article as a whole was approved at a first reading.

ARTICLE 31, PARAGRAPHS 1 AND 2.

Paragraphs 1 and 2 were approved at a first reading.

ARTICLE 31, PARAGRAPH 3.

The PRESIDENT read a proposal by the Dutch delegation to replace the word "guarantors" by the word "debtors". The Dutch delegation feared that the word "guarantors", placed at the end of the paragraph in question, did not cover the acceptor. It was for that reason that it had proposed to substitute for it the word "debtors".

M. GIANNINI (Italy) was in agreement, in principle, with regard to this proposal, but thought that it would be more precise to say "the earlier parties liable".

M. PERCEROU (France) wondered whether the Dutch delegation would be satisfied if the report contained an explanation stating that the word "guarantors" comprised, if necessary, the acceptor as well.

The PRESIDENT thought that the word "debtors" covered the acceptor likewise.

M. DE LA VALLÉE POUSSIN (Belgium) proposed the following text:

"He has, when he pays the bill of exchange, the right to go back on the acceptor, on the person he has guaranteed and on the guarantors of the latter."

The PRESIDENT thought that this amendment was not in accordance with the Dutch proposal.

M. VAN NIEROP (Netherlands) considered, on the contrary, that this text was entirely in conformity with the idea of the Dutch delegation, since the acceptor was always bound by the bill. He was definitely liable.

M. PERCEROU (France) proposed the following text:

"He has, when he pays the bill of exchange, the right to go back on the person whom he has guaranteed and those who are liable to the latter under the bill."

This text was put to the vote and adopted.

Paragraph 3, thus amended, was approved at a first reading.

Article 31 as a whole was approved at a first reading.

TWELFTH MEETING.

Held on May 20th, 1930, at 10 a.m.

President: M. J. LIMBURG.

16. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes (Continuation).

ARTICLE 28.

The PRESIDENT read the following new text of Article 28:

"Where the drawee who has put his acceptance on a bill has cancelled it before the delivery of the bill to the holder, acceptance is deemed to be refused failing proof to the contrary. Cancellation is deemed to have been effected before the delivery of the bill to the holder.

“ Nevertheless, if he has in writing informed the holder or any other party who has signed the bill that he has accepted it, the drawee is bound as regards such parties according to the terms of his acceptance.”

M. WEILLER (Italy) said that Article 25, which dealt with partial acceptance, contained the following formula : “ Nevertheless, the acceptor is bound according to the terms of his acceptance.” In Article 28 the same formula was to be found. In view of the fact that these two questions were quite different, it might perhaps be better not to use the same expression.

The PRESIDENT saw no necessity for changing the formula. He would discuss the matter later on with M. Weiller.

M. ASSER (Netherlands) asked whether the addition to the article proposed by Baron Carton de Wiart was still before the Conference or if it had been withdrawn.

Baron CARTON DE WIART (Belgium) explained that the Belgian delegation maintained its additional proposal for the following reason : in the case of both acceptance and “ aval ”, the principle had been adopted that the desire of the acceptor or of the holder of the “ aval ” must be made clear. For cancellation, which was just as important an act and in some respects even more important, the Belgian delegation had taken the view that this desire should also be clearly and definitely expressed. For that reason, Baron Carton de Wiart had submitted the following text :

“ The desire for cancellation must be expressed by the phrase ‘ cancellation approved ’, or any other equivalent expression, signed and dated by the acceptor.”

The PRESIDENT said that this formula would be discussed at the next meeting and proposed that the Conference should adopt the text of Article 28 which he had read.

The new text of Article 28 was adopted at a first reading.

ARTICLE 32.

The PRESIDENT said that the Portuguese delegation had submitted the following amendment :

“ A bill of exchange may be withdrawn :

- “ At sight ;
- “ At a certain time after sight ;
- “ At a certain time after date ;
- “ On a fixed day.

“ Bills of exchange of other maturities or payable by instalments are null and void.”

This amendment had been submitted for the following reasons :

The order of the specification in that article must be brought into line with the order of the four following Articles : 33 (bill of exchange at sight) ; 34 (bill of exchange at a certain time after sight) ; 35 (bill of exchange drawn at one or more months after date) ; 36 (bill of exchange payable at a fixed date).

The President thought that this amendment should be accepted without discussion by the Conference, for it was logical.

The amendment of the Portuguese delegation was adopted.

The PRESIDENT said that the Dutch delegation had submitted the following observation :

“ A bill of exchange may, according to the Regulation, be drawn payable on a fixed day, at a certain time after date, at sight, or at a certain time after sight, and the Regulation goes on to state that bills of exchange at other maturities or payable by instalments are null and void.

“ A difficulty now arises in regard to bills of exchange which are payable at sight but also payable only after a certain date or after a certain period of time. For example : (1) a bill of exchange at sight payable after November 1st, 1931 ; (2) a bill of exchange at sight payable after fourteen months reckoned from the date of issue.

“ Bills of exchange of this kind are met with in the Netherlands. In both cases, the Netherlands delegation considers that they are bills of exchange payable at sight — *i.e.*, that they are covered by Article 32 of the Regulation.

“ From what moment does the period of sight begin to run ? (twelve months according to Article 22 of the Regulation).

“ Let us suppose that we take as starting-point the date of issue. A serious difficulty will be encountered if the period of sight ends before the fixed day or before the end of the specified period, since in that case the protest cannot be drawn up in the proper time. If, on the other hand, the period of sight is counted from the fixed day or the end of the specified period, no difficulty can arise.

“ Obviously, the second solution should be adopted, and the Netherlands Parliament recently passed a law (July 2nd, 1928) regulating the question in this way.

“ The Netherlands delegation therefore requests the Conference to give a decision in this sense and to embody it in the report. No modification of the text of Article 32 would appear to be necessary in this case.”

M. SULKOWSKI (Poland) thought that a mere reference in the report would not be sufficient, for the question raised by the Dutch delegation shed light on a doubtful point. It might be thought from reading Article 33 in connection with Article 22 that the date of issue must always be taken

as the starting-point. For that reason, if the Dutch delegation kept to its proposal, it was necessary for the sake of clearness to modify the text and to say that the drawer was authorised, not only to stipulate a longer or shorter time, but also to fix the beginning of the time-limit in a different manner.

The PRESIDENT, noting that the proposal of the Dutch delegation was closely allied to the terms of Article 33, proposed that the Conference should discuss Articles 32 and 33 together ; all the more so, as there was the following Polish amendment :

“ A bill of exchange at sight is payable on presentment. It must be presented for payment within six months after date. This time-limit may be shortened or extended by the drawer. It may also be shortened by the endorsers.”

ARTICLES 32 AND 33.

M. SULKOWSKI (Poland) said that the proposal of the Polish delegation mainly concerned Article 33. That article referred to Article 22, for it stipulated that the bill of exchange must be presented for payment within the legal or contractual limits of time fixed for the presentment for acceptance of bills payable at a certain time after sight. References of this kind should, however, be avoided in the Regulation, and each article should contain all the necessary provisions dealing with the question. For that reason, the Polish delegation proposed to return in Article 33 to the contents of Article 22.

Further, Article 33 referred to contractual limits of time. The use of the word “ contractual ”, however, might cause it to be supposed that the Conference had decided in the controversy about the origin of exchange obligations in favour of the *Begebungstheorie*. This impression should be avoided.

In order to satisfy the Dutch delegation's proposal and to prevent it being thought from the text that the time-limit for presentment must always begin from the date of issue, M. Sulkowski proposed to modify the amendment submitted by his delegation, so that it should read as follows :

“ A bill of exchange at sight is payable on presentment. It must be presented for payment within twelve months after date. The drawer may fix another time-limit and settle the date on which the period is to begin by other means. The time-limits laid down in paragraph 1 and 2 may be shortened by the endorsers.”

The PRESIDENT asked whether the British delegation still maintained its amendment to Article 33. He thought it useless, in view of the fact that the Conference had decided to adopt a period of twelve months instead of six months in Article 22.

Mr. GUTTERIDGE (Great Britain) withdrew his amendment¹.

M. HAMMERSCHLAG (Austria) was unable to support the view of the Dutch delegation, for the text could not be interpreted in the light that the time-limit began from a fixed date or from the end of a determined period of time. Obviously, the period as fixed in Article 22 must begin to run from the day on which the bill of exchange was issued.

M. Hammerschlag thought that to insert the proposal of M. Sulkowski would lead to complications. He did not think that it would be necessary to define this case in the law of the participating State, for it was always the drawer's right to prolong the time-limit for presentment.

M. QUASSOWSKI (Germany) asked the President to put to the vote the original proposal of the Polish delegation and then its amended proposal.

The PRESIDENT said that M. Sulkowski had just informed him that he intended to return to his original proposal were his amended proposal to be rejected.

To simplify the discussion, it would be better for the Conference to decide first of all whether it wished to meet the views of the Dutch delegation in so far as the Uniform Regulation was concerned. In the affirmative, it would have to decide whether the Polish amendment with the necessary modifications satisfactorily met the views of the Dutch delegation.

M. SCHELTEMA (Netherlands) proposed to add the following text to the Polish amendment to Article 33 :

“ The drawer may stipulate in the bill of exchange that the date on which the twelve months shall begin to run is other than the date of the bill.”

The PRESIDENT asked the Dutch delegation if it would not be better to insert this amendment before the last paragraph of Article 32, for that article dealt with the different kinds of bills of exchange. After the words “ at a certain time after sight ”, to be found in Article 32, the Netherlands amendment could be inserted in the following form :

“ The drawer may stipulate in the bill of exchange that the period will begin to run on a date different from that of the bill.”

M. SULKOWSKI (Poland) preferred his own formula, for the Dutch amendment did not definitely settle the question. The Polish formula drew a distinction between the length of the time-limit, which could be greater or less, and the date upon which it should begin to run. The length of the time-limit might be changed by the endorser. On the other hand, the endorser could not change the date on which it should begin, which was fixed by law or else by the drawer.

¹ See Annex No. 3.

M. SCHELTEMA (Netherlands) replied that the object of the Polish amendment was to change the time-limit of twelve months, which could thus be lengthened or shortened either by the drawer or by the endorser. The date on which that period would begin to run was another question. It could only be changed by the drawer. For that reason, the Dutch delegation was prepared to support the Polish amendment with the addition of the following paragraph :

“ The drawer can stipulate in the bill that the date on which the time-limit shall begin to run is other than the date of the bill.”

M. QUASSOWSKI (Germany) said that the formula proposed by the Dutch and Polish delegations still left a doubt. According to Article 33, the time-limit could be shortened by the endorsers. Could the endorsers also change the date upon which that limit should begin to run? Obviously not. If, however, the Polish amendment were adopted, why should not the endorser be able to change the date upon which the time-limit would begin to run since the effect of this change would be to shorten that time-limit? If the endorsers had the right to shorten the time-limit, there was no reason why they should not be able to change the date upon which that time-limit should begin to run.

M. SULKOWSKI (Poland) in reply to M. Quassowski, thought that the endorser should not be allowed to change the date on which the period should begin to run, for if he did so great complications would result. If he were allowed to shorten the time-limit, the date upon which it began to run must always be that fixed by the drawer.

M. Sulkowski proposed that the original amendment of the Polish delegation should first be put to the vote, and next the amendment proposed by the Dutch delegation.

M. GRÖNVALL (Finland) pointed out that Article 33 only mentioned the holder's duty to present the bill within a fixed period of time, whereas the Dutch proposal, which everyone seemed to approve, forbade the presentment of a bill before the expiration of a certain period of time. This idea could therefore only be expressed by adding a new paragraph to the original Polish amendment to Article 33, which would read as follows :

“ The drawer may prescribe that a bill of exchange may not be presented before the expiration of a fixed period of time. In this case, the period for presentment begins from the said date.”

The Polish amendment was adopted by 13 votes to 12.

The Dutch amendment was rejected by 9 votes to 6.

The proposal of M. Grönvall was rejected by 10 votes to 7.

M. MOLENGRAAFF (Netherlands) said that the Dutch delegation maintained the interpretation of Article 33, which it had recorded in its observations.

M. GIANNINI (Italy) said that the Italian delegation had refrained from all discussion both on the article and on the amendments submitted to it. It thought that it would be inopportune to include in a regulation points of detail which followed logically from the fundamental principles adopted. It was in this frame of mind that it had voted against the proposed amendments. Though the principle laid down by the Dutch delegation might be agreed to, M. Giannini thought it quite useless to insert it in the text of the draft regulation.

The PRESIDENT proposed that this principle should therefore be inserted in the report.

This proposal was adopted.

Article 32 was approved at a first reading.

Article 33, as amended by the Polish delegation, was approved at a first reading.

ARTICLE 34, PARAGRAPH 1.

This paragraph was approved at a first reading.

ARTICLE 34, PARAGRAPH 2.

The PRESIDENT recalled that during previous discussions it had been suggested that after the word “ acceptor ” the word “ only ” should be added. The text of the paragraph would therefore run as follows :

“ In the absence of the protest, an undated acceptance is deemed, so far as regards the *acceptor only*, to have been given on the last day of the limit of time for presentment, either legal or contractual.”

The Polish delegation had also submitted an amendment to the effect that for the words “ presentment, either legal or contractual ”, the words “ stipulated for presentment for acceptance ” should be substituted.

The President thought that since the Conference had adopted the Polish amendment to Article 33 it should also adopt this amendment to Article 34.

This amendment was adopted.

The PRESIDENT proposed that the Conference should approve the article as a whole, it being understood that the Drafting Committee should examine the question whether the insertion of the word “ only ” in the second paragraph was or was not objectionable.

With this reservation, Article 34 as a whole was approved at a first reading.

ARTICLE 35, PARAGRAPHS 1 AND 2.

Paragraphs 1 and 2 were approved at a first reading.

ARTICLE 35, PARAGRAPH 3.

M. DA MATTA (Portugal) thought that for reasons of legal symmetry this paragraph, which dealt with the bill of exchange payable at a fixed date, ought to be inserted in Article 36 and not in Article 35, which dealt with a bill of exchange drawn one or more months after date or after sight.

The PRESIDENT agreed in principle with M. da Matta but asked him to leave it to the Drafting Committee to decide upon this, all the more so as paragraph 4 of Article 25 raised the same question.

M. DA MATTA (Portugal) accepted the President's suggestion.

Paragraph 3 was approved at a first reading.

ARTICLE 35, PARAGRAPHS 4 AND 5.

Paragraphs 4 and 5 were approved at a first reading.

The article as a whole was approved at a first reading.

ARTICLE 36, PARAGRAPHS 1, 2 AND 3.

These paragraphs were approved at a first reading.

ARTICLE 36, PARAGRAPH 4.

M. QUASSOWSKI (Germany) asked the Conference to decide whether this provision should not be inserted in the Convention rather than in the draft Uniform Regulation. Unless he were mistaken, this proposal had been submitted by the French delegation in its observations.

The PRESIDENT said that this question would be referred to the Drafting Committee. Personally, his own view was that it would be better to insert it in the draft Regulation.

Article 36 as a whole was approved at a first reading.

CHAPTER VI. — PAYMENT.

ARTICLE 37.

The PRESIDENT opened the discussion of the first paragraph of this article and read the following request submitted by the French delegation :

“ The French delegation requests that provision may be made in the Convention or in some other form for the following reservation :

“ Any Contracting State may supplement Article 37 of the Uniform Law so as to provide that the holder of a bill of exchange payable in its territory shall be obliged to present it on the actual date of maturity ; failure to comply with this obligation shall simply involve the payment of damages.

“ The other States shall have the right to determine the conditions under which they will recognise such obligation.

“ *Grounds.*

“ Presentation for payment is required at maturity under the French Commercial Code. Bankers and business men in general consider it essential that this rule should be retained.”

M. BOUTERON (France) stated, in support of the reservation made by the French delegation, that under Article 161 of the Commercial Code “ the holder of a bill of exchange must demand payment on the day of maturity ”. That was an authoritative provision confirmed by long tradition which the business world firmly supported. The bankers and traders were in agreement, in view of the strict interdependence of the manifold interests brought into play by the whole of the bills of exchange in circulation, that it was essential to maintain that principle, which constituted the keystone of credit while strictly ensuring on the dates fixed by the guarantors the liquidation of all the engagements signed. For that reason, the French delegation considered that maturity should fall on one day only.

They did not ignore the fact that, especially in countries subject, like theirs, to the dual observation of the eight-hour law and the English week, an extension of the time for presentment would be attractive, for such a provision would considerably lighten their obligations to the holders by enabling them on heavy settling days to divide their presentments.

Nevertheless, the French delegation considered that these questions must give way before the necessity of keeping in all its force the idea of maturity — respect for maturity, they might say — and of refusing to accept any measure likely to weaken its importance.

The PRESIDENT drew the Conference's attention to the following observation made by the experts in this connection :

“ The experts were of opinion that it would not be desirable to authorise the various countries to maintain or adopt different rules for time of presentment and payment as the

International Chamber of Commerce proposed. If certain countries refuse to adopt this uniform period, the resulting conflict of laws may be settled under an article in the draft Convention to the effect that the matter shall be dealt with according to the law of the place of payment."

This suggestion of the experts was not, however, contained in any article of the Convention, as had been very judiciously pointed out by the Danish, Finnish, Norwegian and Swedish delegations in the following note :

" The draft contains no provisions regarding questions of conflicts of laws relating to the period for the presentment of bills of exchange, although the note to Article 37 of the Regulation mentions the inclusion of a rule on this matter to the effect that it shall be dealt with according to the law of the place of payment."

M. MONTEJO (Spain) said that he would vote for the French proposal, since the Spanish Commercial Code contained a clause similar to that in the French Commercial Code.

M. GIANNINI (Italy) wished to draw the attention of the Conference and, in particular that of the French and Spanish delegations to the spirit that should preside over the work of the Conference. The argument that a country had such and such a practice or such-and-such a legal disposition was not tenable, for, if every delegation sought to safeguard its national provisions, any attempt to lay down a uniform regulation was condemned to certain failure. It must be understood that the advantages of a uniform regulation would largely counterbalance the inconveniences that might result for a country from the relinquishment of certain national provisions.

From the technical point of view, M. Giannini did not think that the term which it was proposed to reserve was, in practice, of such great importance that it could not be modified. Further, he considered that there was no adequate reason for inserting a reservation on this point, and in these circumstances he would vote against the French proposal.

M. SULKOWSKI (Poland) concurred in M. Giannini's observations. The Uniform Regulation was of no real value unless uniformity was achieved on the most important questions. Maturity, the payment of bills, etc., were definitely questions of primary importance.

Polish law stipulated that a bill might be presented for payment at maturity or on the two following days. From a desire, however, to facilitate the adoption of a uniform rule, M. Sulkowski would be prepared to accept even a solution at variance with Polish law provided that it was adopted by everyone without reservations.

M. MOLENGRAAFF (Netherlands) thought that it followed from the text of Article 37, paragraphs 1 and 2, and from the connection of these two paragraphs, that this article was equally applicable to bills of exchange at sight. He pointed out that paragraph 1 of Article 37 might mean only that bills of exchange at sight might be presented for payment on one of the two business days which followed the period of twelve months provided for by Articles 22 and 32. The Netherlands delegation asked if this interpretation was in conformity with the intention of the experts.

Secondly, the Netherlands delegation thought that presentment at a clearing-house could only take place if the holder and the drawee were both, not only members of a clearing-house, but also members of the same clearing-house. The Netherlands delegation wished to know if that was also the view of the Conference.

Paragraph 3 of Article 37 said that " the Contracting States shall themselves designate the institutions to be regarded as clearing-houses ". He wished to know what was meant by " designate ". Did that mean that the contracting States ought to give a definition to describe the institutions that they thought were clearing-houses or that they ought to present a list giving the names of all institutions recognised as clearing-houses ?

M. VAN NIEROP (Netherlands) said that — although the French opinion that, legally speaking, the period that had been fixed for payment ought to be respected was quite right in principle — as a banker, he asked the Conference to examine the practical side of the question, and, in his opinion, it was the practical considerations that had inspired the text of the experts. Since there were certain days when such large numbers of bills had to be collected that the banks could not finish the work in one day, it was necessary to provide a certain period of delay. Although that might be an unsound juridical opinion, he would ask the Conference to adopt the text of the experts.

M. HAMMERSCHLAG (Austria) agreed with M. van Nierop.

Baron CARTON DE WIART (Belgium) expressed entire agreement with the observations of M. van Nierop.

M. QUASSOWSKI (Germany) thought that the problem had to be considered in connection with Article 43. It was clear that there was a difference between the two systems, perhaps not a difference of form, but nevertheless a difference of considerable importance.

In the first system, a bill of exchange had to be presented for payment on the actual day of maturity and the protest could only be drawn on the following day. According to the second system, there was no need for a bill to be presented for payment on the day of maturity. It could even be presented on one of the two business days that followed, but it was necessary for the protest to be drawn up within this period. According to the first system, therefore, there was one period for the presentment of the bill and another for drawing up the protest. According to the other system, there was a single period for the presentment and the protest.

Under the first system, a bill of exchange ought to be presented twice, once for payment and a second time for the protest. The result would be that the exercise of the holder's rights would be made more difficult and expenses would increase.

Moreover, the holder of the bill ran certain risks if he observed the period of protest. He might be made to suffer if he had not observed the period of presentment. On the other hand, if he observed the period of presentment, he ought also to observe the period of protest so as not to lose his right of recourse.

On the other hand, if the creditor could draw up a protest on the day of maturity, he would then be in a position where he could use his right of recourse more quickly, with the result that he would benefit greatly in cases where the situation of the guarantor was uncertain.

There was yet another advantage in deciding on a single delay of three days being allowed to cover both presentment and protest. Because of the large number of bills of exchange received, the Deutsche Reichsbank sent each particular debtor a list of all the bills of exchange which became payable by the same debtor on the same day, and asked if he recognised those bills. If the answer was in the affirmative, the total of those bills was carried over to his "Giro" account without any necessity for him to present them himself. But bills that the debtor did not recognise were presented to him and protested for want of payment. To do that always took a certain amount of time, and the Reichsbank thought that any reduction of the period of three days would lead to practical difficulties.

For these reasons, M. Quassowski approved of the text of the experts.

M. TROULLIER (International Chamber of Commerce) declared that the International Chamber of Commerce had asked whether different countries were authorised to adopt different regulations for the period of presentment and he thought that at the present moment there was considerable advantage in retaining the obligation to pay at maturity. Bills of exchange were not inevitably paid at maturity on the last day of the month. Payment might take place on any date.

From a practical point of view, M. Troullier pointed out that there were a large number of small dealers called hawkers which did a considerable amount of business. These hawkers, who were in an extremely solvent position, had a regular domicile, but they did not often live there because they were continually travelling in order to sell their goods. These hawkers were in the habit of giving a fixed day when they would arrange their payments. He asked if they should be obliged to remain two or three days longer at their homes in order to wait for a bill to be presented.

Mr. KENNEDY (United States of America) said that the matter seemed to be of such great importance that he would bring to the attention of the Conference the report of the United States section of the Inter-American Commission in connection with Article 37 :

"With the exception of those countries that have adopted the Hague Regulations, the American Codes uniformly provide that a bill of exchange must be presented and paid on the day of maturity. No mention is made of clearing-houses, and it must be inferred that presentment to such institutions is not accounted due and sufficient presentation to the drawee. The Hague regulations, although abolishing days of grace for the payer of a draft, allow the holder this privilege. The Anglo-American rule, which is also that followed throughout Latin America, provides that presentment and payment must be made on the date of maturity, and this principle appears to be sound. It is the duty of the acceptor to provide funds to meet the bill when it is due, and it should be the duty of the holder to present it on that date. To allow a postponement of that act is to extend unduly the obligations of other parties to the bill, and in the event of the bankruptcy of the drawee in the interim, they would suffer from the neglect of the holder. The second provision of this article obviously refers to cases where items are not presented by the clearing-house to its members on the same day as received. This is therefore a further abridgment of the rights of the drawer and endorsees of the bill. The clearing-house is merely an intermediary between banks and acts as the carrier agent of the bank sending the draft for collection, not as the paying agent of the bank where the item is payable, and hence presentment to it cannot be considered equivalent to presentation at the place designated in the bill. To apply the Hague rules to central clearing organisations, such as the Federal Reserve Banks, which cover not merely local but nation-wide operations, would involve a serious delay in payment which was evidently not contemplated in the origin of the bill of exchange."

Baron CARTON DE WIART (Belgium) thought that it was essential to respect the date of a bill's maturity from the juridical point of view, but from the practical point of view it was very important that they should adopt the period provision in the Uniform Regulation. M. Troullier had declared that the number of bills of exchange presented at the end of the month was not of great importance; but as a matter of fact all those who had seen the counters of a great bank at the end of a month would not agree. The representative of the International Chamber of Commerce had also spoken of hawkers. That was an interesting argument, but it dealt with only a small side of business, and in any case such hawkers could always have their bills domiciled with their bankers.

Mr. GUTTERIDGE (Great Britain) thought that English business circles at the present day would take up the same attitude as Sir Mackenzie D. Chalmers, the British delegate at The Hague in 1910 and 1912. According to English law, the bill must be presented on the day on which it

fell due. If it was not so presented, the holder lost his right of recourse against the drawer and the endorsers. The theory underlying that rule was that, if the person who was liable to pay did not pay, the drawer and the endorsers were entitled to immediate notice of that fact so that they might take the necessary steps to protect their interests. The English view was that an extension of the period might inflict hardship upon the drawers and the endorsers. Supposing a bill fell due on a Saturday, Sunday was not a business day, and Monday was a holiday. According to the rule proposed, the holder would have until Wednesday for the purpose of presenting the bill ; that was an interval of four days, during which the acceptor of the bill might fail, and this might put the drawer and the endorsers in an awkward position. Of course, the practice was not the same everywhere, and the payment of bills was largely concentrated in London through the clearing-house. Still, he thought that if English bankers were asked to abandon their present rule, they would probably decline to do so.

M. Deoclecio DE CAMPOS (Brazil) declared that, in spite of the fact that Brazilian law was in close harmony with the views of the French delegation, the Brazilian delegation was so anxious to see unification brought about that it declared itself in favour of the Hague text of the provision which was already recognised in Brazilian exchange law consequent on the ratification of the Hague Convention by Brazil. The Brazilian delegation continued to observe the attitude adopted by its Government during the 1912 Hague Convention in regard to this matter.

M. BOUTERON (France) replied that, whatever might be the Conference's desire for uniformity it was impossible to ignore the gravity of the statements made by the delegates of the Governments of Great Britain and of the United States of America. These countries had had considerable commercial experience and also used the regulation for maturity that was valid in France. On the other hand, M. Bouteron thought that in reply to preceding observations he ought to point out that there was no question of preserving legal provisions for the sake of a purely theoretical principle, but of drawing attention to a state of mind of French commerce and of conforming to it. In France, business men had declared themselves definitely in favour of maintaining the provision that instruments should be presented for payment on the day of maturity. M. Bouteron reminded the Conference that in 1912 the French delegation had already made reservations, which had been sanctioned by Article 7 of the Hague Convention.

Moreover, in reply to those of his colleagues who had had special experience in banking affairs, M. Bouteron added that he was not in the least ignorant of the activity that took place in banks which had an important turnover of bills and acceptances at the time when many bills reached maturity. He knew quite well that the pressure on such institutions was often enormous at certain periods of the year, but he pointed out that establishments that were holders managed to clear themselves, and he thought that the development of the practice of domiciliation, referred to by Baron Carton de Wiart, would tend to modify these difficulties.

With reference to the fear shown by the German representative concerning protest, M. Bouteron pointed out that so far it had always been considered that the debtor had the whole day for payment, and that the protest could not be allowed to be drawn up on the day of presentment for payment. Moreover, the French delegation proposed to bring forward an amendment regarding the possibility, at least so far as France was concerned, of only drawing up the protest on the day after maturity or later.

In conclusion, he declared that the French delegation maintained its proposal.

M. GIANNINI (Italy) thought that the Anglo-American system, which the French delegation supported, ought to be put on one side, and he drew M. Bouteron's attention to the fact that the Anglo-American law differed technically from the Continental system.

The essential point was to have a single rule ; and in this connection he drew the attention of his colleagues to the fact that it was not only the main principles of the Convention which were important in practice, but also secondary matters such as that of the period of payment. If the Conference did not adopt a uniform period, the result would be certain inconveniences because of the diversity of national laws. It would be of fairly great advantage in practice to have one single definite rule without the necessity every time of finding out what was the period under the law of each state. In order to obtain a uniform period, M. Giannini was ready to accept the principle in force in the French legislation, but he could not always accept the reasons that the French delegate had put forward in favour of this principle, reasons of a practical order that only concerned internal commerce. M. Giannini quite understood this reason, but he asked if there would be any real inconvenience in adopting a uniform law and allowing different States the right to keep their traditions and their national practices. He wished to draw the attention of the French delegation to the fact that if a practice was of real importance and long standing, it might subsist and some times survive for a long time, even when it was not codified in the law and upheld by the latter. However, he asked the French delegation if it would not consent to make certain small sacrifices in order not to destroy the uniformity that was the aim of the Conference.

M. GASTELU (Ecuador) said that the Government of Ecuador had recently adopted the Hague text and he hoped that the Conference would keep to that text.

The French proposal put to the vote was rejected by 19 votes against 6.

THIRTEENTH MEETING.

Held on May 20th, 1930, at 3.15 p.m.

President: M. J. LIMBURG.

17. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continued).

ARTICLE 37 (Continuation).

Baron MARKS VON WÜRTEMBERG (Sweden) pointed out that, in its present form, paragraph 1 of Article 37 referred to all bills of exchange and consequently to bills of exchange payable at sight. In regard to the latter, however, the provision regarding the two business days following the day on which the bill was payable had no meaning, seeing that for bills of exchange drawn at sight the day for payment was not different from the day of presentment for acceptance. Moreover, Article 33 governed the payment of bills of exchange drawn at sight. It would therefore be desirable to modify the first paragraph of Article 37, and the Drafting Committee might be entrusted with the task of doing so.

M. GIANNINI (Italy) considered that the third paragraph of Article 37 should be put in the Convention.

In regard to the questions on interpretation put by the Netherlands delegation, M. Giannini believed that it would be preferable to deal with them in the report rather than in the Convention.

Finally, he considered the observations made by the Scandinavian delegation worthy of consideration, but thought that they should be referred to the Drafting Committee, together with the observations of the Netherlands delegation.

The PRESIDENT noted that the observation of Baron Marks von Würtemberg was identical with the first observation of the Netherlands delegation. He believed it to be well founded. The first paragraph of Article 37 could not refer to bills of exchange payable at sight.

The President supported the proposal of M. Giannini to refer to the Drafting Committee the observations of the Netherlands and Scandinavian delegations. He added that the observations of the Netherlands delegate also appeared to him to be justified.

This procedure was adopted.

The PRESIDENT proposed the adoption of Article 37, subject to a reservation in regard to the reply of the Drafting Committee.

Article 37 was approved at a first reading.

ARTICLE 28 (RESUMPTION).

The PRESIDENT informed the Conference that after an exchange of views between the delegations several of them proposed the following text :

“ Where the drawee who has put his acceptance on a bill has cancelled it before the delivery of the bill to the holder, acceptance is deemed to be refused failing proof to the contrary. Cancellation is deemed to have been effected before the delivery of the bill to the holder.

“ Nevertheless, if he has in writing informed the holder or any other party who has signed the bill that he has accepted it, the drawee is bound as regards such parties according to the terms of his acceptance.”

The President added that the Conference would also have to take a decision on the addition proposed by Baron Carton de Wiart.

M. VAN NIEROP (Netherlands) asked for some explanations in regard to the above text. It began as follows : “ Where the drawee who has put his acceptance on a bill has cancelled it before the delivery of the bill to the holder...” What exactly was to be understood by the delivery of the bill to the holder ? Was the time of the delivery of the bill the time when it was sent or the time when it was received ? M. van Nierop took as an example a bill of exchange drawn on Amsterdam in Ecuador. The drawee, who lived in Amsterdam, accepted the bill of exchange and sent it to the drawer. On the following day he decided to cancel his signature and telegraphed to the post office at Ecuador asking them not to deliver the bill, but to return it to him. Could he in such a case really cancel his signature ? Was the bill of exchange considered as delivered at the moment when it was sent off or should it only be considered as delivered when it was received by the drawer ? M. van Nierop knew quite well that when it was a question of a declaration of intention the date of the delivery of the declaration was that of its reception by the person to whom it was addressed, but in that case it would be desirable to say so clearly.

In the second place, M. van Nierop believed that it would also be necessary to agree as to the meaning of the word “ holder ”. It might happen that the holder sent a bill of exchange to the drawee before signing it in order that the drawee might himself affix his signature. The drawer only signed it when it had been accepted by the drawee. In that case, might it not be said that the drawer was the holder of the bill ?

In the third place, M. van Nierop emphasised that in general it was not the legal holder who asked for acceptance. More frequently he sent the bill of exchange to a bank and the latter applied to the drawee for his signature. Could the bank also be considered as the holder? For his part, M. van Nierop was ready to reply in the affirmative to that question, and every jurist would reply in the same way. In commerce, however, jurists were not always to be found and for that reason it was essential to have a very clear text.

M. HERMANN-OTAVSKY (Czechoslovakia) put three questions :

1. In regard to the first paragraph, reference was made to “ *biffage* ” and “ *radiation* ”. Was there any difference between those two terms?

2. Doubtless there was a close relation between the two sentences of the proposed text ; the word “ nevertheless ” showed that. It should therefore be understood that if the drawee who had cancelled his acceptance had informed by writing the holder or any other signatory of that acceptance his obligation remained ; and if he had cancelled his acceptance after notification, the cancellation was null and void — all of which apparently only concerned those persons whom the drawee had informed of his acceptance. But the question arose : What was to be the position of the other people interested, especially of the subsequent holders ?

If the text said, “ he is bound as regards these persons ”, to what persons did that refer ?

The PRESIDENT replied that it referred to the holder or to any signatory.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that, from the point of view of the fundamental principles of exchange law the drawee who had accepted the bill became the principal debtor towards all the subsequent holders, it was contrary to these principles for him only to recognise his obligation towards certain definite persons by notification.

3. Reference was made to acceptance in writing. Was it necessary that it should be in writing? Could it not be made by a notarial deed, by a telegram or even, perhaps, by telephone?

The PRESIDENT replied that the words “ *radiation* ” and “ *biffage* ” were synonyms. The first was more elegant than the second.

Article 28 should be read in the following sense : If the drawee has in writing informed the holder or any other signatory to the bill that he has accepted it, he is bound as regards such parties ; that is to say, those parties whom he has informed in writing of his acceptance.

According to paragraph 1, the acceptance had been validly cancelled in time. If, nevertheless, the drawee had informed either the holder or any other signatory that he had accepted, he was bound as regarded them.

M. HERMANN-OTAVSKY (Czechoslovakia) asked whether an exchange or a civil obligation was involved.

The PRESIDENT replied that an exchange obligation was involved.

M. HERMANN-OTAVSKY (Czechoslovakia) considered that that was a new and special exchange obligation.

In reply to the third question put by M. Hermann-Otavsky, the PRESIDENT stated that the acceptance should be notified in writing. If it was made by a notarial deed or by telegram, it was in writing. The same was not the case if it was given by telephone.

In reply to M. van Nierop, the President pointed out that in the text of the experts the phrase “ before the bill has left his hands ” had been used. The expression now employed was “ before the delivery of the bill to the holder ”. The meaning of the article was unchanged. When the return of the bill was requested by telegraph and the acceptance was cancelled, it had not as yet been given up. There had as yet been no delivery.

M. van Nierop had also asked for explanations in connection with the word “ holder ”. On reading the text for the first time, the President himself had had the same scruples. It appeared to him, however, that the logical interpretation was that in such a case the drawer was at the same time the holder.

Finally, a bank could be considered as a holder by procuration. It was obvious that in the latter case the question should be examined by the courts. Provision could not be made in a law for all possible cases. The desire to provide for all possible cases had rendered unreadable the laws drafted during the past thirty years.

M. GIANNINI (Italy) reminded the Conference that the Committee which had been instructed to draw up this article had had thirteen proposals placed before it. It was accordingly obvious that nobody was satisfied with the article. M. Giannini, however, would vote for it, since it had obtained the greatest number of votes.

The report, too, might contain certain explanations. M. Giannini, however, wished to draw his colleagues' attention to the desirability of keeping down such explanations to a minimum otherwise, instead of enlightening the jurists, the report would only puzzle them.

M. Giannini did not see the need for introducing into international conventions a kind of lexicon except in the case of purely technical conventions ; that was not the case of the present Convention, which was intended for the use of jurists, bankers and business men, who would understand it without needing volumes of explanations.

To return to the article under discussion, the Italian representative thought the text sufficiently clear, and without being entirely satisfied with it he would vote for it as it stood.

M. QUASSOWSKI (Germany) observed that the Czechoslovak delegate had asked whether the liability determined in the second paragraph was an exchange liability or a liability in common law. That question showed that there was some doubt on the point, and M. Quassowski thought that the matter should be cleared up in the report to be drawn up by the Drafting Committee.

M. VISCHER (Switzerland) supported the Czechoslovak proposal to strike out the words "in writing", as not being, in his opinion, absolutely necessary. The question was to determine the liability of the drawee as regarded the persons to whom he had notified his acceptance. If the holder or any other signatory could prove that notification had taken place, he was entitled to damages even if the notification had not been made in writing.

M. Vischer, further, thought it useless to insert the last paragraph of the article. As, however, the German delegation had stated that under German jurisprudence this liability would not exist unless it was expressly mentioned, M. Vischer would not oppose the introduction of the last paragraph.

The PRESIDENT put to the vote the Czechoslovak amendment to strike out the words "in writing" in the second paragraph.

This amendment was rejected by 14 votes to 5.

The PRESIDENT put to the vote the first two paragraphs of Article 28.

These paragraphs were approved at a first reading.

The PRESIDENT submitted the following amendment, proposed by the Belgian delegation, to add a third paragraph to read :

"The intention to cancel must be expressed by the note 'Cancellation approved', or any other equivalent note, signed and dated by the acceptor."

Baron CARTON DE WIART (Belgium) explained that though he was averse from any kind of sacramental or formal clause, he had thought that it was logical to stipulate that the intention to withdraw the acceptance should be clearly expressed by a definite statement. The Conference had agreed both in regard to acceptance and in regard to an "aval" that the intention to accept and to give an "aval" must be clearly expressed by a definite signed statement. There was no reason to make a difference between these two acts, which were of equal importance.

In the case of the withdrawal of an acceptance, Baron Carton de Wiart wondered whether it was necessary to stipulate that the statement should be not only signed but dated. Personally, he thought so. He considered that absolute precision was required.

Lastly, he held that the word "biffage" (cancellation) was open to question, but that that would not be the case if the "biffage" or "radiation" (cancellation) were completed by the signature and date.

M. GIANNINI (Italy) did not share Baron Carton de Wiart's opinion. The actual person who cancelled his signature could add, when he liked, the signed and dated declaration proposed by the Belgian delegation. In this way, the proposed requirement would be valueless. A cancelled signature was no longer legible, and it was less so when recourse was had to chemical washing. Thus, from the practical point of view, the Belgian proposal was of no value. But, on the other hand, it raised more than one problem. For example, what would be the value of an undated declaration?

The only consequence of this addition to Article 28 would be to revive the former practice of cancellation in such a way that the signature still remained legible.

M. Giannini would, in consequence, vote against the Belgian proposal.

M. ASSER (Netherlands), speaking in his personal capacity, thought that the Belgian amendment was justified from a legal point of view and helpful from a practical point of view.

It was a principle of law that a written and signed declaration was required in order to give rise to an exchange liability. If a person who had given his acceptance were allowed, by way of exception, to suppress his signature, it was logical to require that such revocation should be made by a signed declaration in writing. In practice, as Baron Carton de Wiart had pointed out, if the acceptor was entitled to revoke his acceptance before the remittance of the bill to the holder, it was desirable to require that such revocation should be accompanied by a date which would constitute proof of the time at which the revocation had taken place. The requirement to date the declaration would, in the majority of cases, prevent the acceptor, who was anxious to revoke his acceptance, after having remitted the bill to the holder, from antedating his declaration, since such an act would come under the Criminal Code.

Baron CARTON DE WIART (Belgium), in reply to M. Giannini's observations, said that the Conference must have in view transactions by honest people wishing to cancel their signature, an operation which they could carry out by means of two strokes of the pen in accordance with a usage which was still very common. It was well that such cancellations should be made clearly and precisely. If no trace remained of the signature, the measure proposed by the Belgian delegation would, of course, be useless, but chemical washing or, as the case might be, the cutting-out of the signature were fraudulent acts which would not be committed by honest people.

M. HERMANN-OTAVSKY (Czechoslovakia) reminded the Conference that he had been opposed to allowing the cancellation of an acceptance, apart from other reasons, because such an act was not one of a personal character and consisted in a mere stroke of a pen for which it was difficult to fix the responsibility. The addition suggested by Baron Carton de Wiart would, however, make it possible for the Czechoslovak delegation to accept the idea of cancellation. He therefore urged those delegations which were opposed to the Belgian proposal not to prevent the adoption of this measure.

M. QUASSOWSKI (Germany) thought that there should be no special rule for cancellation. That would be encouraging it in one way or another. If an acceptance was cancelled without further mention, it was obvious, *prima facie*, that the signature was inoperative. It followed that the German delegation could not adopt the Belgian proposal.

The Belgian amendment being put to the vote, 12 delegations voted in favour and 12 against. The amendment was rejected.

Article 28, consisting of two paragraphs, was approved at a first reading.

ARTICLE 38, PARAGRAPH 1.

Paragraph 1 was approved at a first reading.

ARTICLE 38, PARAGRAPH 2.

The PRESIDENT submitted the following amendment proposed by the British delegation "The holder of the bill may refuse partial payment", and the following request for a reservation asked for by the French delegation :

"The French delegation requests that provision may be made in the Convention or in some other form for the following reservation :

"By derogation from Article 38, paragraph 2, of the Uniform Law any Contracting State may in the case of bills payable in its territory authorise the holder to refuse partial payment.

"The bearer's right as thus recognised shall be recognised also by the other States.

"Grounds.

"An obligation by which the creditors must accept partial payment constitutes a derogation from the general principles of law.

"Hence partial payment should be allowed only with the holder's consent.

"Further, the collection of bills is generally entrusted to collecting clerks, who could not be instructed to give the drawee a receipt and to mention on the bill of exchange the amount actually drawn of the sum named therein."

Mr. GUTTERIDGE (Great Britain) explained that the British amendment dealt with a matter to which his Government attached a good deal of importance. The principle involved was a serious one from the business point of view. It might perhaps be objected that the matter had already been settled to some extent by the adoption of Article 25 in its present form. The principle at stake, however, was not the same. The case in which a person was asked to accept a bill of exchange and refused to do so was quite different from that in which a bill of exchange had already been accepted. In the former case, there was no promise to pay. In the latter, there was a definite assurance on the part of the drawee that payment would be made in accordance with the terms of the bill of exchange.

It was a general principle of the law of contract as he understood it, that the beneficiary under a contract could not be compelled to accept partial performance unless he gave his consent. He believed that that principle had been adopted by the law on bills of exchange, not merely in Great Britain and the United States, but also in other countries. The French Government, in the observations in the preparatory documents, had expressed its adherence to the principle, and he understood that the same view was taken by the Inter-American Commission, at all events at their meeting at Buenos Aires in 1916. It would probably be suggested that due regards should be had to the interests of the drawer and the endorsers of the bill of exchange and that their interests should be protected. There was something to be said for a principle which compelled the holder to accept part payment. Looking at the case from its broadest point of view, however, he ventured to think that in the case in question the interests, not of the drawer and the endorsers, but of the holder should be protected.

Supposing the holder wanted to have 100,000 francs placed at his disposal in Paris. For that purpose he purchased a bill of exchange drawn on Paris, but when the bill was presented for payment, the acceptor said that he would not pay 100,000 francs but only 50,000 francs. If he were at liberty to do so, the consequences might be very serious. The intentions of the holder would be entirely defeated, and he would be placed in a very awkward position from the commercial point of view.

There was also a subsidiary point. He had been told by English bankers that a considerable amount of dissatisfaction was sometimes caused in cases of the following nature : The holder of a bill for 100,000 francs on demanding payment would be told by the acceptor, with whom he had had some kind of disagreement that he did not intend to pay 100,000 francs but only 99,750 francs. The acceptor would set up some case with regard to the odd 250 francs. He did so largely for the purpose of annoying the holder and because he knew perfectly well that the holder would not bother to go back on the drawer and the endorsers for so small an amount. Such cases sometimes occurred, and they caused a good deal of annoyance to British merchants and British bankers.

He did not want to prolong his argument, but would earnestly ask the Conference to give its very serious consideration to a matter to which great importance was attached in English commercial circles.

M. PERCEROU (France) said that in the text submitted to the Conference the French proposal took the form of a request for a reservation, but after hearing Mr. Gutteridge and after certain private conversations, he thought that the proposal might take the form of an amendment.

The British delegate's arguments were strengthened by one very practical consideration. The majority of bills were presented for payment by banks. The bank messenger was not empowered to give a partial receipt without special instructions. Further, if payment was only partial, he could not hand over the bill. A whole series of transactions followed, which could not be carried out by a bank messenger : mention of partial payment on the bill, issue of a separate receipt, etc.

M. HAMMERSCHLAG (Austria), although thinking like M. Giannini that the number of reservations should be reduced as far as possible, would not oppose the reservation made by the French delegation, which was one that concerned many other countries.

The question was dealt with in Article 8 of the Hague Convention, which read :

“ In derogation of Article 38, paragraph 2, of the Regulation, every Contracting State may authorise the holder to refuse the partial payment of instruments payable in its own territory.”

M. Hammerschlag regretted that he was unable to concur in the British delegate's opinion. As partial acceptance had been allowed, it would be difficult not to allow partial payment without being inconsistent. Furthermore, what interest was there to be safeguarded? In principle, the endorsers would be released as far as possible from their liabilities. If the possibility of partial payment were rejected, the endorsers would become liable for the whole sum of the bill, whereas partial payment would restrict their responsibility. In such a case, it would not be right to protect the holder by giving him the right to refuse partial payment ; whether he accepted or refused, he would have difficulties. If he accepted partial payment, he would have to make protest for the balance of the amount. If he refused partial payment, he must also have a protest drawn up. If, however, he accepted partial payment, he received part of the amount of the bill. If the principle put forward by Mr. Gutteridge were adopted, the endorsers would lose without the holder's being able to derive any appreciable advantage.

In conclusion, M. Hammerschlag proposed that the text submitted to the Conference should be retained.

M. SULKOWSKI (Poland) thought that, in theory, the principle proposed by Mr. Gutteridge was the best. Attention must be paid first and foremost to the interests of the holder. The drawer and all the endorsers had given their guarantee for the acceptance and for the payment of the total amount of the bill.

It must, however, be admitted that in regard to acceptance a contrary solution had already been adopted. It had been agreed that the drawee might limit his acceptance to part of the sum. It would be illogical to adopt the opposite principle in regard to payment.

There still remained the question put by the French delegation — whether a reservation would be required in the event of the text proposed by the experts being adopted. The question of payment was very important and should be settled in a uniform way everywhere. It was for that reason that M. Sulkowski thought that the French delegation's reservation should not be allowed.

On behalf of the Polish delegation, however, he wished to say that he would acquiesce in any solution, even that proposed by the British delegation. In that case, however, the principle laid down in Article 25 should be modified.

M. DA MATTA (Portugal) pointed out that there were two systems of legislation in force : the system of the French law, according to which partial payment was optional — that was to say, the holder had a right to refuse it — and the system of the German law, followed by the Italian Commercial Code, according to which partial payment could not be refused by the holder.

The Portuguese Commercial Code had adopted the latter system and had affirmed the principle in Article 321, which stipulated that the holder could not refuse any partial payment, even when the acceptance had been given for the whole amount of the bill of exchange.

M. da Matta very well understood the preference which had been given to that system, for the French system was very harmful to exchange debtors who might remain free until the whole sum had been paid, and did not help the holder, who had to resort to legal means to obtain payment of that part of the bill which had not been paid. It would appear to be quite equitable not to allow the holder arbitrarily to decrease or increase the responsibility of the other parties without any advantage to himself.

Finally, M. da Matta was in favour of paragraph 2 of the article as it had been drawn up by the Committee.

Mr. KENNEDY (United States of America) informed the Conference that the laws of the United States did not expressly state that holders might refuse partial payment, though that was to be inferred from the articles relating to partial acceptances.

M. GIANNINI (Italy) pointed out that Article 292 of the Commercial Code in force in Italy stipulated that the possessor of a bill of exchange could not refuse partial payment. That rule would be inserted in the draft code which was being drawn up. On the other hand, Article 46 of the Belgian Code contained the same formula as the French legislation :

“ Payments made on account of the amount of a bill of exchange are in favour of the drawers and endorsers. The holder must protest the bill of exchange for the balance.”

It continued, however : “ He may not refuse the partial payment which is offered to him.”

The same principle was contained in the German, Austrian, Swiss, Netherlands and Spanish legislations.

In the same way, the Anglo-Saxon legislation admitted that partial payment was optional and the British delegation had submitted a proposal asking for the adoption of that principle.

M. Giannini wondered what were the advantages of the two systems, and thought that there was no need to fix such a strict rule, which had not been adopted for cheques nor in general by private law. Moreover, it was essential, in his opinion, to draw up a uniform law and to come as close as possible to the Anglo-Saxon legislation. The only argument which could be advanced in favour of compulsory partial payment was that, if the holder could refuse partial payment, the situation of third parties who had given guarantees might, to some extent, be prejudiced.

M. Giannini considered that it was necessary to avoid reservations as far as possible; a uniform law with reservations was not really uniform. Consequently, he was ready to adopt the British amendment which, in his opinion, deserved to be kept and was of such a kind as to avoid reservations.

M. DE LA VALLÉE POUSSIN (Belgium) thought that to compel the holder of a bill of exchange to rest momentarily content with partial payment was an incontestable and somewhat grave departure from a principle to be found in universal common law. It was the creditor who was the judge of his own interests in such a case and it was for him to decide whether he would be content with this partial payment or whether he would refuse it and await full payment. The only reason which justified the introduction in a fairly large number of national legislations of the contrary practice was the interests of the guarantors, who were released from their responsibility up to a certain limit. Their interests, however, were not the only ones at stake. There was also the interest of the holder, and he might esteem it preferable to refuse partial payment. The particular case under review was the interest of the holder which had first been taken into account.

Apart from the considerations put forward, the Belgian delegation was ready to renounce the principle contained in the legislation of Belgium and to adopt the principle of common law which was almost universal and according to which the creditor could not be compelled to rest content with partial payment.

Prince VARNVAIDYA (Siam) observed that the British proposal was in conformity with Siamese law and practice, and the Siamese Government attached importance to the maintenance of the law on that point. He had listened to M. Giannini's observations with interest and would appeal to those of his colleagues whose legislation contained provisions contrary to the British proposal to show a conciliatory spirit by supporting that proposal, since no fundamental objection had so far been raised against it.

M. QUASSOWSKI (Germany) noted that the objections raised by the French delegation did not concern the principle that partial payments should be allowed, but were of a technical kind. They desired to avoid instructing the bank messenger to deliver a receipt to the drawee and to record the sum obtained on the bill of exchange. Was it really necessary to make a reservation for a question of such small importance? In Germany, similar difficulties had, in all probability, arisen, but they had not been regarded as insurmountable. If the bank messenger could not give a partial receipt, the debtor could be asked to go to the bank in order to make partial payment, and other similar forms of procedure were possible.

M. Quassowski considered that the regulation proposed by the experts was preferable to that suggested by the French delegation. Partial payment should be allowed in the interests of the endorsers and of the drawer, for if it were not allowed the endorsers and the drawer might be made responsible for the whole amount of the bill, although the drawee had been ready to pay part of it. The result of such a provision would be unfavourable, and on this point M. Quassowski agreed with the observations of M. Hammerschlag.

The representative of Germany next pointed out that it was in the interests of the holder to concede the possibility of partial payments, for it would be better for the holder to receive at least part of the sum due rather than nothing. There was no valid reason to refuse to accept the principle of partial payment, and the business men and traders in Germany attached great importance to the maintenance of the provision contained in the text of the experts. M. Quassowski would therefore vote in favour of this text.

M. TROULLIER (International Chamber of Commerce) said that the International Chamber of Commerce had proposed that Article 38 should be completed by the following addition :

“ However, each country has the right within its own territory to limit the obligation to accept partial payment to ‘ *payments portables* ’ .

This question had been discussed at great length by the International Chamber of Commerce. Many objections had been raised and the conclusion had been reached that in limiting partial payment to payment actually tendered the objections to the delivery of the receipt by the bank messenger would fall.

M. VISCHER (Switzerland) said that Switzerland attached great importance to the maintenance of the following provisions to the effect that the holder could not refuse partial payment.

M. Vischer must therefore make every reservation in regard to the ratification by Switzerland of the Uniform Regulation, should this provision not be maintained. It was obvious, however, that the Swiss delegation would welcome any effort at conciliation and would be ready to accept, if necessary, the reservation submitted by the French delegate.

M. HAMMERSCHLAG (Austria) wished to show by an example that, in this question the interests of the endorsers and of the drawers must be taken into consideration before those of the holder. Supposing that a drawee was in a doubtful financial position. On the day of maturity he sold a part, and perhaps a considerable part, of the bill of exchange and was ready to pay over this sum. The holder, however, refused to accept it. It might therefore happen that on the days following the drawee no longer possessed the same sum in which case the interests of the endorsers and those of the drawer were injured without any corresponding advantage.

M. Hammerschlag said that this question was of practical importance. Unfortunately, the fact must be faced that such cases arose fairly frequently in all countries.

The PRESIDENT said that several delegations had asked him to adjourn the vote until the next meeting in order that they could reflect on the principle of conciliation laid down by M. Giannini. In those conditions, the President proposed to vote on the British amendment and on the French reservation. This vote would take place at the beginning of the next meeting.

The Conference agreed to this procedure.

ARTICLE 38, PARAGRAPH 3.

M. HERMANN-OTAVSKY (Czechoslovakia) said that the Czechoslovak delegation withdrew the amendment. Which it had proposed.

M. VAN NIEROP (Netherlands) thought that there was a close connection between paragraphs 2 and 3.

The PRESIDENT agreed ; he would propose to postpone the vote on the third paragraph to the next meeting.

M. TROULLIER (International Chamber of Commerce) proposed that the article should read : " In case of partial payment, the drawee shall require " and not " may require ". This provision seemed necessary in order to prevent the negligent drawee from being asked to pay in its entirety a bill upon which he had already paid a part.

Article 50 laid down : " The holder must also give him a certified copy of the bill ". This amendment seemed therefore necessary in order that Articles 38 and 50 should not contradict each other.

The PRESIDENT noted that this observation was similar to that made by the Czechoslovak Government in this respect. There would be no objection, he thought, against the proposal, but several delegations had not expressed their views.

M. HERMANN-OTAVSKY (Czechoslovakia) said that, in this connection, his Government had put forward an observation in order to meet the desires of the International Chamber of Commerce. After having examined the question more closely, however, the Czechoslovak delegation considered that there were great difficulties in the way of sanctions. Obligations implied sanctions, and in the case in point the sanctions would have to be applied in civil law. For that reason, the Czechoslovak delegation withdrew its amendment.

The PRESIDENT noted that the discussion on Article 38 was finished, since no delegation proposed to replace the word " may " by the word " shall ". M. Troullier, as representative of the International Chamber of Commerce, only attended in an advisory capacity.

FOURTEENTH MEETING

Held on May 21st, 1930, at 10 a.m.

President: M. J. LIMBURG.

18. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continuation).

ARTICLE 38, PARAGRAPH 2.

The PRESIDENT put the British amendment to the vote in the following terms :

" The holder may refuse partial payment."

The amendment was rejected by 15 votes to 7.

M. PERCEROU (France) said that the French delegation had decided, after the vote which the Conference had just taken and in the interests of uniformity, to wit draw its proposal in order not to increase the number of reservations. ¹

¹ See previous meeting, page 249.

The PRESIDENT thought that the Conference would be grateful to the French delegation for the sacrifice if had consented to make in order to achieve uniformity.

The text of paragraph 2 was approved in its original form at a first reading.

ARTICLE 38, PARAGRAPH 3.

This paragraph was approved at a first reading.

The article as a whole was approved at a first reading.

ARTICLE 53.

The PRESIDENT referred to the Austrian amendment proposing that the text of Articles 53 of the Hague Regulation should be restored. The Czechoslovak and Japanese delegations had also put forward an amendment which, without going so far as that of the Austrian, was of a similar nature. The delegations of the Scandinavian countries had submitted a proposal to the effect that the word "abroad" should be replaced by "any country".

The President noted with satisfaction that the amendments submitted did not affect the principle of the article in the form in which it had been adopted, after long discussions, at the Hague Conference of 1910 and 1912.

M. HAMMERSCHLAG (Austria) recalled that this question had been examined very conscientiously and at great length at The Hague in 1910.

Two opposite opinions had been expressed. The first, defended by the Italian delegation (especially by the famous Professor Vivanti) and the Austrian delegation, urged that the holder should immediately be granted rights of recourse should a general case of *vis major* occur in the country of the drawee making it impossible to carry out all the legal actions prescribed (presentation protest, etc.). The other view was that these rights should remain in suspense until the end of the case of *vis major*, and that the time-limit laid down for the legal actions should be prolonged until a certain date after the case of *vis major* had come to an end. This view had been in the first instance supported by the German delegation.

The majority of the States represented at the Conference had been in favour of the first solution; among others, for example, Italy, Belgium, the Netherlands, and a number of other States.

The contrary view had been put forward, mainly by M. Fischel, a well-known banker. In its desire to approach as closely as possible to the view of a State of the importance of Germany, and taking into consideration the fact that the Conference had been called upon to settle an important question by means of an entirely new provision; apart from that, in view of the fact that experience had not made it possible to discover which of the two systems was the better, the Conference had succeeded, after long discussions, records of which would be found in the acts of the Conference of 1910, in reaching agreement on a compromise.

The principle of this solution had been proposed by the representative of France, the Secretary-General of the Bank of France, M. Ernest Picard, who had said that, though he personally preferred the system proposed by Austria (immediate recourse), he could not under-estimate the value of certain arguments in favour of the German view. He had proposed, therefore, that the German suggestion should be accepted in principle, to suspend the rights of recourse, but he proposed to reduce to one month the period during which recourse could be exercised. If, however, the case of *vis major* which prevented the presentation of the bill lasted longer than one month, the holder could exercise his rights of recourse against the drawer and the endorsers without presentment and without protest. This compromise had finally been accepted by all States and formed Article 53 of the Uniform Hague Regulation of 1912.

This solution had been a compromise in favour of the opinion expressed by the German delegation and by the delegates of several other States, who supported the theory by which the rights of recourse should be suspended in the case of *vis major* because, in general, cases of *vis major* did not endure for many years such as had been the case during the world war. It was to be hoped that such a case would never arise in future.

M. Hammerschlag drew the attention of the Conference to the fact that circumstances of personal *vis major* were not covered by the Regulation as the President had already observed.

The system in Article 53 of the Hague Regulation had been adopted by Austria (law of February 30th, 1912), as well as by Brazil, Ecuador, Czechoslovakia, Hungary, Yugoslavia, Poland and perhaps by a number of other States. The system was, at the moment, in force in those States.

The Committee of Experts proposed, however, that this solution, which had been found with so much difficulty at The Hague, should be abandoned. M. Hammerschlag thought that this was the most important change in the Hague Regulation which the Committee of Experts had proposed. For that reason, the Conference might have expected to receive a full statement of the experts' reasons; but they had contented themselves by saying that it had been found that Article 53 of the Uniform Regulation was too complicated and that it ran counter to the system introduced in most countries.

M. Hammerschlag was happy to be able to quote against the first argument of the Committee of Experts — whose high qualifications were undeniable — the opinion of another authority equally undeniable (that of Professor Lyon-Caen), who had said during the second Conference of 1912 (Acts II, page 136) that this article was perhaps one of the clearest and simplest in the whole law. Opinions therefore differed. M. Hammerschlag also quoted Professor, Hermann-Otavsky, who, in a most interesting monograph, had praised the solution adopted at The Hague. Professor Hupka, of Vienna, and other authorities had equally declared themselves in favour of this formula.

In so far as the observation to the effect that the Hague system did not correspond to the system introduced up to the present in several countries was concerned, M. Hammerschlag did

not think that such an argument should influence the Conference. The members of the Hague Conference had been perfectly well aware that this was the case ; nevertheless, they had agreed on this solution. It was, indeed, not the only novelty which the Uniform Regulation proposed and which it would propose should be made in the law of the various countries.

Up to the moment, therefore, M. Hammerschlag saw no reasons which could lead the Conference to abandon the system set out in Article 53 of The Hague. In his view, it should not abandon, without very serious reasons, a compromise formula reached after so many difficulties. The Conference should accordingly very carefully examine the two systems under review.

In so far as he was concerned, M. Hammerschlag remained in favour of the system of immediate recourse in case of *vis major*. He would not even attempt to propose the adoption of this system, however, but would confine himself to defending the compromise achieved at The Hague, which accepted, in principle, the method by which rights of recourse remained in abeyance; but the length of time of that abeyance had been reduced to thirty days.

M. Hammerschlag summarised the important reasons which, in his view, were against the suspension of rights of recourse until the case of *vis major* had disappeared, even if it endured longer than thirty days. These reasons were legal, economic and arising out of equity.

First, as to the legal reasons. The nature of the obligations arising from a bill of exchange required that such obligations should cease to exist in a short time. All legislation concerning bills of exchange had this tendency. To prolong the period during which a bill could be presented until the end of a case of *vis major* was a principle totally opposed to the nature of a bill of exchange (*contra naturam*), for the endorsers had guaranteed the solvency of the drawee on the day of maturity, but not on a date subsequent to that day. Their responsibility could not therefore be extended beyond reasonable limits. Further, the drawer and the endorsers guaranteed the possibility of presenting the bill of exchange for payment. If, for example, the house of the drawee was closed on the day of maturity, and if the drawee could not be found, the holder had a right of recourse against him. The drawer and the endorsers must run the risk that the holder, because of a case of *vis major*, had found it impossible to present the bill.

Next came reasons of equity and economic reasons. M. Hammerschlag raised the question as to who should support the blow of a case of *vis major* occurring in the place of payment and preventing the presentment of the bill, if it were desired to find a solution in accordance with the economic reasons that had led the drawer to draw up, and the endorsers to sign, the bill. In his opinion, it was the person who had issued the bill and who had been confident that the drawee would pay at maturity — *i.e.*, the drawer, and the first endorser.

On the other hand, future endorsers had paid the bill of exchange, not only because they had confidence in the drawee, but also because they had confidence in the previous endorsers, and in the first place in the drawer. It would be quite unjust to allow all the weight of the public calamity to fall on the unhappy final holder and to force him to wait during an indefinite period before his money was repaid, while he had paid the bill being confident in the solvency of the drawer and the previous endorsers.

According to the theory attached by M. Hammerschlag, chance would very often prove the deciding factor. If the public calamity had occurred a few days earlier or later, the holder might not be the same person. On the other hand, according to the system supported by M. Hammerschlag, chance was entirely eliminated, for it would always be the drawer and the first endorser — that was to say, the person who had direct business relations with the country in which the public calamity had occurred — who would support the *vis major*. He was the *dominus negotii*; he had brought the bill into existence because he had conducted a commercial or industrial operation with the drawee and hoped to obtain profits from this operation, while the following endorsers had no connection with that operation and could not obtain any profit from it. They merely furnished the drawer with the means necessary to carry out the operation. Would it not be the greatest injustice not to cause the author of the operation to bear the brunt rather than the mere holder, who, in discounting the bill, had given the author the opportunity of carrying out the commercial or industrial operation and whose only legal profit had been his modest commission ?

There was another argument of an economic kind of great importance in connection with the theory upheld by M. Hammerschlag.

Very often bills of exchange drawn on the same country or on the same place were collected in the hands of a very small number of persons or firms, generally among the securities of banks or in the private possession of bankers. If the holder could not have immediate recourse against the endorsers in the case of *vis major*, these banks might find themselves in a very embarrassing position. M. Hammerschlag took the case of a bank which regularly discounted bills on a certain country or on a certain town. A general case of *vis major* occurred. The endorsers of those bills were perhaps rich industrialists or traders in a solvent position. A large number of bills of exchange on this country were held by the banker. If he were compelled to wait until the public calamity had come to an end, he might run the risk of ruin, whereas if he could initiate the procedure of recourse after thirty days the risks would be borne by a far larger number of persons or commercial firms. The consequences of a case of *vis major* should not be supported by one person only.

Every argument was therefore in favour of immediate recourse. If the holder could only have recourse after thirty days had elapsed, as the Hague text laid down, the interests of the drawer and of the endorsers would also be protected ; they would even be too carefully protected in the opinion of M. Hammerschlag. Therefore, the Conference should not condemn the unhappy holder to be the only lamb offered for sacrifice, as was proposed in the present text.

M. Hammerschlag had drawn the attention of the Conference to the fact that the Hague formula, which he proposed should be maintained, had already the force of law in several countries. This circumstance had made it possible to see by experience whether the objections raised at The Hague to the system of immediate recourse were or were not justified.

The main argument had been that it would be dangerous, at a moment of public calamity, to confer a right of immediate recourse regarding bills of exchange and that this system might lead to an extraordinary financial crisis. The system of recourse after thirty days, however, had been submitted in Austria, owing to the war, to the most exacting test it was possible to imagine. M. Hammerschlag could maintain with satisfaction that no difficulty had arisen. He could assure his colleagues that had he ever heard of any complaint made in industrial or commercial circles he would have felt obliged, in justice, to voice it, for his ambition was not to obtain success, but to defend a just cause. He had noted, however, that the right of recourse had been exercised throughout the whole period of the war without any complaints against the regulations of the Austrian legislation coming to his notice.

M. Hammerschlag repeated that his profound conviction ought to lead him to propose that they should return to the only just system — immediate recourse — but he was far from trying to do so. The Austrian delegation had given its consent at The Hague to the opposite system, which reduced the period during which the holder was compelled to wait to thirty days. Austria had introduced this system into its legislation in 1912, and M. Hammerschlag did not wish to, and could not, go further than that. But he begged the Conference earnestly to keep to the compromise that had been reached at The Hague so long as all the States represented in the present Conference were in agreement. That was the solution which had been tried by experience and which should not be given up without really serious reasons.

M. PERCEROU (France) said that M. Hammerschlag had shown clearly the fundamental difference separating the Hague system from that which had been proposed after considerable discussion and hesitation by the Committee of Experts. The difference centred round the suspension of the right of recourse. According to the Hague system, when *vis major* lasted for more than a month, the right of recourse was no longer suspended. According to the draft of the Committee of Experts when *vis major* lasted for more than a month then the right of recourse would continue to be suspended until the end of the period of *vis major*.

What were the reasons which had led the Committee of Experts to propose this system after lengthy discussion? Beyond the reasons that had been advanced by the German delegation at The Hague, they had taken into consideration the circumstances during the war of 1914-1918. Then *vis major* had lasted very much longer than one month, and in most cases the right of recourse had been suspended throughout that period. That was a fact that could not be denied, and it, more than anything else, had led the Committee of Experts to propose the text which was now before the Conference.

M. NAMITKIEWICZ (Poland) supported the Hague text. The Hague regulation distinguished between cases of *vis major* which lasted less than thirty days and those which lasted more. In the first case, it was necessary to accomplish the proceedings necessary for the preservation of rights, and in the second case not. But that was not the only difference between the two cases. In the first case, it was necessary to wait for the disappearance of *vis major*; in the other case, it was not necessary to wait. In such case, therefore, immediate recourse was possible after the expiration of a period of thirty days after maturity, provided that notification had been made. This possibility in cases where *vis major* lasted for more than thirty days after maturity distinguished the Hague Regulation from the draft of the Committee of Experts. The draft of the Committee of Experts laid it down, not only that the proceedings necessary for the preservation of rights should be accomplished in every case whether *vis major* lasted for more or less than thirty days, but also that the right of recourse was only possible after *vis major* had disappeared. Was not that the same as saying that the holder could wait for a certain time without exercising his right of recourse? He might, for instance, have to wait one year, two years, even more, without being able to apply to one of the endorsers who was outside the territory where the case of *vis major* existed, and who, for his part, might be willing to acquit his obligation by paying the bill.

The Hague draft not only took into consideration the obstacle that had prevented the proceedings necessary for the preservation of rights, but also suspended the exercise of the holder's rights towards the guarantors for a period approaching thirty days. That was quite in conformity with the important principle of speed in commercial life. As a matter of fact, if *vis major* ceased twenty days after maturity, the holder would exercise his rights in respect of the principal debtor and the guarantors, after accomplishing the proceedings necessary for the preservation of his rights. All these proceedings, therefore, would happen at a period about thirty days after maturity. If the obstacle had not disappeared thirty days after maturity, the holder would, in any case, exercise his right of recourse towards the guarantors, without being obliged to present the bill or to draw up the protest; and he would make this recourse immediately after a period of about thirty days.

It might be said that under the Hague system of regulation a certain liquidation of the obligations of bills would take place within a period of about thirty days.

The Hague system safeguarded holders' rights, and the obligations of guarantors who were not affected by the obstacle might be liquidated in a relatively short lapse of time.

The Hague system, which had been so much discussed, had been almost unanimously adopted in 1910, and it was interesting to remember that the German delegation had then declared itself in favour of freeing the holder from the obligation of accomplishing the proceedings necessary for the preservation of the rights if the obstacle lasted more than a month. The Hague system, as upheld by M. Hammerschlag, had found supporters among the French and Italian delegations. It enforced the two great legal principles: the solidarity of those parties bound by the bill, against whom recourse might be had *per saltum*, and the independence of individual obligations.

The other system, by refusing to allow the right of immediate recourse, extended the effects of *vis major* to all parts of a country's territory, even those which had not been affected by the event, and to all countries where the guarantors were domiciled. Moreover, according to this

system, the holder of the bill was alone to support the whole burden of the misfortune which had overcome the drawee. The supporters of the experts' system argued that the holder could afford to wait. It was only right that each person should bear his share of the burden. The holder could not be freed from his obligation to present the bill, because the endorser had promised payment on presentment.

This way of reasoning did not seem to be just since it punished only the holder who had had the bad luck to acquire a bill whose chief debtor happened to be under the influence of *vis major*. It was he alone who was punished, although he might have been guilty of no fault or negligence.

Should the drawer and the endorsers, as well as the holder, live in a country which was not under the influence of *vis major*, whereas the acceptor lived in a country which was suffering from *vis major*, according to the Committee of Experts the holder ought to wait, whereas according to the Hague draft the holder had recourse against one of the guarantors after thirty days. If the person who redeemed the bill was the debtor of the acceptor, the whole bill might be liquidated in a very short time. That was not a theoretical case. It might quite easily happen, and under the Hague system it would be quite possible for the total obligation of the bill to be liquidated.

While declaring himself in favour of the 1912 text of Article 53, M. Namitkiewicz proposed that the words "without delay" in paragraph 3 should be replaced by a fixed period — *e.g.*, seven days ; and in paragraph 4 of the Hague text it might be said that the supposition under consideration depended also on the cessation of *vis major*. In order to avoid all misunderstanding, he proposed that this paragraph should read :

" If the *vis major* continues to operate for more than thirty days after maturity of the bill, recourse may be exercised *immediately*, and neither presentment nor drawing up the protest shall be necessary."

In conclusion, M. Namitkiewicz thought that it was a decisive argument that Austria had adopted, in 1912, a law that was in conformity with the Hague draft, and that this law had already been put into use and its provisions found useful and satisfactory.

MUNIR Bey (Turkey) informed the Conference that the Turkish Law of May 1926 reproduced almost literally the Hague Uniform Regulation on Bills of Exchange, and consequently under the Turkish legislation the effects of cases of *vis major* were regulated by provisions similar to those contained in Article 53. For this reason, he asked that the list drawn up by M. Hammerschlag might be completed by the addition of Turkey, and he supported the Austrian proposal. He pointed out that the Hague Regulation had already become almost part of the law of many countries, and it was therefore advisable to make as few and as limited modifications in its provisions as possible.

M. VISCHER (Switzerland) had heard with great interest the statement of M. Hammerschlag. It was the view of the experts that Article 53 of the Hague Regulations ought not to apply to cases of legal prescriptions enacted in foreign countries. The Swiss report on the Hague negotiations made it clear that it had been agreed that the most important causes of cases of *vis major* — namely, moratoria — should be excluded from the system. Moreover, this opinion had been confirmed by the Minutes of the Hague Conference. The Committee of Experts thought it was necessary to settle this point, and it consequently proposed that Article 53 should also mention legal prescriptions enacted in a foreign State. If the Conference really wished to take a step forward, it was impossible to leave any cases of moratoria on one side, for those were not only the most important, but also the most frequent, manifestations of *vis major* of practical importance. Other cases, such as earthquakes, epidemics, temporary interruptions of communications, did not usually last for long. Consequently, in these cases, it came to almost the same thing whether they accepted the solution suggested by the experts or that of the 1912 Hague Regulations. But if cases of moratoria were included, they would have to take into consideration the practice and experience acquired during the late war, when, as M. Percerou had pointed out, nearly all countries had accepted the solution suggested by the experts — namely, they had been unwilling to give immediate recourse, but had decided that it was indispensable to wait until the case of *vis major* had disappeared.

If it were shown that the solution proposed by M. Hammerschlag could also be applied to all cases of legal prescription without resulting in any inconvenience, M. Vischer would willingly accept it, but on condition that it also made express mention of cases of moratoria.

M. QUASSOWSKI (Germany) said that German law contained a regulation which corresponded, in principle, to the system proposed by the experts ; this regulation had been found satisfactory. Nevertheless, he realised that the problem under discussion was very complex and it was almost impossible to find a perfect solution. It raised objections and doubts both from the legal and from the economic points of view.

With regard to the legal point of view, there was the question who should bear the risks entailed by *vis major*. Should it be the holder, as creditor, according to the principle *casum sentit dominus*, or the guarantors, especially the drawee, since it was the latter who had created the obligation? In virtue of the above-mentioned principle, the risks that were derived from the circumstances of *vis major* should fall on the holder, and there was no possibility of immediate recourse. Such was the system suggested by the experts. On the other hand, it might be said that the holder ought to bear the risks since it was he who had created the obligation : such was the principle of the immediate right of recourse.

From the economic point of view, it might be asked whether the risks of *vis major* ought to be borne by the endorser and the drawer — *i.e.*, the business man and the industrialist — for in that way the risk would apply to a larger number of parties ; or was it better to admit that business

men and industrialists should be the object of certain consideration since they were more liable to suffer in cases of *vis major* than bankers and financiers? It was difficult to say what was the right solution. Taking into account the doubts expressed and the impossibility of satisfying all, M. Quassowski thought that perhaps the Conference might decide on a compromise such as that proposed by M. Hammerschlag. The provisions of the Hague draft had this character of compromise, for the Regulation did not provide absolute protection for the holder, nor for the guarantors, especially the drawer. It was true that the Hague Regulation allowed recourse without protest, but not before a delay of thirty days. This Regulation amounted to a synthesis of two systems. The German delegation wished the Conference to arrive at an agreement and it supported the Austrian proposal in the hope of arriving at unification of law on this delicate point.

M. LOEBER (Latvia) said that Article 53 laid down a principle that was completely contrary to the Latvian exchange law on cases of *vis major*.

According to Article 35 of the Latvian exchange law, if the holder of a bill failed to comply with any of the provisions that dealt with the responsibility of signatories to the bill, this responsibility lapsed, even if the non-observance of the above-mentioned provisions had been caused by *vis major* or could not be put down to the holder's fault.

In any case, the Latvian delegation raised no fundamental objections to the provisions of Article 53, with were in conformity with the legislation of most countries. Latvia was ready to consent to a sacrifice by keeping Article 53, which was contrary to the Latvian exchange law, actually in force. Latvia would make this sacrifice for the sake of uniformity, which, in this important matter, was of vital necessity.

As for the text of the article in question, M. Loeber declared that his delegation would prefer the version proposed by the International Chamber of Commerce, where the starting-point of the thirty-day period was indicated more precisely. The Latvian delegation also thought that cases of moratoria in foreign countries and also moratoria at home ought to be included in cases of *vis major*. On this point, the Latvian delegation agreed with the Scandinavian amendment.

In any case, it would have to be pointed out that, if the text recommended by the International Chamber of Commerce was rejected, paragraph 2 of Article 53 (text of The Hague and text of the experts) referred to Article 44, on which article there was an amendment by the Latvian delegation. In this case, M. Loeber thought that discussion ought to be opened at the same time on Article 44, and the Latvian delegation reserved its right to return to this question in the course of such a discussion.

M. GIANNINI (Italy) said that the problem concerning the influence of *vis major* on the exercise of rights derived from bills of exchange was always the subject of much discussion.

There was a very stern doctrine which considered that the strict formality of bills of exchange did not authorise any derogation from the principle of punctuality in meeting obligations when they fell due or in registering a protest against previous debtors. The strictness of this interpretation was in conformity with the strictness of the bill itself. In the case of exceptional circumstances (earthquakes, epidemics, floods, martial law), only a law could derogate that principle. The personal situation of the debtor, which was taken into consideration by civil law — e.g., Article 1226 of the Italian Civil Code — in the case of accident or *vis major*, could not, on the contrary, be taken into consideration in connection with exchange law. Endorsers could not consider individual cases, for that would entail too long research, delay the natural process of exchange law and give insufficient guarantees.

The Italian Code forbade any extension of the period of grace for the payment of a bill of exchange (Article 290). The same principle was contained in French legislation under Article 135 of the Commercial Code and, apart from that, Article 157 laid down that "Judges may not allow any extension of the period for the payment of a bill". On the other hand, Article 602 of the Italian draft Commercial Code merely forbade the period of grace; but, in spite of that, Article 678 provided for cases of *vis major* of a general character.

The same strict tendency was to be found in the German legislation. Nevertheless, the jurisprudence of these three countries had tried to find other less absolute solutions.

Article 813 of the Swiss Code also laid down a very strict rule and was followed in this respect by States which had adopted, or which were inspired by Russian legislation, such as Estonia, Latvia and Lithuania.

On the other hand, other legislation had adopted quite a different system. The Spanish and Greek legislations both laid it down that the carrying-out of commercial operations might be suspended under certain guarantees. The Spanish Code even contained a special article concerning bills of exchange. The Scandinavian legislation (Article 92) was very wide on this subject; but express provisions occurred in the codes of the Netherlands, Portugal, Roumania, Mexico, Brazil, the Argentine, Uruguay, Cuba and Salvador. On the other hand, Austria, Poland, Hungary, Yugoslavia, Turkey, Guatemala, Paraguay, Nicaragua and Venezuela had adopted the Hague Regulation.

English legislation, which had been followed at Costa Rica, and the American legislation (Articles 141 and 142), which had been followed at Colombia, the Dominican Republic and Panama, allowed the principle according to which the holder had no absolute duty; if he did not conform to the provisions of the law dealing with protest or presentment for payment or notification, he had to prove that it had in no wise been his fault and that he had done his best. It was sufficient if he established this proof.

During the Hague Conference of 1910, this question had been the object of long discussion, as had been recalled by M. Hammerschlag.

The proposal presented by the German delegation in connection with Article 50 only admitted the influence of *vis major* in the case of *allgemeiner Notstand*.

The two tendencies, the first of which restricted the *vis major* to cases of public disaster, while the other referred to personal situations, had, after long discussion, been reconciled by the adoption of a transactional formula which formed the subject of Article 67. That article had then become Article 53 of the present draft Regulation.

M. Giannini had ventured to recall, as briefly as possible, the way in which the problem had been contemplated in the various legislations and the way in which it had been solved at the Hague Conference. In conclusion, he thought that great caution would be needed before changing the text of this article, even if it were not entirely satisfactory.

If the Hague text were compared with that of the draft Regulation under discussion, it would be seen that the first paragraph of the experts' text reproduced in a more elastic and broader form paragraphs 1 and 3 of the Hague text. Again, Articles 2 and 3 reproduced exactly paragraphs 2 and 6 of the Hague text, while paragraphs 4 and 5 had been abandoned, though the Japanese delegation asked that they should be restored. The German delegation urged that certain points should be cleared up and proposed to reduce the period from one month to two weeks. The Austrian delegation proposed that the Hague text should be restored.

The Czechoslovak delegation, on the other hand, proposed a new article the text of which would be practically the same as that of the Hague text, but with the transposition of the paragraphs. Paragraph 1 would remain where it was, but the second paragraph would become the third and the third would become the fourth, while the fourth would take the place of the second. They suggested a change in the fourth paragraph, and proposed the addition of a sentence at the end of the fifth paragraph.

In point of fact, the three delegations suggested that the Hague text should be restored and M. Giannini thought they were right. If the Conference adopted that solution, the Japanese observations would have no further object, and it might be hoped that the same would be the case with the first German observation.

In regard to the Polish amendments, he did not think that there was any need to change the third paragraph so as to have a period of seven days, nor did he think it expedient to substitute the word "immediately" for the phrase "without delay".

As to the Czechoslovak amendment for the transposition of the paragraphs, M. Giannini hoped that M. Hermann-Otavsky would leave the examination of this matter to the Drafting Committee. He would, however, willingly agree to the new provision proposed for paragraph 5 concerning bills of exchange at a certain period of sight.

Lastly, he thought that the mention of a legal provision enacted by a State should not be adopted in the first paragraph of the experts' text, since the *factum principis* was comprised in the notion of *vis major*. He did not therefore think it necessary to mention it explicitly.

He was well aware that business circles had criticised the rule adopted at The Hague on the ground that it favoured the banks and not traders, but it was very difficult to contemplate any system that would reconcile all the interests involved. The interests must be considered as a whole and it seemed certain that the Hague solution was the most satisfactory.

In conclusion, his own proposal was dictated by the need for caution. He thought that the text of Article 53, which had already been embodied in several legislations, should be changed as little as possible. Nevertheless, he would not oppose certain improvements based on experience — for example, the text proposed by the Czechoslovak delegation — and he hoped that agreement would be quickly reached on this article.

M. HERMANN-OTAVSKY (Czechoslovakia) said that the Czechoslovak proposal was in conformity with the principle underlying the Austrian proposal. Its object was the retention of Article 53 of the Hague Regulation. The latter had been in force in Czechoslovakia as a special internal law since 1918. For two years, it had been contained in the new exchange law.

Speaking from the material point of view and in order not to delay the proceedings of the Conference he endorsed the clear and succinct observation made by the Netherlands Government which was to be found in the preparatory documents and was to the following effect :

" The question to be decided is whether in this particular case the holders' interests take precedence over those of the guarantors.

" The answer must certainly be in the affirmative.

" In the first place, a bill of exchange admittedly represents in the majority of cases an asset which forms a *contra* to the holders' liabilities ; secondly, the factors constituting *vis major* for the drawee do not necessarily apply in the case of the guarantors.

" The real point is that, on maturity, the bill of exchange remains unpaid.

" In ordinary circumstances, such non-payment must be authenticated by means of a protest ; in the case of *vis major* — e.g., in the case of a moratorium or prohibited payment — authentication by means of a protest is superfluous, non-payment being explained by the actual circumstances."

At the end of the discussion, M. Hermann-Otavsky found himself in agreement with the remarks of M. Hammerschlag, the Austrian delegate, who had already helped considerably in settling the problem at the 1910 Hague Conference.

If the question arose which of the two parties, the holder or the guarantors, should run the risks of the impossibility of accomplishing certain conservatory acts in case of *vis major*, there could certainly be no hesitation in deciding in favour of the holder. It was the economic object of the circulation of the bill of exchange which ought to be satisfactorily assured by the protection of the holder.

M. DA MATTA (Portugal) supported the Austrian proposal and concurred in the considerations put forward by M. Hammerschlag and M. Namitkiewicz for the adoption of the text of the Hague Conference, which was conciliatory and represented a compromise. There were legal, economic and practical reasons in favour of this transactional formula, whereas the text proposed by the Committee of Experts had a large number of legislations against it. To the legislations already mentioned should be added that of Portugal, the provisions of which sanctioned a tendency opposite to that contained in the text of the experts and had yielded very satisfactory results in times of emergency. That was an additional argument to those already submitted.

M. HELPER (Denmark) concurred in the proposal made by M. Hammerschlag.

Prince VARNVAIDYA (Siam) said that as one of the main arguments put forward in support of the Austrian proposal was that the Hague system had been adopted by a considerable number of countries, he desired to mention that Siam was one of those countries. He therefore supported the Austrian proposal.

M. MOLENGRAAFF (Netherlands), basing himself on M. Hammerschlag's arguments and on those of other speakers, would vote in favour of the Hague system. Nevertheless, it appeared to him desirable that the first paragraph of the Hague text should be brought into line with the experts' proposal. There should be mentioned expressly, in addition to the case of *vis major*, the case where the exercise or preservation of the rights deriving from the bill of exchange was prevented by a legal provision enacted in a foreign State (or by any State, as proposed by the Danish delegation).

M. Giannini had just said that the phrase "legal provision enacted in a foreign State" was included in the term *vis major*. Personally, M. Molengraaff was of the same view, but it was a fact that that opinion was controverted, and certain delegates, it appeared, were also of the opposite opinion. This controversial point could accordingly be solved in the text itself. It would be desirable to ask the Drafting Committee to make this change if the Conference thought fit.

M. EKEBERG (Sweden) said that his delegation would vote, in principle, for M. Hammerschlag's proposal. The Hague solution had been the result of exhaustive discussions which has led to a solution that had been adopted unanimously. That solution had later been introduced into the legislation of many countries. It had, as M. Hammerschlag had said, passed the ordeal of the world war. The rule adopted at The Hague, it appeared, solved, in a fair and very satisfactory manner, conflicts between divergent interests. The Hague principle should be given a wording which would provide a clear and definite solution of the questions of legal moratoria, irrespective of whether the moratorium had been enacted in the country concerned or in another.

M. Ekeberg concluded by urging the adoption of M. Hammerschlag's proposal, it being left to the Drafting Committee to consider the text.

M. SHIMADA (Japan) said that, if paragraphs 4 and 5 of Article 53 of the Hague Regulation were inserted in the new text, the last sentence of the first paragraph of Article 53 of the experts' text, reading "if the proceeding in question is accomplished as soon as possible after the obstacle has disappeared, and in any case within a period of thirty days", should be struck out. The Japanese proposal, while preserving the principle approved of at The Hague, was a compromise between the Hague Uniform Regulation and the draft of the experts. However, if the majority of the Conference were in favour of the Austrian proposal, the Japanese delegation would not press its proposal.

M. GRÖNVALL (Finland) supported M. Ekeberg's declaration.

M. Deoclecio DE CAMPOS (Brazil) said that his delegation would vote for the restoration of the Hague text.

Mr. KENNEDY (United States of America) said the report of the Inter-American High Commission had been drawn up in 1925. Since that time a great many States had adopted the Hague Regulations, and it had occurred to him that the following paragraphs of the High Commission's report might help the discussion :

"Under the Codes of Argentina, Brazil, Costa Rica, Cuba, Honduras, Mexico, El Salvador and Uruguay delay in presentment or protest is excusable in the case of *vis major*. These Codes do not enter into such great detail in the matter as does the Uniform Law, but it is believed that this article would be acceptable with the exception of the last paragraph . . . In Anglo-American law the duties of the holder are those of reasonable diligence, and his rights under the instrument are not impaired by circumstances beyond his control and not imputable to his default, misconduct or negligence. The provisions of the United States law are to be preferred to those of the Hague Regulations, both from the standpoint of equity and of adaptability to present commercial usage in Latin America ; but as Sir Mackenzie D. Chalmers has pointed out, the injustice of the Uniform Law is not so great as might appear. It must be borne in mind that the consequences of the failure of the holder to perform his duties are quite different under common law and under civil law. In England (and generally in America) the holder loses his right of recourse on the bill and, in most cases, on the consideration as well, whereas on the Continent (and in Latin America) he retains his right

of action on the consideration (*action d'enrichissement*). Then, too, under the Uniform Regulations the holder has two days' grace for presentment, and this provision would, in most cases, suffice to meet the obstacles of personal *vis major*.

"With the exception of the last paragraph, this article may be recommended for adoption by those countries whose Codes are silent on the subject of delay in presentment and protest due to the exigencies of *vis major*."

The Austrian proposal to return to the Hague text was adopted unanimously on the part of delegates voting.

Mr. GUTTERIDGE (Great Britain) abstained from voting.

FIFTEENTH MEETING.

Held on May 21st, 1930, at 3 p.m.

President: M. J. LIMBURG.

19. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First reading (Continuation).

ARTICLE 53.

The PRESIDENT said that, in view of the fact that the Hague Regulation had been adopted, the Japanese amendment¹ could, in accordance with the observation of M. Shimada, be considered as withdrawn. The same observation applied to the Scandinavian amendment², which was unnecessary unless the text adopted mentioned legal provisions enacted abroad. In those circumstances, only the Czechoslovak amendments were before the Conference.

The President said that various delegations had pointed out that the idea of *vis major* should also include legal provisions, the *factum principis* being generally considered in civil law a case of *vis major*.

M. PERCEROU (France) recalled that this question had already been raised at The Hague and dealt with in a totally different manner than in the report. The proclamation of a moratorium in a country did not constitute a legal case of *vis major*, except in the territory of that country, and did not compel other States to consider it as such. The question therefore remained open.

M. DE LA VALLÉE POUSSIN (Belgium) said that, as far as his recollection went of the discussions of 1910 and 1912, it was of set purpose that it had been decided that the Uniform Regulation should say nothing in regard to the laws on moratoria adopted by certain States. This silence should be interpreted as follows: There were still numerous States in which the national legislation made no reference to cases of *vis major*. It was for the law courts to decide whether this had occurred and what were its consequences. When the holder of a bill who had not been able to fulfil the legal formalities within the proper time-limit appeared before the court, the court decided the material question whether there really had been an obstacle to the accomplishment of the formalities. The existence in a foreign State of a provision of a temporary nature suspending the time-limit for the accomplishment of the formalities was considered a material fact to be judged by the courts before knowing whether or not it amounted to *vis major*.

M. de la Vallée Poussin was of opinion that it would be better to maintain this provision and to make no reference in the Uniform Regulation to the legislation enacted abroad establishing moratoria. Contrary to what might be thought, these laws would produce their effects, but instead of being considered as decisive even by the courts of other countries, they would constitute questions of fact of which the value would have to be decided by these courts. This solution would safeguard a number of interests.

The Conference should remember that not every State would accept the Uniform Regulation. The draft prepared by the experts made no distinction in this respect between the two groups of States — those that adhered and those that did not. Some doubts, however, might arise as to the conditions in which a moratorium was imposed in certain non-adhering countries. It would be wise to take precautions in this matter. For that reason, too, therefore, it would be better not to give the legislation enacted abroad establishing moratoria a decisive character, and to leave the judges in other States their freedom of decision. In the same way, the Conference, ought not to lose sight of the fact that a law promulgated by the central authorities might sometimes (especially in time of civil disturbances), and in certain States, only be carried out in a part of the territory. Here, again, the judicial Power's right of appreciation was a useful safeguard.

The PRESIDENT said that the Conference had just re-established the wording adopted at The Hague. In reading the records of the Hague Conference of 1910 and 1912, it would be seen that the question of the moratorium and that of legal provisions had not been settled. In the very detailed report of M. Lyon-Caen and M. Simons included in the Records of the 1912 Conference, column 1, page 97, the following passage appeared :

" b. Il appartient aux tribunaux d'apprécier s'il y a ou non force majeure quand elle est alléguée par une personne qui s'en prévaut pour échapper aux déchéances qui lui sont opposées.

¹ See Annex No. 4.

² See Annex No. 5.

Sur ce point, les appréciations des tribunaux peuvent être différentes, selon les différents pays ou même dans un même pays, car il s'agit d'une question de fait.

"c. La question de savoir si le jugement du tribunal qui a reconnu la force majeure a autorité de chose jugée dans les autres pays, ne peut être résolue qu'à l'aide des règles de droit international contenues dans les lois des pays dont il s'agit ou dans les conventions conclues entre les gouvernements de ces pays.

"d. Il arrive parfois que les pouvoirs publics compétents dans un pays, en présence d'événements s'étendant soit au territoire tout entier, soit à une partie du territoire (inondation, tremblement de terre, suspension d'un service public, révolution, etc.) proclament l'existence de la force majeure et prolongent en conséquence les délais de présentation et de protêt. Ces actes des pouvoirs publics obligent évidemment les tribunaux du pays dans lequel ils ont été rendus. A l'égard des tribunaux des autres pays, ils n'ont qu'une valeur de fait ; ils peuvent contribuer à faire admettre par ces tribunaux l'existence de la force majeure sans que ceux-ci soient en droit tenus de se conformer aux prescriptions contenues dans les actes d'une autorité étrangère."

Did the Conference wish to keep to this view? In the affirmative, the question remained open. Or did it wish to settle the question?

M. HAMMERSCHLAG (Austria) supported the Belgian proposal. In his opinion, no mention should be made of a moratorium in the Uniform Law. The same question would have arisen had the method of the experts been adopted in principle, for in that case the Conference would have had to decide if it was prepared to accept the words of paragraph 1 "by a legal provision enacted abroad".

This problem had been discussed at great length at The Hague. They had considered the possibility that some State (not represented on this Conference) might proclaim a moratorium without the calamity justifying such a step having occurred. In this case, such a State automatically outlawed itself so to speak. There was therefore no necessity to make any mention of such a case in a law. The law ought only to deal with cases of *vis major*. It was for the courts of every country to decide whether or not a case of *vis major* had occurred.

M. GIANNINI (Italy) took the view that the report should interpret the Convention, but not complete it. It was agreed that the report of the 1912 Conference stated that such cases were not covered in the article. Must an article of the Convention, however, always be applied with the aid of the interpretation contained in the report? If someone read the article without having read the report, and in most cases the report was not read, he would not understand why cases arising out of legal provisions could not be taken into consideration. Generally speaking, these cases were included under *vis major*. If it were intended to make an exception to the general rule, this must be definitely stated. The question was of such importance that it could not merely be settled in the report.

On the other hand, there was a problem which it was useless to settle in the Convention itself. It concerned cases of necessity.

Did the Conference wish to follow the interpretation of the Convention of 1912? M. Giannini would have no difficulty in accepting this proposal. In that case, however, the principle contained in the report of 1912 ought to be clearly accepted.

The PRESIDENT reminded M. Giannini that the question had already been raised. Did the Conference wish to decide whether a moratorium or, more generally, the legal provisions, constituted cases of *vis major* or not? If the Conference followed the system adopted at The Hague in 1912, the matter would remain open.

M. GIANNINI (Italy) did not agree with this view.

The PRESIDENT considered that the question had not been settled at The Hague. It had been pointed out at the previous meeting — and the President had agreed with that view — that the *factum principis* was a case of *vis major*.

The President thought that this was true only in respect of the national law. In national law a *factum principis* was a case of *vis major*; but in international law should the *factum principis* occurring in State A be regarded as constituting equally a case of *vis major* for the courts of State B? It was on this point that the Hague Conference had taken no decision.

If it were maintained that it had taken a decision, the decision had been more negative than positive. He would be right in saying that M. Lyon-Caen and M. Simons had been of the view that by the terms of international law as it was in 1912, the courts could be left to settle the question of fact, for in so far as the other State was concerned the legal provisions enacted in State A were a question of fact. Cases might occur, therefore, in which a court in State B might consider a legal provision enacted in State A as a case of *vis major*, but that, on the contrary, in a case where a fraudulent legal provision had been enacted, the courts of another State might consider that no case of *vis major* had occurred. Such was the present procedure of international law.

The President agreed with M. Giannini in thinking that the proposal of the experts solved the question. Paragraph 1 of Article 53 of the experts' draft was to the following effect:

"Should the accomplishment within the proper time of a procedure necessary for the exercise or preservation of rights flowing from a bill of exchange be prevented by a legal provision enacted abroad or by an insurmountable obstacle (*vis major*) . . ."

If, however, the Hague text were maintained, the question would remain in the same position as it had been in 1912.

M. SULKOWSKI (Poland) thought with M. Giannini that the Conference should endeavour to settle disputed points even of the text of the Regulation, for judges would not always be in a position to refer to the report. He took the view, therefore, that the Conference should decide this question. The representative of Austria had pointed out that the Conference should not extend the principle laid down in Article 53 to moratoria, because circumstances might arise in which a moratorium was not justified. M. Sulkowski agreed that such cases might occur. He would add, however, that account should be taken of the facts. In so far as the holder was concerned, a moratorium, even if it legally proclaimed, was always a case of *vis major*. The holder was prevented from presenting his bill of exchange for payment if the drawee lived in a country to which a moratorium had been applied. For that reason, M. Sulkowski took the view that the question ought not to be left to the free decision of the courts. If it were admitted that a court could decide that a moratorium proclaimed by a particular State did not constitute a case of *vis major*, it followed that the holder, who was not by the circumstances in a position to present his bill of exchange for payment, would still lose his right of recourse. Unless the Conference solved this question by means of the Regulation, cases might occur in which courts would differ regarding their decisions on the moratoria proclaimed by a State.

M. QUASSOWSKI (Germany) thought that the Conference should not settle the question in the Regulation. The question whether a moratorium was a case of *vis major* could not, in the view of M. Quassowski, be settled by a general provision. It was a question of fact. Nothing was laid down in regard to other cases of *vis major* such as earthquakes, war, etc., and the same course should be followed in regard to moratoria. All cases of *vis major*, including moratoria, should be submitted to the courts for decision.

M. EKEBERG (Sweden) favoured the inclusion of a definite solution for the question of moratoria. He hoped that it would be agreed that all moratoria, even those not absolutely justified, should be considered as cases of *vis major*. It seemed to him to be illogical to show a desire to protect the holder in the several cases covered by Article 53 and not in the case of an unjustified moratorium. It was not the holder's fault if he were unable to approach the acceptor. In many cases, it was not even the fault of the Government of his own country, but that of the Government of another country, if the moratorium had been proclaimed without adequate reasons.

M. EISNER (Yugoslavia) said that the laws of Yugoslavia had added a provision to the Hague text in accordance with which it was the duty of the national Government to deal with the consequences on its own territory of a moratorium proclaimed in a foreign State. The Yugoslav delegate proposed that the Conference should settle the question in this manner.

The PRESIDENT proposed that the Conference should in principle adopt the following text, reserving the actual wording :

“ When the presentment of a bill of exchange or the drawing-up of a protest in the time-limit prescribed is prevented by an insurmountable obstacle (the legal provisions enacted in any State or another form of *vis major*), this time-limit shall be prolonged.”

This proposal was adopted by 14 votes to 6.

The PRESIDENT drew the attention of the Conference to a certain lack of clearness in the second paragraph regarding the notice of a case of *vis major* which the holder had to furnish without delay. Paragraph 5 of the Hague text was to the following effect :

“ As regards bills payable at sight or at a certain time after sight, the term of thirty days begins to run from the date on which the holder, even before the time of presentment, has given notice of the *vis major* to his immediate endorser.”

Paragraph 2 of the experts' text laid down :

“ The holder is bound without delay to give notice of the case of *vis major* to his immediate endorser.”

He did not think that this stipulation was sufficiently definite, for the expression “ without delay ” was elastic. It could obviously be replied that it was extremely difficult to find the exact moment when the case of *vis major* began. The expression was, however, too vague.

Examining the amendment submitted by the Czechoslovak delegation, which was to read article 53 as follows :

“ 1. When presentment of a bill of exchange or drawing up the protest within the prescribed limits of time is prevented by an insurmountable obstacle (case of *vis major*), these times are prolonged.

“ 2. After the cessation of the *vis major*, the holder must without delay present the bill for acceptance or payment and, if need be, have the protest drawn up.

“ 3. If the *vis major* continues to operate for more than thirty days after the maturity of the bill, recourse may be exercised, and neither presentment nor drawing up the protest shall be necessary.

“ 4. In order to exercise the rights conferred by the foregoing provisions, the holder is bound without delay to give notice of the case of *vis major* to his immediate endorser and to specify this notice, which he must date and sign, on the bill or on an *allonge*; as regards other matters, the provisions of Article 44 apply.

“ 5. As regards bills payable at sight, the term of thirty days begins to run from the date on which the holder, even before the time for presentment, has given notice of the *vis major* to his immediate endorser ; as regards bills payable at a certain time after sight, the term of thirty days is extended by the period after sight specified in the bill.

“ 6. Facts purely personal to the holder or to the person whose duty it is to present the bill or draw up the protest are not deemed to constitute cases of *vis major*.”

the President noted that the amendment drew a distinction between a bill of exchange at sight and a bill of exchange at a certain time after sight. This distinction had not been drawn in the Hague text. Nevertheless, there was a certain lack of precision in regard to the date on which the case of *vis major* began in so far as bills of exchange at a certain time after sight were concerned. It could even be maintained that no one knew at what moment the term of thirty days should begin to run.

M. HAMMERSCHLAG (Austria) agreed that the expression “ without delay ” was not very definite. This lack of precision, however, was not of importance in the case of bills of exchange payable at a certain date, for the term of thirty days would only begin to run from the date of maturity. In so far as bills of exchange payable at sight were concerned, the period began to run on the date on which the holder, even before the expiry of the period for presentment, had given notice of the case of *vis major*. This notice had to be signed and dated on the bill of exchange. He thought, therefore, that this lack of precision would not be a hindrance in the case of either kind of bill.

On the other hand, M. Hammerschlag understood the motives which had led the Czechoslovak delegation to make this proposal. There were a number of difficulties in regard to bills of exchange payable a certain time after sight. For example, the period for presentment might be six months. In that case, according to the Regulation, the holder would have the right to exercise recourse after thirty days, whereas if no case of *vis major* had occurred he would only have had that right after six months. The amendment therefore appeared justifiable, for there was no reason to allow the holder to exercise his right of recourse earlier in a case of *vis major* than he would have been able to do had the case of *vis major* not existed.

The PRESIDENT wondered from what date the term would begin to run in the case of bills of exchange payable a certain time after sight.

M. HAMMERSCHLAG (Austria) explained that the date was settled by the notice of a case of *vis major* which the holder was required to give to his endorser. That notice had to be referred to, dated and signed on the bills of exchange ; according to the Czechoslovak proposal, the period of thirty days would be prolonged by the further period for presentment fixed by the drawer.

The PRESIDENT said that the text of the Czechoslovak amendment would be more definite if the final sentence of paragraph 5 were drafted as follows :

“ As regards bills payable at a certain time after sight, the term of thirty days beginning on the date on which the notice is delivered is added to the period after sight specified in the bill.”

M. HERMANN-OTAVSKY (Czechoslovakia) said that the Hague text drew no distinction between bills of exchange at sight and bills of exchange payable at a certain time after sight. In both cases, the term began to run from the date on which the holder gave notice to his endorser of a case of *vis major*. The special object of a bill of exchange payable at a certain time after sight was twofold. On the one hand, it ensured that within a certain period of time the creditor would have a certain degree of freedom in the exercise of his rights ; on the other hand, it preserved the debtor, the acceptor and the guarantor from receiving a sudden demand and gave them the necessary time to honour their signature. If bills of exchange payable a certain time after sight were assimilated to bills of exchange payable at sight, these advantages would disappear. For that reason, the Czechoslovak delegation proposed to introduce the following phrase into paragraph 5 :

“ As regards bills payable a certain time after sight, the term of thirty days is extended by the period after sight specified in the bill.”

The PRESIDENT agreed with M. Hermann-Otavsky. It was agreed that Article 53, paragraph 5 (Hague text), should be kept and that the full stop at the end of the sentence would become a semi-colon, after which there would be added the words : “ as regards bills payable at a certain time after sight, the term of thirty days is extended by the period after sight specified in the bill ”.

M. QUASSOWSKI (Germany) objected that under the Czechoslovak proposal the calculation of the term might, in certain cases, be extended to twelve months. That was excessive ; he preferred the Hague clause, according to which the term was always thirty days. The day on which the term began was the date of maturity. As to bills payable at sight or at a certain time after sight, the date from which the term began might change, but the term itself was invariably thirty days.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that this was a fundamental question which was connected with paragraphs 2 and 5 of the Hague text. Paragraph 2 did not apply to bills payable at sight or at a certain time after sight. It applied to bills of exchange in general. It referred to the notice which the holder must give in order to exercise his rights. Such notice was necessary, because the bills in question were not yet mature.

M. VISCHER (Switzerland), in reply to M. Quassowski, said that in his view the times for presentment were not identical for bills payable at sight and bills payable at a certain time after sight. In the case of the latter, the notice must be given not later than the date on which the

first term for presentment expired. In those circumstances, there would be no justification for not considering the possibility of waiting a further six months in the case of bills payable at sight. It would be contrary to the principle according to which the thirty days began to run only after the maturity of the bill.

This being so, he agreed to the Czechoslovak proposal.

The PRESIDENT requested M. Hammerschlag to indicate the principal argument in favour of the Czechoslovak amendment, so that the Conference might be quite clear on the point.

M. HAMMERSCHLAG (Austria) recalled that the principle proposed by the Czechoslovak amendment had been considered at the first Hague Conference in 1910. The matter had not been taken up again in 1912, probably from a desire to simplify matters. In his opinion, the meaning of the amendment was as follows: If a bill was payable at, say, six or eight months after sight, the holder could not require payment and could not exercise his right of recourse except after the expiration of that period. If the Czechoslovak clause were not adopted, it might happen that, in the event of a public disaster, the holder would be entitled to exercise his right of recourse before the time at which he would have been able to exercise it if the disaster had not occurred.

M. QUASSOWSKI (Germany) recalled that at The Hague the matter had been considered from the economic point of view. The German Government had submitted the following observations:

"... The period of grace normally begins on the date of maturity. In the case of bills payable at sight or after sight, the result would not, however, in view of the long periods for presentment involved, be satisfactory if the holder was entitled to notification and later to recourse only on condition that the *vis major* continued until the expiry of the statutory time for presentment or the time specified in the bill. It would be better to adopt the principle that, in the case of a bill payable at sight or after sight, the holder is entitled to immediate presentment, and that he must not, through *vis major*, be deprived of the exercise of this right for any long period of time. A bill which is drawn by New York on Berlin and is payable one day after sight is economically on the same footing as a bill which becomes mature ten days after the date on which it was drawn up. For the calculation of the days of grace, we must accordingly take instead of the day of maturity another time-limit — namely, the day on which the bill could have been presented but for the *vis major*. Paragraph 5 accordingly allows the holder of a bill payable at sight or after sight, in the event of a case of *vis major*, to notify his immediate endorser during the course of the period for presentment. If more than thirty days have passed since the date of notification, recourse may be begun."

M. SULKOWSKI (Poland) felt that this argument made no distinction between a bill payable at sight and a bill payable at a certain time after sight.

The PRESIDENT requested the Conference to vote on the introduction of the Czechoslovak amendment after Article 53, paragraph 5 (Hague text).

The Czechoslovak amendment was adopted by 18 votes to 1 and inserted after paragraph 5 of Article 53.

The PRESIDENT proposed that the amendment should be referred to the Drafting Committee.
Agreed.

The PRESIDENT reminded the Conference that the Latvian delegate had drawn attention to the fact that Article 53, paragraph 2, referred to Article 44 which the Conference had not yet discussed. If Article 53 were adopted, it would, of course, be subject to the reservation that if Article 44 were changed it would be permissible to revert to Article 53.

M. DUZMANS (Latvia) agreed with the President and added that paragraph 5 of Article 53 was also connected with Article 44.

M. HAMMERSCHLAG (Austria) thought that an amendment was necessary, seeing that the Conference had decided to include legal provisions among cases of *vis major*. It was obvious that nobody dreamed of placing the nationals of a country which had enacted a moratorium in a more favourable position than that of nationals. To take the following example: country A had enacted a moratorium. A national of that country, who was the endorser of a bill of exchange accepted by a national of that country on the basis of the provisions which the Conference had just adopted, exercised after thirty days his rights of recourse against the national of country B but domiciled in the endorser's country. The latter would be obliged to pay the amount of the bill of exchange to this endorser, whereas he could not obtain payment by the drawee who was a national of country A and would suffer injury. Such a possibility must be eliminated.

M. Hammerschlag requested the President to put to the vote Article 53, leaving it to the Conference to decide later on the point which he had just raised. He had not yet drawn up an amendment, but he thought it might be somewhat as follows:

"In the case of a legal provision, the nationals of a country which has enacted such provision are not entitled to exercise the right of recourse after thirty days against the national of another country."

The PRESIDENT requested M. Hammerschlag to reflect further on this question. He, personally, was not sure that the amendment was advisable. Was it the case that the international law which the Conference would establish did not take precedence over national law, and that a State after introducing the Uniform Regulation would be entitled to enact a moratorium that was at variance with Article 53? The President thought that when the Uniform Regulation had been accepted by all the contracting countries, the clauses of the Regulation would apply to all moratoria.

M. GIANNINI (Italy) thought that the question raised by M. Hammerschlag was solved by Article 53, for the very reason that the Conference proposed in that article to apply the case of *vis major*. He did not think that there would be any injustice whatsoever in that. Either the moratorium law would be in conformity with international law — that was to say, it would be justified and in that case everyone would have to acquiesce and to admit that the case was one of *vis major* — or the case would be that of a capricious act or a violation of international law, and there were means in international law for settling such points. Further, was it possible to admit that in 1930 any country would wish to disturb international trade by measures which in the last resort would rebound against itself? M. Giannini personally did not think so.

M. HAMMERSCHLAG (Austria) stated that, in view of the opposition of the President and M. Giannini, he withdrew his amendment, though he was not convinced.

M. SULKOWSKI (Poland) observed that it might be concluded from the President's remarks that Article 53 limited the right of States to enact moratorium measures. M. Sulkowski stated clearly that, in his opinion, Article 53 did not in any way limit the freedom of States. They remained absolutely free to take whatever measures they considered necessary. Every moratorium measure enacted by a State should be considered as a case of *vis major*, even if it did not appear to be justified.

M. GIANNINI (Italy) did not agree with M. Sulkowski. He did not believe that States had unlimited freedom in the matter. If a State violated the rights of another State, the stipulations of international law came to the assistance of the injured State.

Article 53 was approved at a first reading.

BILLS OF EXCHANGE IN BLANK.

REDRAFT OF ARTICLE 7.

The PRESIDENT submitted the following text :

“ An instrument which has been signed, but which does not contain all the essential requirements for a bill of exchange or the agreed clauses, may be completed by the holder in accordance with the agreements entered into.

“ The non-observance of such agreements may not be invoked against a holder who has acquired the bill in good faith after it has been completed.”

M. GIANNINI (Italy) explained the motives for this Article.

The fundamental moment for deciding whether a bill of exchange was complete — that was to say, whether it contained all the statements required under Article 1, and consequently whether it was valid — was when the bill was presented to the debtor for payment. That the bill should be complete was an essential condition, not for the originating of the obligation, but for making the debt valid. In order to originate the obligation, it was only necessary that there should be a signature on an instrument called a bill of exchange and that the signatory should be capable. If such conditions existed, the bill could be put into circulation, even though it was not complete but only capable of being completed. In reality, a bill of exchange in blank was an incomplete bill of exchange.

When the practice was first introduced, it came up against very strong views, both in doctrine and in the legal practice of several countries. Doubt was raised as to the validity of the bill of exchange in blank. It was even pointed out somewhat hastily that a bill of exchange in blank fell under the Penal Code. Finally, practice prevailed over law or more correctly over legal practice. It then received a certain amount of legislative sanction (Article 20 of the English law, Article 33 of the American law, and paragraph 93 of the Hungarian law).

M. Giannini also quoted a Ministerial Ordinance of October 6th, 1853, which had the force of law in Austria, and Article 3 of the Brazilian law, together with similar rules in the Polish and Yugoslav laws. The Russian law, which had been accepted by three of the Baltic States, stipulated that a bill of exchange in blank was not valid as long as it was incomplete. Finally, a German law of 1923 contained the following rule :

“ An instrument which does not contain all the essential requirements of a bill of exchange is also considered as a bill of exchange within the meaning of the present law if it is given to another person with the authorisation to complete the statements which are missing. It is presumed that this authorisation has been given if the instrument is called a bill of exchange.”

M. Giannini added that the rule appeared in a fiscal law ; the regulation was therefore indirect.

On the other hand, the requirements of practical life continued to show that the problem was of great importance from the economic point of view. M. Giannini did not consider it necessary to insist on the details of the question, which he was sure were well known to his colleagues.

In reality, what legal system had the authors of the new article had in mind? There was agreement that the bill of exchange should be completed. If the party completed the bill of exchange in conformity with the agreements entered into, he was within his right. If, on the contrary, he did not comply with the agreements, there was an abuse, an offence falling under the Penal Code. Finally, if there were alterations or forgeries, there was legal recourse. Even in the States which had no rule on the subject, Italy for instance, the bill of exchange in blank had entered into practice and all the difficulties had been surmounted, whether they were connected with the date, the denomination, the name of the taker, maturity, the place of payment, etc. The problem had now entered into practice. In those circumstances, could it be ignored? The 1910 and 1912 Hague Conferences left it on one side, but twenty years had passed since then, and it would appear to be necessary to make an effort to settle the question. Moreover, several delegations considered that, with prudence, the question could be solved. Prompted by that consideration and taking into account the laws already in force, certain delegations had submitted the text for Article 7 which had just been read by the President. That article contained two paragraphs, and M. Giannini emphasised the fact, because certain members of the Conference had pointed out that the bearing of the two paragraphs was not the same, that one dealt with a problem of substance, while the other concerned only a question of form. To that M. Giannini would reply that in Chapter I it had been very difficult to discriminate between articles of form and articles of substance.

Passing to the terms used in the proposal, M. Giannini drew the attention of members to the use of the expression "an instrument which has been signed" instead of the term "a bill of exchange". This had been suggested in order to avoid discussion on the question whether the article referred to a bill of exchange. The words "essential requirements" for a bill of exchange meant any references contained in the first article of the draft Regulations, paragraphs 2 to 7. The words "or the agreed clauses" would be inserted to satisfy the German delegation which had asked for optional clauses also to be taken into consideration. M. Giannini was not entirely of this view, but was ready to accept the formula in a spirit of conciliation.

The formula "may be completed by the holder" was very prudent. It affected the substance of the problem and meant that a bill of exchange in blank was valid in so far as it had been drawn up in conformity with the agreements entered into.

The second paragraph of the article dealt only with the position of the holder who had acquired in good faith an already completed instrument. It had been asked what would be the position of the holder in such a case. The question was settled by the second paragraph, which laid down that the non-observance of these agreements could not be set up against the holder who had acquired in good faith an already completed instrument. M. Giannini said that the drafting of this paragraph had given rise to long discussions. The group of delegations had been doubtful whether the negative formula should not rather be adopted, which was to the following effect: "The non-observance of these agreements might be set up against a holder who had acquired an instrument in bad faith." The German delegation had been especially desirous to see this second formula adopted. Finally, however, the authors of the proposal had preferred the first formula.

M. Giannini added that the French delegation, which had co-operated in the drafting of the text, had found it necessary to make two reservations. In the first place, it had stated that it could not agree with the principle of a bill of exchange in blank of which the sum was not mentioned. It considered that this type of instrument went beyond exchange law and could not be admitted, for the French fiscal law made the stamping of the bill compulsory at the moment of its creation and in proportion to the sum. M. Giannini thought, however, that, even in cases in which the sum was not shown, the instrument ought in law to be completed in conformity with the agreements entered into. There was no need, therefore, to have any fears on this point.

The second reservation made by the French delegation had been due to fiscal considerations. M. Giannini could not in this share the views of the French representatives. The object of the new article was to facilitate national and international trade. A choice must be made between the claims of the treasury and the claims of economic life. M. Giannini felt sure that the moment the advantages of this procedure from the point of view of trade were demonstrated, the treasury would be the first to withdraw its opposition to any change in the law.

It might be asked whether the object of this reservation was to put on one side the problem which had not been solved. If such were the desire of the majority of the Conference, M. Giannini would be prepared to fall in with it. In that case, however, he asked that the report to be drawn up should refer to his very warm wish to see the settlement of this question. In his view, after twenty years of work, after the Regulations prepared at The Hague in 1910 and 1912, something more than a third confirmation of these Regulations was necessary. It was always possible to ignore life and its problems, but there came a moment when realities gained the day. The bill of exchange in blank which lawyers had regarded as impossible was now used in practice. It had been necessary when the time came for those same lawyers to deal with it and they had had to draw up laws governing it. Those laws had indeed been prudent, but they were quite definite. No member of the Conference desired to encourage dishonest trading, but the bill of exchange in blank, in the view of M. Giannini, was not an instrument of dishonest trade. The Italian delegation would therefore make every effort to cause the Convention to include an article on the point. If, however, the Conference did not share these views, the report and the records should state very clearly that the problem had been contemplated and that every possible effect had been made in order to find a formula. It was in this spirit that the proposal had been made to the Conference and also in order to approach nearer to Anglo-Saxon legislation on the question. It should not be forgotten that in this field the Anglo-Saxon legislation gave good advice, for it was based on long experience.

M. HELPER (Denmark), on behalf of the Danish delegation, was opposed to the proposed solution. The bill of exchange in blank was entirely a matter of common law.

Paragraph 2 which contained the exchange law was superfluous, for that rule was also to be found in other articles of the Regulation, for example in paragraph 16.

Danish legislation compelled M. Helper to oppose the adoption of this article.

M. EISNER (Yugoslavia) thought that the Regulations would be incomplete were this question not to be dealt with. The Yugoslav delegation would, in principle, accept the solution proposed by a group of delegates and put forward by M. Giannini. It could not, however, adopt the text under discussion. The formula might give rise to grave objections in practice. It might mean that the holder would have to bear the onus of proof. That interpretation, however, would greatly reduce the circulation of such bills of exchange. It would also lead to the danger of a strict interpretation of the expression "non-observance of such agreements", for the judge might require, in every case, proof of the acceptance of an agreement and might ignore commercial custom.

M. Eisner was referring in this respect to a very frequent case arising in Yugoslavia and which was probably to be found elsewhere; the case of the future designation of the domiciliary. In Yugoslavia, at any rate, when a bank had a bill to discount, it showed itself as the domiciliary. This, perhaps, was not always foreseen in advance, for the bank often received a bill at third or fourth hand. Traders, however, were well aware of this peculiarity. Nevertheless, when the holder of the protested bill took the guarantors into court, one of the most frequent arguments set up against him was that the domiciliary of the bill had been indicated without the consent of the drawer. If this argument were accepted as valid, the protest made against the domiciliary was considered as null and void and the holder of the bill lost his right of recourse against the endorsers and the drawer. Legal practice in this matter was not uniform. Some judgments took account of these commercial customs and did not admit the validity of such arguments. Other judgments had taken the opposite view.

M. Eisner had chosen the example of the future indication of the domiciliary because the Yugoslav Chambers of Commerce attached particular importance to this question. They had approached the International Chamber of Commerce and asked for its intervention in order that this problem should be satisfactorily settled by means of a uniform regulation. The solution proposed by the group of delegations instead of making the situation clearer only complicated it. On the other hand, the suggestion from the Yugoslav delegation would smooth away the difficulties. Their proposal was to the following effect:

"Defences founded on the fact that certain particulars were omitted from the bill of exchange at the time of signature may not be set up against the holder who has acquired the bill in good faith; such defences are allowed against other persons only if the person bringing forward the plea proves that the bill was subsequently completed in a manner contrary to the agreement made."

This formula, which completed Article 16 satisfactorily, was more precise and made it possible to take account of the needs of commercial life. Such a provision was to be found in Austrian, Czechoslovak, Polish and Yugoslav legislation. M. Eisner asked the Conference, therefore, to accept his proposal.

M. PERCEROU (France) said that the French delegation shared the views of M. Helper for several reasons. In the first place, as long as the blanks were not filled in the bill of exchange did not exist, the document being only a blank signature. The question of ascertaining what results should occur from the use of the right of blank signature, especially as regarded its correct or abusive use, was no part of exchange law. It was a question of general law. The institution of the bill of exchange in blank might give rise to many abuses. Before settling it, which was one way of encouraging it, considerable reflection was necessary. As this point did not appear on the agenda of the present Conference, M. Percerou concluded that many delegations had not examined the question as closely as it deserved.

These abuses were particularly to be feared in countries which did not find a kind of automatic break to them in a financial system similar to that of England. In England, all bills of exchange must be written on paper, previously stamped according to the amount of the bill, an operation which could not be done haphazardly by adhesive stamps. Consequently, the bill of exchange in which the sum was left blank could not show a higher sum than that covered by the paper on which the signature had been made. The subscriber to the instrument in blank always knew in advance the maximum sum for which he could be held liable.

To sum up, in the view of M. Percerou, the bill of exchange in blank went beyond the Conference's terms of reference and, without giving any view as to the merits of the proposed regulations, he asked that this point should once more be omitted from the discussion as had been the case at the Hague Conferences.

M. EIGTVED (Denmark) said that, to his mind, a bill of exchange in blank was not yet a bill of exchange at all. For that reason, the proposed stipulations should not form part of a uniform law on bills of exchange. There were, of course, bills in blank, but exchange law could not concern itself with them until they had been duly completed.

M. VAN NIEROP (Netherlands) concurred in M. Percerou's opinion. This very delicate and very difficult question was not suitable for an international regulation, since the practices and usages of trade were not identical in all countries. A clear distinction must be made between

practices and abuses. It was possible that what was a usage in one country would be an abuse in another. In the Netherlands, for instance, bills in blank had a very bad reputation. They were not used by respectable traders nor by the big banks. They were employed only by certain firms which transacted very peculiar and even shady business. The Conference should protect respectable trade and keep to the old principle of good faith, which was opposed to bills in blank.

That being so, M. van Nierop proposed that the question should be postponed in order to give delegates time to reflect.

M. DE LA VALLÉE POUSSIN (Belgium) entirely shared M. Percerou's point of view. Quite apart from the question of morality, it was bound to be agreed that a bill in blank was not a bill at all. The Conference would be going outside its programme if it took up the matter.

Futhermore, he had no instructions from his Government on this question.

M. HERMANN-OTAVSKY (Czechoslovakia) observed that Czechoslovak law contained a provision concerning bills of exchange in blank. The proposed clause, however, appeared to go far beyond the question of the bill in blank as he understood it.

He would be prepared to allow that a signed instrument which did not contain all the essential statements of a bill might be complete. The text, however, contemplated not only the essential statements of a bill, but the agreed clauses as well. If the instrument contained all the essential statements, it must be regarded as complete. What was meant exactly by these agreed clauses, which were not essentially statements? They were most probably certain optional clauses, such as that dealing with domiciliation. If a clause of that kind was added to a bill, which already contained all the essential statements and was consequently complete, against the wish of the acceptor, the latter was not the acceptor of a blank signature. He had accepted a complete bill. If an optional clause was added later, to his great astonishment, could he not plead that addition which was rather an alteration of the bill, against a *bona fide* holder?

He thought that this question went far beyond the principle of the blank signature.

Mr. GUTTERIDGE (Great Britain) said that, inasmuch as a rule of law which had prevailed in England for nearly a hundred years had been challenged, he felt it his duty to speak. Some of the cases decided by the courts went back further than one hundred years, and the rule had been finally crystallised in Section 20 of the Bills of Exchange Act of 1882.

M. Percerou's statement in regard to the English law was quite correct. Before a bill of exchange could be drawn in England or a foreign bill, it was necessary to obtain a properly stamped piece of paper on which to write the bill. That certainly acted as a safeguard with regard to the amount, but there was a much wider question involved.

Blank bills of exchange, as M. Giannini had pointed out, were in existence and had come to stay. The question was whether they were to be altogether ignored or to be regulated. They were used considerably in England, and in order to show the Conference that that was so, he would mention the famous case of *McDonald v. Nash* in 1924 in the House of Lords which turned on that very question. Goods had been sold and their price was to be guaranteed by means of a bill of exchange. It was not known at the moment when the goods were sold who should receive the price, and the question arose as to which of two firms should eventually receive payment. The result was that the name of the payee was left in blank and was inserted afterwards. Mr. Gutteridge would not go into all the juridical niceties of the question, but the House of Lords held that the case fell within Section 20 and that the holder of the bill had the right to insert the name of the payee.

The theory of the English law was that where a person placed his signature upon a blank piece of paper and issued it with the intention that it should be turned into a bill, he gave a mandate to the transferee to complete the bill in accordance with any authority that might be given to him. The bill had to be filled up in the first place in accordance with authority, but if it was not so filled up and came into the hands of a holder, in due course the holder was entitled to sue on the bill.

He ventured to think that the instrument, though it might be used for purposes which were not altogether pleasant, was on the other hand undoubtedly used as a genuine commercial instrument both in America, in England and also, he understood, in Italy. It seemed to him that if the Conference decided entirely to ignore it, they would be taking up a very drastic position. What would happen? England and America would pursue the even tenor of their way, but were Italian business men to be asked to condemn an instrument which they used and, he understood, used frequently? If the business men of the Scandinavian countries and the Netherlands did not like the instrument, they need not use it, but to say in effect that such instruments should not be allowed seemed to be going very much too far. He hoped the Conference would not take such a decision; first of all, because it would not be in accordance with the general well-being of commerce and, secondly, because an opportunity would be missed of somewhat closing the gap between the Continental and Anglo-Saxon systems. The latter was, however, a secondary consideration. What the Conference had to do was to see whether it could not draw up rules which would facilitate the transaction of business throughout the world.

The rule in question served another very useful purpose which Mr. Gutteridge hoped would not be forgotten. If some part of a bill of exchange had been accidentally omitted, Section 20 was invaluable. If by mistake the date or some other particular were omitted, Section 20 came to the rescue and enabled the bill to be completed. He would support the principle of Section 20 of the English Act on that ground alone.

M. GIANNINI (Italy) said that he had perhaps explained his point too succinctly. He had already indicated the theoretical construction at which the framers of the new Article 7 had arrived. Their work had been carried out not only on the basis of Italian jurisprudence but also on that of French jurisprudence.

Some rules must be elaborated. The question could not be left in abeyance.

What were the arguments that had been advanced against his thesis? There was, first, the argument put by M. Percerou and certain other delegates that a bill of exchange in blank was not a bill of exchange. M. Giannini held that this argument was now nearly obsolete. Further, certain delegates had suggested that the matter lay outside the field of exchange questions, but M. Giannini asked whether the two paragraphs which he had read bore on exchange questions. Was the question whether a bill of exchange, which was incomplete at its origin, could be completed a question relating to exchange matters?

Secondly, was the position of a third party who possessed a bill which had been completed after issue a matter which came within the field of exchange questions? There were, of course, in some domains certain secondary problems which could be settled in connection with one matter or another, but that was not the case in regard to the question now under discussion.

It had likewise been objected that the question was not on the agenda, but M. Giannini pointed out that all delegates at conferences referred to the agenda whether they wished or not to do something. In the present case, the agenda called for the preparation of a uniform regulation on bills of exchange. The experts had submitted a very carefully worked-out draft. That could not prevent the members of the Conference from putting the draft in their pockets and adopting another. Could there be any question that they had the right to do so?

After twenty years' silence, a diplomatic conference was now taking up again the work of bygone days. Could it confine itself to saying that the question of bills in blank could not be considered?

It had also been said that the banks had not asked for the settlement of the problem. M. Giannini personally ventured to question the accuracy of that statement.

The framers of the proposal had also been told that there was a great divergency of rules in the matter. But that was exactly the reason for which it was necessary to draw up a uniform regulation before international practices were set up which would make it more difficult to draw up a regulation.

There was, lastly, the question of the stamp, but, as the British representative had said, that very question prevented the signature of a bill of which the amount was higher than the sum due.

In Germany, the regulations in regard to the stamp had been revised in connection with bills of exchange. Furthermore, everyone knew that stamp laws changed constantly.

In regard to the arguments of lesser importance, M. Giannini pointed out, in the first place, that customs ended by constituting law. The practice followed in regard to bills of exchange in certain countries was known. In Italy, it was desired that the whole problem should be considered clearly and precisely, without hypocrisy, without closing the eyes to what happened in commercial life. That problem should be solved. It could no longer remain vague, for that would be extremely dangerous.

M. Giannini then came to an argument which M. de la Vallée Poussin had raised when he stated that a question of morality was involved. Was it possible to speak of morality when eighteen States had a law on bills of exchange in blank? Among those eighteen States were the British Empire, the United States of America and also Germany, not to speak of Italy, which had, strictly speaking, no laws in that sense. It might even be added that there were other countries which had in their legislation provisions relating to stamp duties. An allusion to morality therefore could not be considered as a real argument.

Moreover, M. Giannini did not consider that the bill of exchange was an instrument of dishonest business. It was possible, if one desired to do so, to consider that any business instrument could become an instrument of dishonest business. In reality, the bill of exchange in blank was a powerful business instrument. In order to be convinced of that, it sufficed to recall the effects of the guarantee and of the part which such bills played in practice.

The problem should be solved. The first question to decide was the following: Did the Conference desire to settle the problem of blank bills of exchange? If it did, M. Giannini would ask the President to allow the delegations time to reach an understanding, in view of the various formulæ which had been proposed. A final text could certainly be drawn up.

If the Conference decided not to deal with the problem in the Uniform Regulation, M. Giannini would make a reservation, because it should not be forgotten that eighteen States had already rules on the subject. What would be the position of those States? It would at least be necessary to make a reservation to the effect that bills of exchange in blank were not prohibited.

M. Giannini adjured his colleagues to reflect well before voting. Should a uniform law be adopted? Should there simply be a reservation? It was obvious that the countries which had laws on this matter would decide to make a reservation if the uniform formula was not adopted; if, on the other hand, it were adopted, it would be the countries which had no law on bills of exchange in blank that would wish to make a reservation. They would not perhaps have a law immediately, but they would soon be led to adopt one.

M. DE LA VALLÉE POUSSIN (Belgium) had been very much surprised to hear M. Giannini state that he had invoked a moral argument for he had said precisely the opposite. M. van Nierop having explained that in his country the reputation of bills of exchange in blank was often suspect, the representative of Belgium had replied that he did not wish to invoke the moral argument. In Belgium, a great number of bills in blank circulated without, however, being legally considered as bills of exchange; they only became bills of exchange when completed. Those bills were used in the following conditions: A bank, for instance, opened a credit of a million for a manufacturer,

In accordance with his needs and within the limits in which it knew that its customer would not be embarrassed, the bank put into circulation bills which had already been delivered to it by the manufacturer and which bore no other mention than the signature of the manufacturer. In Belgium, that was quite a current practice.

The PRESIDENT put to the vote by roll-call the question whether the Uniform Regulation should contain any provision in regard to bills of exchange in blank.

The Conference decided by 15 votes to 9, with 3 abstentions, that the Uniform Regulation should contain a provision on bills of exchange in blank.

For: Austria, Brazil, Czechoslovakia, Danzig, Finland, Germany, Great Britain, Hungary, Italy, Japan, Poland, Portugal, Roumania, Siam and Yugoslavia.

Against: Belgium, Denmark, France, Latvia, Luxemburg, the Netherlands, Norway, Sweden, Switzerland.

Abstentions: Spain, Turkey, Venezuela.

Absent: Bulgaria, Colombia, Ecuador, Greece, Peru.

SIXTEENTH MEETING.

Held on May 22nd, 1930, at 3 p.m.

President: M. J. LIMBURG

20. Absence of the Bulgarian Representative.

The PRESIDENT announced that he had been informed by a letter from the Chargé d'Affaires of the Royal Bulgarian Legation at Berne that Dr. D. Minkoff was prevented from taking part in the work of the Conference.

21. Discussion of the Draft Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continuation).

ARTICLE 39, PARAGRAPH 1.

Paragraph 1 was approved at a first reading.

ARTICLE 39, PARAGRAPH 2.

M. DA MATTA (Portugal) drew the attention of the Conference to the expression "at his own risk and peril". Although that was the usual formula, he wondered whether it would not be preferable to say: "The drawee who pays before maturity is responsible for the validity of payment." Thus modified, the text would gain in clearness and also in legal precision.

At first sight, the PRESIDENT had the impression that M. da Matta's text had a slightly different meaning from the formula proposed by the experts. He suggested that the Portuguese amendment should be referred to the Drafting Committee.

Agreed.

M. BOUTERON (France) pointed out that he had asked that the text of Article 19 should be reserved until Article 39 was examined. Article 19 was as follows:

"An endorsement after maturity had the same effect as an endorsement before maturity. Nevertheless, an endorsement after protest for non-payment, or after the expiration of the limit of time fixed for drawing it up, operates only as an ordinary cession."

Article 39 dealt with the situation of the drawee from the point of view of his discharge before maturity and at maturity, but in the period after maturity and before protest, the situation of the drawee was unknown.

The PRESIDENT replied that anyone who paid after maturity but before protest had paid at maturity; the case had never presented difficulties.

M. BOUTERON (France) stated that he was satisfied with that interpretation.

Paragraph 2 was approved at a first reading.

ARTICLE 39, PARAGRAPH 3.

The PRESIDENT proposed that questions of gross negligence and bad faith should not be considered in connection with this paragraph, but should be dealt with when Article 16 was discussed.

With this reservation, paragraph 3 was approved at a first reading.

Article 39 as a whole was approved at a first reading.

ARTICLE 40, PARAGRAPH I.

The PRESIDENT submitted the following German amendment : That the words " on the day when payment can be demanded " should be replaced by " on the day when payment is effected ".

M. ULLMANN (Germany) pointed out that the experiences of the war and post-war years had shown that it was preferable, in determining the value of foreign currency, to take the rate of exchange on the day on which payment was effected and not on the day of maturity. That was preferable to the solution proposed in the experts' draft, for the following reasons :

The holder should be protected against the possibility of changes in the value of the currency of the debtor and from a fall in the rate in the period between the day on which the bill matured and the actual day of payment. If the day of maturity were taken, it might happen that the holder would be injured by receiving only part of the value of the amount owed to him. That would be unjust.

It was for that reason that, in principle, the drawee should pay the sum indicated in the bill of exchange. If it were admitted that he could pay the equivalent in the currency of his country, that should be the real equivalent ; that was to say, a sum which, converted immediately at the rate of exchange on the day of payment, represented, in foreign currency, exactly the sum which he owed.

That, moreover, would also protect the payer if the rate of exchange of his currency were higher than its value on the day of maturity and fell below that value on the actual day of payment.

The argument could not be opposed to that solution that the holder might speculate to the detriment of the debtor, while asking for payment only at a time when the rate of exchange seemed specially favourable to him, for, in virtue of Article 41, every debtor was authorised to make a deposit of the amount of the draft with the competent authority, in the absence of presentment of the bill for payment within the period fixed by Article 37, and to do so at the charge, risk and peril of the holder.

The only objection would be that, apart from payment, there might be other possibilities for liquidating the exchange debt. It might then be claimed that the formula " the day when payment is effected " was too restricted. It was obvious, however, that the other means of liquidation of debts should be considered on an equal footing with payment and that the same provision should be applied by the courts in such cases in a similar way.

M. SULKOWSKI (Poland) stated that Article 40 referred to cases of bills of exchange in foreign currency. It laid down the principle that the debtor could pay in the currency of his country a bill of exchange expressed in foreign currency. In other words, it gave to the debtor the right to substitute the currency of his country for foreign currency. It was now necessary to know what should be the rate of conversion. Two solutions were possible. The first, which was adopted at The Hague, consisted in taking the rate of exchange on the day on which payment could be demanded. The German delegation had proposed another solution, which consisted in taking the rate of exchange on the day on which payment was effected. The latter solution was, in substance, justified. As a matter of fact, if after maturity the currency of the country had decreased in value in relation to the foreign currency, the holder would suffer a loss should the debt have been converted at the rate current at maturity.

On the other hand, Article 40 operated in a satisfactory manner in ordinary circumstances. Extraordinary conditions, however, had also to be considered. It should be remembered that during the war the States enacted various provisions. They prescribed, for instance, that bills of exchange could not be issued in their country in foreign currency or that the payment of bills of exchange expressed in foreign currency should always be made in the currency of the country. If Article 40 were adopted in its present form, the powers of States would be limited. They would no longer be able to prescribe that a bill of exchange payable in foreign currency could only be paid in the currency of the country. Nevertheless, States passing through an economic crisis might be obliged to adopt similar provisions. M. Sulkowski drew attention to the various provisions that had been enacted for postponing the payment of bills of exchange payable in foreign currency.

In conclusion, M. Sulkowski drew the attention of the Conference to the considerable extent to which the powers of States would be limited if a reservation to Article 40 were not allowed. Every provision contrary to the principle of Article 40 would certainly constitute a violation of international law. It was therefore necessary to draw up a reservation enabling States to derogate from the principle established in Article 40.

M. PERCEROU (France) considered that this observation would only be correct if the States undertook not to modify the text of the uniform law during a fixed period. It had not been considered, however, that the Convention would compel States to maintain the uniform law in force, but that they would be able at any moment to modify certain articles in this law. They would be free in certain exceptional circumstances to derogate from Article 40.

In other words, M. Percerou considered the question whether the Convention involving States in an obligation to maintain the law during a fixed period had been settled in advance in the affirmative. If it did so, the French Parliament would be unable to ratify the Convention.

Baron CARTON DE WIART (Belgium) asked the German delegate whether he had taken into account the following point : If the regulation or uniform law granted the right of making payment in a currency other than that stipulated, an exception of rather grave character would be established. In Article 37, however, another provision which was also of a somewhat exceptional character for many countries, had been adopted. It consisted in allowing a period

of three days for payment. In those circumstances, the drawee as well as the holder would have an obvious interest in delaying payment until the last minute and of benefiting by changes in the rate of exchange, Thus they would be given an excessive latitude which they might unduly abuse.

M. VAN NIEROP (Netherlands) thought that the system proposed by the German delegation was not acceptable because it was very dangerous. It would give rise to bear speculation if the foreign currency had strongly depreciated or if it had a strong tendency to fall in value. In this case, it would be in the drawer's interest not to pay at maturity, since he would hope to be able to cover the bill that was made out in foreign currency at a later date when the rate of exchange would have fallen. Under the system proposed by the experts, the drawee had no interest resulting from the fluctuations of the change to adjourn payment, the rate of conversion being a fixed rate, — namely, that of the day of maturity.

M. SULKOWSKI (Poland) believed that there was a misunderstanding. He was certain that the proposal submitted by the German delegation would, in reality, improve the situation of the creditor. Article 40 referred to the case of a bill of exchange drawn up and payable in foreign currency. In the first place, it was necessary to know whether the debtor would actually pay in foreign currency. What did Article 40 say? It gave to the debtor the right to make a substitution. In other words, it stipulated that the amount of the bill of exchange could be paid in the currency of the country according to the rate of exchange for the foreign currency. As Baron Carton de Wiart had pointed out, that was a questionable principle. Indeed, if reference were made, for example, to the rules adopted by the International Law Association at Vienna in 1926, it would be noted that the principle accepted there was directly opposed to it; that was to say, the debtor of a bill of exchange drawn up in foreign currency was always compelled actually to pay in that foreign currency, even if an effective payment clause did not exist.

• Article 40 laid down a different principle. It gave to the debtor the right to substitute the currency of the country for the foreign currency unless the bill of exchange contained the effective payment clause.

The result of the amendment submitted by the German delegation would be that when the bill of exchange did not contain that clause, and when the bill might be paid in the currency of the country, the rate of conversion to be employed was that in force on the day of payment. In the hypothesis in which the rate of exchange for the currency of the country fell in relation to that of the foreign currency which was the object of the bill of exchange, if conversion was effected according to the rate in force on the day when payment could be demanded, the holder might suffer enormous losses; whilst, if the rate in force on the day when payment was effected was adopted, the holder was safeguarded from any loss resulting from the depreciation of the currency in which payment was made.

It would therefore appear that the German amendment was such as to improve the situation of the holder in the event of the maintenance of the admissibility of the right of substitution in relation to bills of exchange that contained no effective payment clause.

In regard to whether it was necessary to make a reservation in the Convention, M. Sulkowski wished to point out to M. Percerou that if the Uniform Regulation was considered as model law it was not necessary to make a reservation. On the other hand, if it were considered that the Regulation should be accepted by States as it stood without any change beyond those for which provision was made in the Convention, it would be necessary to make a reservation. Otherwise, the legislative freedom of States would be limited by Article 40. They would be unable to enact any provision concerning foreign currencies, although there were moments when a State found itself compelled to restrict the circulation of foreign currency in its territory.

M. PERCEROU (France) feared that M. Sulkowski was mistaken in regard to the compromise which, together with the head of the Swedish delegation, he had submitted. That compromise would be as follows: the text on which a vote would be taken by the Conference could not be modified at the outset in the uniform law except by means of a reservation. On the contrary, once the law was passed, Parliaments would retain their right to make amendments in order to meet exceptional circumstances, and it would not be necessary to make a reservation to modify an article of the regulation. That was a great difference, which would seem likely to render the regulation acceptable to Parliaments.

M. Percerou recognised that a reservation would be necessary if the compromise of which he had just spoken were not adopted. If, on the other hand, this system became — as he hoped it would — that used in the Convention, the reservation proposed by M. Sulkowski would be unnecessary.

M. SULKOWSKI (Poland) considered that the question should be settled when the Convention itself was discussed.

M. QUASSOWSKI (Germany) wished to reply to the objections raised against the proposal of the German delegation which he had submitted in order to obviate the disadvantages in which a delay might involve the parties concerned. The legal situation was as follows:

Article 40 stipulated that the amount of a bill payable in a foreign currency should be calculated according to its value on the day when payment could be demanded. That principle did not appear to M. Quassowski to be equitable or in conformity with practical requirements. He was considering only the normal case; that was to say, the case in which payment was effected on the day of maturity. There would, however, be objections to that rule in the somewhat frequent cases in which payment was made only after maturity, for in these cases variations in the rate of exchange, either of the foreign currency or of the currency of the country, were neglected.

M. Quassowski gave the following example :

A bill for \$100 was payable in Germany on May 1st. On that day the dollar was at the normal rate of 4.20 Marks. \$100 was therefore worth 420 Marks. Payment, however "was only effected on June 1st for reasons for which the parties concerned neither the creditor nor the debtor were responsible. On June 1st, the rate of the dollar had risen. It was worth, for instance, 5.20 Marks. According to the principle laid down in the draft Regulation, it was the rate in force on May 1st which was valid. The creditor therefore received only 420 Marks instead of 520 Marks. He therefore suffered a loss, for with that sum he was unable to buy \$100. To take the opposite case, it might be that the rate of the dollar had fallen and that on the day of payment it was not 4.20 Marks, but only 3.20 Marks. In that case the creditor, according to the principle laid down in the draft regulation, received 420 Marks instead of 320 Marks. Then it was the debtor who suffered loss, although the creditor benefited by an advantage which was not justified. He received a sum of 420 Marks, with which he could buy more than \$100. An infinite variety of such examples could be given.

M. Quassowski drew the attention of his colleagues to the variations in the rate of exchange of the Mark during the period of inflation. If there were ever again so exceptional a period, it would be quite possible, with the present text of Article 40, that the creditor would end by receiving nothing if the period between the day of maturity and the day of payment were sufficiently long.

On the other hand, if the principle were adopted that the rate of exchange on the day on which payment was effected was valid, the creditor would always receive exactly, in the currency of the country, the sum whose value corresponded to the amount of the bill, and neither more nor less than that.

Baron CARTON DE WIART (Belgium) understood the desire for justice in the mind of the German delegation, but recalled that the unjust situation which might be created by the presumption established in the text was no one's fault. On the contrary, if a certain time-limit were allowed to elapse between the moment when the sum could be demanded and the moment when it was actually paid, both of the parties interested would be encouraged to speculate in the interval.

According as to whether the rates rose or fell, they could try to bring nearer or postpone the date of payment, and this procedure would certainly be far more contrary to justice than the procedure which would result from the proposed text.

In accepting the proposed presumption, an exception would be made ; and at the moment of starting on this path, it might even be asked whether it would not be better to return to the moment of the bill's creation in order to fix the rate.

This was a practical question. It was not only during the war that such cases had occurred. The present period during which exchange rates were unstable did not seem to be likely to draw to an immediate close. For that reason, Baron Carton de Wiart thought that the proposal of the German delegation, while based on justice, defeated that end.

Mr. GUTTERIDGE (Great Britain) said that the English rule was that the rate of exchange was calculated on the day on which the bill fell due. Bills in England were always payable in English currency ; payment in foreign currency was not allowed. They must always be paid in English currency if the holder so demanded, and he thought that this was a rule which worked very well.

M. Deoclecio DE CAMPOS (Brazil) thought that the various points of view had now been adequately expressed and that the Conference should vote on the question.

M. VISCHER (Switzerland) was opposed to the adoption of the amendment put forward by the German delegation.

M. SHIMADA (Japan) asked whether the phrase referring to the payment " on the day when payment can be demanded " also included cases in which the holder exercised his right of recourse against the guarantors before maturity.

The PRESIDENT thought that the reply should be in the affirmative.

M. QUASSOWSKI (Germany) reminded the Conference that his country had had an unhappy experience of inflation. It was understandable that representatives of countries which had not endured that catastrophe could not understand the full importance of the German proposal. If the text of the exception, however, were adopted, the following result might occur. A bill of exchange was stipulated as payable in dollars ; the place of payment was Germany. If the Mark sustained an appreciable fall between the day of maturity and the day of payment, the debtor could pay his debt in dollars with a sum of very depreciated Marks. This was unjust and quite unacceptable.

The German courts, particularly the Reichsgericht, had frequently dealt with this question and sometimes — a thing which happened very rarely — a judgment had been delivered by all the judges sitting in that court. That judgement had decided that the rate of exchange was that of the day of payment. The doctrine and legal practice in Germany were therefore in favour of this solution, which was the only possible one.

The German amendment was put to the vote and rejected by 13 votes to 8.

The PRESIDENT referred to the conditional amendment proposed by the Japanese delegation. That delegation did not understand the reason why the endorser should be allowed to determine the rate of foreign currency in the bill. The President thought that it was obvious that the Committee of Experts, as well as the Hague Conference, had no objection to the drawer giving in advance the right to the endorser to determine the rate.

M. SHIMADA (Japan) regretted that the Japanese delegation was not satisfied with this explanation. In consequence, he proposed to delete the words "or to be determined by an endorser".

M. GIANNINI (Italy) supported the Japanese amendment.

The Japanese amendment was put to the vote and adopted by 13 votes to 5.

The PRESIDENT drew the attention of the Conference to the following observations of the Dutch Government: "In the first paragraph between the words 'as stipulated' and 'that payment', the words 'in the body of the instrument' should be inserted in order to ensure that the stipulation referred to in this paragraph has really been introduced by the drawer himself." This addition would improve the wording of the paragraph, would fulfil the intentions of the Committee of Experts and would be in conformity with the spirit of the Hague Regulation.

M. PERCEROU (France) saw no objection to this addition, but thought that the solution it offered was obvious.

M. VAN NIEROP (Netherlands) wished that the clause in question should be mentioned in the text of the instrument and not in the bill. It would be for the Drafting Committee to take the necessary steps.

M. GIANNINI (Italy) asked the Conference to entrust the Drafting Committee with the duty of examining those observations made by Governments which did not affect the substance of the problem.

The PRESIDENT was unable to agree with M. Giannini, for some observations affected the substance and others the form. In regard to a third kind of observation, it was impossible to decide whether it concerned the form or the substance. If it was merely a question of drafting and form, there was nothing to prevent the submission of the observations to the Drafting Committee. Did the Conference accept the insertion of the words: "in the body of the instrument itself"?

This addition was adopted.

The first paragraph thus amended was approved at a first reading.

ARTICLE 40, PARAGRAPH 2.

This paragraph was approved at a first reading.

Article 40 as a whole was approved at a first reading.

ARTICLE 41.

Article 41 was approved at a first reading.

CHAPTER VII. — RECOURSE FOR NON-ACCEPTANCE AND NON-PAYMENT.

M. SHIMADA (Japan) recalled that the question of the legal position of the domiciliary dealt with in the Japanese proposals had been left open when the "Chapter on Payment" had been examined. He wished this question to be dealt with in connection with Chapter VII.

The PRESIDENT proposed to reserve the amendment of this question until the end of the chapter.

M. PERCEROU (France) said that the same question had arisen in connection with Article 21. A formula could be adopted and a decision taken when the Conference examined the report of the Drafting Committee.

The PRESIDENT thought that the Conference should follow this suggestion. When it had received the report of the Drafting Committee, it would decide whether there would be any necessity to make a change or an addition, either to Article 21 or to Article 26 or to the end of the "Chapter on Payment".

ARTICLE 42.

The PRESIDENT read the following Czechoslovak amendment:

"In paragraph 2, sub-paragraphs 2 and 3, after the words 'has failed', insert the words 'or has undergone judicial liquidation'."

M. SRB (Czechoslovakia) explained that, according to Czechoslovak legislation, it was possible for the debtor to demand the procedure known as judicial liquidation. In order to obtain it, the debtor must undertake to pay each non-privileged creditor a sum amounting, according to the present law, to at least 35 per cent of the debt. Without entering into detail, it would be sufficient to point out that to open this procedure of judicial liquidation showed that the debtor would not entirely settle his debts. In these circumstances, it was necessary to insert in Article 42 a clause stating that what was laid down in the case of bankruptcy should also apply to the case of judicial liquidation.

Judicial liquidation was not to be found only in Czechoslovak legislation, but also in that of many other countries. In all those States, the question might arise whether the judicial liquidation should have the same legal effects as bankruptcy. If States whose legislation did not contain any provisions covering judicial liquidation were unable to agree that reference to this should be inserted in the text of the Uniform Regulation, it was indispensable that a provision covering this matter should be inserted in the Convention.

M. PERCEROU (France) was all the more able to understand the observations of the Czechoslovak delegation since judicial liquidation was of French origin. It had existed in France for forty-one years and most legislations which had adopted it were more or less based on the French law. It was not, however, necessary to mention judicial liquidation side by side with bankruptcy in Article 42, for the word "bankruptcy" was followed by a very wide term "or has suspended payment", which included all cases of suspension of payment—that was to say, cases of bankruptcy, judicial liquidation and even cases of duly stated suspension of payment—which had given rise to no proceedings in bankruptcy or judicial liquidation proceedings. In those circumstances, the Czechoslovak delegation might feel satisfied.

M. SRB (Czechoslovakia) replied that a reference to suspension of payments was to be found in paragraph 2, but not in Paragraph 3, of Article 42.

The PRESIDENT said that the question whether paragraph 2 should be brought into line with paragraph 3 would be examined later.

M. SRB (Czechoslovakia) was not entirely satisfied, for Czechoslovak legislation drew a distinction between bankruptcy, judicial liquidation and suspension of payment. These three cases were mentioned in the law. In practice, however, there was no great difference and the Czechoslovak delegation could therefore support the suggestion of M. Percerou.

The PRESIDENT thought that the explanation of M. Percerou could be included in the report.

M. SULKOWSKI (Poland) wished to bring paragraphs 2 and 3 into harmony.

The PRESIDENT replied that that question would be examined when the time came.

Mr. GUTTERIDGE (Great Britain) asked M. Percerou's President of the Committee of Experts whether the word "faillite" was used in the technical sense in which it was used in French law. If so, serious difficulty might arise, because it was impossible to translate the word "faillite" by an appropriate English word. It was not bankruptcy. It might be said that this was a theoretical matter, but he assured the Conference that it was of very great practical importance. There would be two authentic texts of the law, one in French and one in English. It might be that there were countries like Germany which would prefer the English text to the French text, and if words could not be adequately translated difficulty would arise. He hoped that the Conference would abstain, as far as possible, from using in the text of the Regulation words which were technical words in foreign law and which were quite incapable of translation into English. Otherwise, in future, a German judge might say that he would proceed on the basis of the English and not of the French text, and the very object which the Conference had in mind might be absolutely defeated.

M. ALBRECHT (Germany) associated himself with the observations of Mr. Gutteridge. The word "faillite" in the French text of Article 42 could not be translated adequately into the German or English languages. He did not think that French jurists could be well satisfied with the actual wording of the first paragraph of Article 42, which said that the holder of a bill might exercise his right of recourse even before the date of payment "dans le cas de faillite du tiré, accepteur ou non, de cessation de ses paiements. . .". If the French Code of Commerce were consulted about the meaning of the word "faillite", the following would be found :

"Tout commerçant qui cesse ses paiements est en état de faillite."

Thus the same thing was mentioned twice in the wording of Article 42 : "faillite" and "cessation de ses paiements". In French law both were exactly the same, so far as M. Albrecht could see.

When the Hague Convention was presented to the Reichstag for adoption, the official German memorandum stated that it was impossible to translate that very passage by reason of the word "faillite". If the English version of the text contained in the preparatory documents were referred to, it would be found that the word was wrongly translated and had been rendered by the words "has failed", which, so far as he knew, had no specific meaning in English. For those reasons, the word "faillite" had been eliminated in the German amendment and in its place reference was made to a broad principle by the statement that whenever the drawee was in a state of insolvency and his state had become manifest by the institution of judicial proceedings for the general liquidation of his property for the benefit of his creditors the right of recourse could be exercised against the drawer.

The PRESIDENT proposed, in order to satisfy everyone, that the phrase should run as follows :

"In the case of suspension of payment, whether by the drawee or acceptor, but not authenticated by a judgment. . ."

M. PERCEROU (France) said that these questions had been examined at great length at The Hague.

In reply to the objection made by the representative of Germany, M. Percerou thought that it was possible to translate the terms of Article 42 with accuracy. In German, the word "faillite" was translated by "Konkurs" and the "suspension of payment" was translated by "Zahlungseinstellung", M. Quassowski's interpretation of French law was not quite accurate. In France, there were three different situations :

Bankruptcy entailed a judgment declaring it.

Judicial liquidation entailed an opening judgment declaring it.

Suspension of payment was the state in which a trader found himself who had ceased payment, and in regard to whom the judges had noted this suspension without stating that it was a case either of bankruptcy or judicial liquidation.

Finally, in reply to Mr. Gutteridge, M. Percerou agreed that the word "faillite" was not capable of exact translation into English. He was, however, in the somewhat peculiar situation of being compelled to draft a text to take account of legislation which would not include that text. The exact reason why it had been impossible to introduce the term "judicial liquidation" was because certain States made no provision for it.

As far as the translation of the word "faillite" was concerned, would it not be possible to insert in the English text the word "bankruptcy" followed in brackets by the French word "faillite"?

The German delegation would be satisfied if the two expressions "Konkurs" and "Zahlungseinstellung" were similarly used.

M. Percerou was therefore in favour of the maintenance of the text. This question had been discussed at length at The Hague and he thought that it would be dangerous to try to modify it, for other amendments would then be put forward. The text had been carefully examined by the Committee of Experts and it had finally agreed to adopt it.

Mr. GUTTERIDGE (Great Britain) asked the President whether it was justifiable to use an English word and then to add in brackets the actual French word which had been employed. If so, a great many difficulties would be avoided, but he was not certain whether that was the correct procedure in the case of international conventions.

The PRESIDENT thought that in the very special case of an untranslatable word this procedure should be followed.

M. TROULLIER (International Chamber of Commerce) observed that the difficulties which had just been raised were practically the same as those to which attention had been drawn by the International Chamber of Commerce. It had been alleged that the word "faillite" had no full equivalent in English. Similarly, it did not have the same meaning in France and Germany, since, in the latter country, persons other than traders could be "mis en faillite".

The term "cessation de paiement" (suspension of payment) was an omnibus expression, especially when followed by the words "même non suivie d'un jugement" (even when not followed by a judgment). It would therefore suffice if this expression were used.

As to the addition of the word "liquidation judiciaire" (judicial liquidation), it seemed that it would be a mistake to introduce that term into the present text. It had been rightly pointed out by the International Chamber of Commerce that this term was used quite incorrectly, since the peculiar feature of this transaction was that nothing at all was liquidated. It was probable that the expression might be changed within a short time.

M. ALBRECHT (Germany) said that if he understood aright the meaning of the terms "Konkurs", "bankruptcy", and "faillite", the distinction was as follows : In Germany a private person or a company might be in Konkurs. In England, "bankruptcy" applied only to private persons and not to companies. In the case of companies, there was a compulsory winding-up by the court.

Mr. GUTTERIDGE (Great Britain) added that there might be a voluntary winding-up.

M. ALBRECHT (Germany), continuing, said that though "winding-up" was not called bankruptcy, it was practically the same. In France, the term "faillite" was not applicable to private persons, who could only be "en déconfiture", but the latter term was not applicable to companies. The same system of compulsory winding-up by the court existed in France.

He would ask the Conference to imagine a case in which the drawer of the bill was a French company. A German judge, who had to decide whether a claim in recourse was sound, would consult the text and would find the term "faillite". He would say that this was not applicable to a company. M. Albrecht did not know whether it could be said in France that the beginning of the compulsory winding-up of a company by the court was in itself a suspension of payment. In Germany, where an excess of liabilities over assets was a ground for declaring a company bankrupt, it would certainly not be said that a company which became bankrupt on that ground had by that mere fact suspended payment. For those reasons, he thought that the Conference should avoid the use of a legal term of the French language in its international text and should rather try to describe the exact position which it was desired to cover.

In regard to the President's suggestion to strike out the word "faillite" and to be satisfied with the suspension of payment, M. Albrecht's objection was as follows. A company could go bankrupt under German law, even if it had not suspended payment, if its liabilities exceeded its assets. The commencement of bankruptcy proceedings in itself was, in German law, not regarded as a suspension of payment. There might, therefore, be a company which was bankrupt but had not suspended payment, and the text would not apply in such a case. For this reason, he was sorry that the German amendment had not been distributed. It was necessary to use a clause which contemplated the case of bankruptcy in the widest sense of the word, and to describe it in terms which were applicable to all countries.

The PRESIDENT pointed out that point (2) of the German proposal was as follows :

" If the insolvency of the drawee, whether he has accepted or not, is shown by the institution of proceedings for the general liquidation of his property for the benefit of his creditors, or by an equivalent official act, and also if he has suspended payment, even if the suspension is not authenticated by a judgment, or where execution has been levied against his goods without result..."

In a conversation with one of the German delegates, the President had convinced him that the word "insolvency" could not be kept in this amendment as referring to the countries which had the system of "faillite" according to the French Commercial Code, since there were two periods, that preceding insolvency and that following insolvency. In the case of a "concordat" (composition), the second period never began.

The President had drafted the following proposal which he hoped would meet the requirements of the German and English systems :

" 1. If acceptance has been refused ;

" 2. Where there has been suspension of payment on the part of the drawee, whether he has accepted or not, even if the suspension is not authenticated by a judgment, or where there have been any judicial measures for the benefit of his creditors, or where execution has been levied against his goods without result."

M. PERCEROU (France) feared that this formula gave rise to two objections : the phrase " where there has been suspension of payment, even if such suspension has not been authenticated by a judgment ", would not satisfy the Germany delegation, since the latter had said that a company which, although it had not suspended payments, was insolvent could be " mis en faillite ". On the other hand, the fact of levying execution on a debtor did not imply that he was insolvent. Certain bad payers were perfectly solvent, but were unwilling to pay. The point here considered was the insolvency of the drawer ; it was that which gave rise immediately to recourse. The proof of insolvency resulted only from the inefficiency of the measures of execution (execution levied without result). The phrase " any judicial measures for the benefit of the creditors " was too wide, since the fact of these measures being put into force would not necessarily imply the debtor's insolvency.

He feared, therefore, that the formula proposed by the President would be subject to criticism.

The PRESIDENT thought that there was a misunderstanding. The words " any judicial measures for the benefit of the creditors " followed by " where execution has been levied against his goods " indicated clearly that the measure was a specific one taken on behalf of all the creditors and not a special procedure. There could be no question on this point.

M. SRB (Czechoslovakia) thought that the formula proposed by the President was a very happy one. It entirely satisfied the Czechoslovak delegation and the latter would withdraw its amendment if the Conference accepted the President's proposal.

M. SULKOWSKI (Poland) agreed that the text proposed by the President appeared satisfactory. If, however, it were not acceptable to certain delegations, he proposed that the text in the regulations should be kept as it stood and that a reservation should be made on the following lines :

" The contracting countries may indicate the legal situations referred to in Article 42 in accordance with their national legislation."

M. ARCANGELI (Italy) observed that, notwithstanding the very great interest of the present discussion on comparative law with regard to bankruptcy, the question had not been solved. The formula proposed by the President appeared to be a helpful one, but M. Percerou thought that it was too wide. As the question now was only one of drafting and as there was agreement on the principles, why should it not be left to the Drafting Committee to seek for a text? The Drafting Committee would examine the President's formula and the observations which the different delegations might submit, and it would then present a text to the Conference. That was the only way of ending the present discussion, for it was impossible at the present moment to find a formula which would content everyone.

M. VISCHER (Switzerland) felt that the Hague wording was the best, for it was very simple and covered every case. Switzerland had in regard to "faillite" all the institutions existing in Germany. Every case was covered by the Hague formula. It might merely be asked whether "concordat judiciaire" (judicial composition) was also included in the term "cessation de paiements" (suspension of payment). It seemed that the answer must be in the affirmative since in the case of "concordat judiciaire" the court invariably stated that there was a "sursis concordataire" (suspension by composition), and a "sursis concordataire" was synonymous with the term "cessation de paiements".

He therefore proposed that the Hague wording should be kept, but would not oppose the examination of another text by the Drafting Committee.

Prince VARNVAIDYA (Siam) informed the Conference that the prevalent foreign language in his country was English. He understood that in conventions concluded under the auspices of the League both languages were of equal force and value. Therefore, in principle, he would like the English text to be quite clear and independent of the French text. He wished to support the President's proposal, because he believed that it covered the same ground and would enable the English text to be in concordance with the French text. Siam had already adopted the Hague text and had translated the words " a fait faillite " by the English words " has become bankrupt ". In Siamese law, a company could become bankrupt and therefore no difficulty arose. If the Conference did not adopt the President's proposal, he could accept the text of the experts.

M. GIANNINI (Italy) thought it unnecessary to prolong unduly an academic discussion of this kind. It might be deduced from the debate that the precedents were of no importance, and the same was true of the report and of the previous discussions. The question now under consideration had formed the subject of protracted deliberations at previous conferences. They had resulted in the formula which the Conference now had before it. For eighteen years, this article had been generally found satisfactory. Was it, then, desirable to make any change at all? Certainly not, since the facts invariably predominated in this case. The article did not call for criticism, and it was only at the last moment that the German delegates had indicated certain fears. There being so many different systems, the possibility of improving the text could not be contemplated. Lastly, the vast problem of bankruptcy could not be treated in full at the present time. Existing institutions must be taken as they were and a formula to cover the general situation must be found. For eighteen years, the Hague formula had shown that it was satisfactory.

That being so, M. Giannini requested the Conference to keep to the 1912 formula. It would always be possible, if necessary, to make certain improvements of detail in it. The Conference, for instance, had before it a Japanese amendment and a reservation made by the French delegation.

The PRESIDENT pointed out that the discussion dealt with the Czechoslovak amendment, which had not been withdrawn.

He had made a suggestion, but as he was not entitled to submit proposals this suggestion would have to be put forward by one of the delegations.

M. ALBRECHT (Germany) withdrew his amendment in favour of the suggestion put forward by the President.

M. HERMANN-OTAVSKY (Czechoslovakia) said that he, too, accepted the President's suggestion as an amendment.

The PRESIDENT noted that the Czechoslovak and German amendments were withdrawn and that there was now before the Conference a German-Czechoslovak amendment, on which he would ask the Conference to come to a decision, the question of the wording being reserved.

The German-Czechoslovak amendment was rejected by 13 votes to 11.

The PRESIDENT noted that the Conference had pronounced in favour of the original text drawn up by the experts.

The Drafting Committee would seek for the exact English equivalent of the term " a fait faillite " and would submit a proposal.

There remained the following amendment submitted by the Japanese delegation :

" In Article 42, which concerns the conditions of recourse before maturity, the drawee referred to in No. 2 and the drawer referred to in No. 3 should be placed on the same footing. The Article should read as follows :

- " 1.
- " 2. Where the drawee, whether he has accepted or not, has failed.
- " 3. Where the drawers of a non-acceptable bill have failed."

It appeared that the Japanese delegation's object was to bring sub-paragraph 3 into line with sub-paragraph 2. As the Conference had adopted the experts' text for sub-paragraph 2, the President assumed that the Japanese delegation wished to repeat in sub-paragraph 3 the cases mentioned in sub-paragraph 2.

The Japanese amendment was put to the vote and rejected by 10 votes to 6.

The PRESIDENT observed that the French delegation had submitted the following proposal :

" The French delegation asks that provision be made in the Convention, or elsewhere, for the following reservation :

" As an exception to the provisions of Article 42, sub-paragraphs 1, 2 and 3, and of Article 73bis, of the Uniform Law, each Contracting State reserves the right to make provision in its laws to enable persons liable for a bill of exchange to obtain, in the event of the right of recourse being exercised against them, periods of grace which may in no case run beyond the maturity of the bill of exchange."

M. PERCEROU (France) explained the reasons for this proposal. Article 444 of the French Commercial Code stipulated that in the case of "faillite" of the drawer or of the drawee who had not accepted, the endorsers were entitled to choose between immediate payment and the possibility of giving a surety. The solution which had been adopted, and in which France had concurred, aggravated this situation, since the endorsers no longer had the option of furnishing a surety but had to pay immediately. That position might be very awkward for the guarantors.

Even while the present law was in force, and notwithstanding the option granted them, a draft law had, at the request of many of the French Chambers of Commerce, been tabled on July 23rd, 1929, and contained the following clause :

"Nevertheless, they (the guarantors) may apply to the President of the Tribunal of Commerce of the place in which the bill is payable and request periods of grace. If the request is found to be justified, the order will determine the period at which they will be bound to pay the commercial deeds in question, but the periods of grace thus granted may not run beyond the date fixed for maturity."

This draft law was intended to meet the following consideration : The guarantors had not foreseen the necessity of paying immediately ; they might therefore be placed in a very awkward situation as a result of the obligation to procure funds at once. This aggravation of the position was not justified when the guarantors were completely solvent and when there was no question of their being able to meet their liabilities at maturity. Further, strictly speaking, the holder was only entitled to be paid at maturity. It was for that reason that the draft law proposed to authorise the President of the Tribunal of Commerce, if he considered that the guarantors were completely solvent, to grant them periods of grace.

According to the French proposal, the right of the President of the Tribunal of Commerce to grant periods of grace to the guarantors referred not only to the cases mentioned in the second and third sub-paragraphs (cases of "faillite" of the drawee or the drawer), but also to the case of the refusal of acceptance.

The French delegation was prepared to withdraw its amendment in so far as concerned the first sub-paragraph. The text consequently would read :

"As an exception to the provisions of Article 42, sub-paragraphs 2 and 3, and of Article 73bis, of the Uniform Law . . ."

The French delegation therefore was submitting no amendment in regard to immediate recourse in the case of the refusal of acceptance, since such a refusal would often make the situation open to suspicion.

Finally, M. Percerou pointed out that his proposal would meet the wishes, not only of French commerce, but also, he believed, of the International Chamber of Commerce.

The PRESIDENT pointed out that sub-paragraph 3 covered the case of the "faillite" of the drawer of a non-acceptable bill, and asked M. Percerou if it was definitely his intention to grant periods of grace in such cases as well.

M. PERCEROU (France) explained that the periods of grace were to be granted to the guarantors of the bill. In the case of the "faillite" of the drawer of a non-acceptable bill, the guarantors were the endorsers. It was obvious that if the drawer of a *non-acceptable bill* was "en faillite", he could not benefit by a period of grace ; furthermore, in such a case the drawer was not a guarantor, but, of course, the principal debtor. Moreover, it would be possible to make this point clear in the report by pointing out that in this case the drawer was not a guarantor and could not benefit by the provision in question.

M. TROULLIER (International Chamber of Commerce), on behalf of the International Chamber, pressed for the adoption of the French proposal. The International Chamber had been strongly impressed by the fact that as the result of a big disaster a merchant might be obliged immediately to pay 400,000 francs instead of paying them, as a guarantor, only at the end of five months.

The PRESIDENT thought that the French proposal raised no great opposition. As every endeavour should be made to obviate reservations, he asked whether the Conference would be prepared to introduce the French proposal into the text of the law.

Baron MARKS VON WÜRTEMBERG (Sweden) said that he would put forward this proposal.

M. PERCEROU (France) said that he had only put forward his text as a reservation, but he was, of course, in favour of embodying it in the law as an amendment.

M. QUASSOWSKI (Germany) thought that French law presented a peculiar feature on this point. He was not opposed to a reservation being made in one way or another, but he would oppose the introduction of the amendment into the Uniform Regulation.

A provision of that kind would seriously endanger the position of the creditor, who, as a result of the period of grace granted to the guarantor, would be unable immediately to collect the amount of the bill.

In German law no such procedure was known. It amounted to a judicial moratorium. The German delegation must therefore state that it could not embody a clause of that sort in German law.

M. HELPER (Denmark) agreed with M. Quassowski's view.

M. SULKOWSKI (Poland) thought that this question should be settled in a uniform way by the acceptance either of the Hâgüe formula or of that proposed by M. Percerou. In regard to-

the latter formula, why should a period of grace be granted in cases (2) and (3) and not in the first case — that which covered the refusal of acceptance? The situation was the same in all three and the formula proposed was accordingly illogical. M. Sulkowski could only accept an amendment which covered all three situations in the same way.

M. GIANNINI (Italy) considered that the French proposal appeared to present certain advantages at times of economic depression and he thought that it had been drawn up with this object in view. As, however, there was no adequate experience of the matter, it would be inadvisable to embody this formula in the general text. As the national legislative powers would be authorised by the reservations to enact rules of this kind, it would be possible to see whether the practice became so general that it was possible to standardise them and make them universal. That point could be considered at another conference. He expressed this view the more easily seeing that he was entirely opposed to increasing the number of reservations.

The Swedish amendment was rejected by 15 votes to 8.

The French proposal for a reservation was adopted unanimously.

The PRESIDENT said that the Conference would decide later whether these reservations should be embodied in the Convention or whether they should be expressed otherwise.

Article 42 as a whole was approved at a first reading.

ARTICLE 43.

The PRESIDENT submitted the following French reservation :

“By derogation from Article 43, paragraph 3, of the Uniform Law, each Contracting State shall have the right to prescribe that the protest for non-payment may not be made on the day when the bill is payable and to reduce the limit of time for presentment laid down in Article 37 to two days (day of maturity and following business day).”

“Reasons.

“It is inadmissible in France that the protest for non-payment should be made on the day of presentment, for according to French custom the drawee is entitled to the whole of this day in which to pay. This is a time-honoured rule to which much importance is attached in France.

“It was, moreover, in deference to this rule that Article 162 of the French Commercial Code was amended by the Law of February 10th, 1928, whereby if a bill of exchange matures on a legal holiday and is therefore payable on the following day (in conformity with Article 134), the protest is made on the second business day following and not on the day after maturity, as seemed to follow from a narrow interpretation of the letter of the old Article 162.”

The President also read out the following Portuguese amendment on the third paragraph :

“Protest for non-payment must be made on one of the two business days following the day on which the bill is payable.”

“Reasons.

“The introduction in the Uniform Law of the provision embodied in paragraph 3 of Article 43 of the draft would cause difficulties in countries like Portugal, where it is a firmly established tradition that the drawee must be allowed the whole of the day of presentment in which to effect payment.”

He asked M. Percerou whether the French delegation could withdraw its reservation if the Portuguese amendment was adopted.

M. PERCEROU (France) replied in the affirmative.

The PRESIDENT invited the Conference to discuss the Portuguese amendment first.

M. DA MATTA (Portugal) said that the system whereby a protest for non-payment must be drawn up on one of the two business days following the day on which the bill was payable was the most usual system in the different legislations. It was, he thought, fair that the debtor should be allowed the day of payment to effect payment. If it was true that the default of payment must be authenticated within a short period — in the interests of the exchange debtors and of the holder himself — the application of that principle should not be exaggerated unduly, especially since that might injure the interests of the parties liable and of the holder.

The introduction of the provision of paragraph 3 of Article 3 of the draft into the uniform Law would raise difficulties in countries like Portugal, where the tradition was firmly established that the drawee was allowed the whole day of presentment in which to effect payment.

M. PERCEROU (France) gave the reasons why the French delegation had tabled its amendment. The question was primarily one of morals, in regard to which no compromise could be made.

In France, it was held that the entire day of maturity must be allowed to the debtor to effect payment and that was, moreover, in conformity with common law. It was thought, too, that it was somewhat harsh, not to say brutal, to require the debtor to pay immediately the moment the bill was presented. Such an attitude might perhaps be compared to that of a highwayman demanding “Your money or your life”. Offensiveness of that kind was inconsistent with French

manners. There could be no thought of introducing it into France and the fact of not allowing the debtor the entire day for payment would raise a general protest. The truth of this was shown by the fact that quite recently French law had had to be changed in the following circumstances :

French law stipulated that when maturity fell on a legal holiday, or on a day assimilated to a legal holiday, it was carried over to the first following business day. Originally, however, the text of the law, had not added, that in this case, the protest was likewise carried over to the second following business day, so that the whole of the first business day would be allowed to the debtor. A court of appeal, interpreting the law in a doubtful manner, had decided that as only the day of maturity and not the day of protest was postponed, the two transactions might take place on the same day. Such great importance was attached to the question that Parliament had not even waited for the Court of Cassation to be seized of the matter in order to do away with the solution adopted by the Court of Appeal. An emergency bill had been tabled and voted with unwonted speed.

Such were the reasons for which the French delegation had brought in its proposal.

M. QUASSOWSKI (Germany) thought that, when the French and Portuguese proposals were examined, consideration must be had to the fact that the Conference had already adopted Article 37, according to which the holder must present the bill for payment either on the day on which it was payable or on one of the two following business days. The adoption of the Portuguese amendment would compel those creditors who asked for payment on the day of maturity, but did not receive it, to present the bill twice, once for payment and the second time for the drawing up of the protest. That would result in increasing the formalities to be accomplished by the holder and in increased costs. Furthermore, the holder of the bill would also run certain risks in the exercise of his rights, since, if he observed the time-limit for the drawing up of the protest, he might nevertheless fear the danger he would have to run from failure to observe the time-limit for presentment. Furthermore, if he observed the time-limit for presentment, he must also take into account the rules governing the time-limit for protest. In this way, the creditor's risks were greater than if there were a single time-limit for presentment and for the drawing up of the protest.

Consideration, too, must be paid to the fact that, if the creditor could have the protest drawn up on the day of maturity, he was in a position to exercise recourse earlier, a fact which might involve an appreciable advantage for him, particularly when the guarantor's situation was shaky.

For these reasons, M. Quassowski preferred the system recommended by the experts ; it was particularly advantageous in the case, covered by German law, of protest by post. In that case, the competent postal authority had the protest drawn up, but was also instructed to accept payment. It was possible, then, for the payment and the drawing up of protest, if necessary, to take place on the same day.

Nevertheless, in view of the special feature of French law to which M. Percerou had referred, the German delegation would make no objection to the French reservation.

M. GIANNINI (Italy), as he had said in connection with Article 37, would have preferred the question to be settled in the Uniform Regulation instead of having a reservation. For that reason, he associated himself with the Portuguese proposal. To his mind, there was no connection between Articles 37 and 43. There was no reason why the terms of Article 37 should be reproduced in Article 43. The arguments submitted by the German delegation had not convinced him, and he would support the Portuguese proposal.

M. Deoclecio DE CAMPOS (Brazil) had no hesitation in supporting the Portuguese proposal. The law in Brazil was very generous in regard to the power of the creditors to exercise their right. Article 28 of the law read :

“ A bill of exchange protested in default of acceptance or of payment must be remitted to the competent official on the business day (*jour utile*) following that of the refusal of acceptance or that of maturity. The protest must be made within three days.”

This clause was somewhat vague, because it was not clear whether the period of three days applied to the creditor as the time within which he must avail himself of his rights or whether it applied to the official charged with the drawing up of the protest.

The provision which he had quoted, as the Conference would realise, granted three days after maturity or refusal of acceptance.

The Brazilian system differed, generally speaking, from that in other legislations. In the judicial organisation of Brazil, there was to be found an “ official for protesting bills of exchange ”. It was to this official that the bill had to be handed on the day of maturity. The law granted him a period of three days in which to draw up the instrument of protest and hand it to the person concerned—that was to say, to the holder.

M. de Campos agreed that it was quite justifiable to grant a period of one day's grace for payment to the debtor only.

He therefore supported the amendment proposed by the representative of Portugal.

M. HELPER (Denmark) was in favour of the Portuguese proposal. Danish law, as it stood, contained the clauses which had been adopted at The Hague. As in Portugal, however, a practice had grown up and it was desirable that it should be legalised.

M. DE LA VALLÉE POUSSIN (Belgium) also supported the Portuguese amendment, for it was in conformity with Belgian legislation. He would have preferred that it should be laid down in Article 37 that the bill should be presented at maturity without two days of grace being allowed. Those two days of grace, however, given to the holder were one more reason for not holding a pistol to the head of the drawee and for allowing him at least twenty-four hours to free himself.

M. VAN NIEROP (Netherlands) did not see how the Conference could insist that protests should be made on the day of maturity, since it had been decided that a bill might be presented two days after maturity. The Conference might be certain that all bankers who designated the bill would take these two working days into account. That was an extra reason for declaring that protest ought to be drawn up after maturity, but during the two working days. That was, moreover, in accordance with the Netherlands legislation. He consequently supported the Portuguese amendment.

M. STUB HOLMBOE (Norway) agreed with his Dutch colleague, and would therefore support the Portuguese amendment. He did not, however, interpret it in the same manner as the German delegate. The Portuguese amendment left in suspense the question whether the holder must present the bill before protest. It stated merely that the protest could not be drawn up on the first day after maturity. It did not state that the bill must be presented upon that day. With that reservation, M. Stub Holmboe would vote in favour of the Portuguese amendment to avoid reservations as far as possible.

The Portuguese amendment was put to the vote and adopted by 13 votes to 8.

The PRESIDENT said that, in those circumstances, the reservation of the French delegation was withdrawn.

The observation of the Dutch delegation referring to Article 43, paragraph 3, was read :

“ According to Article 43, paragraph 3, protests for non-payment must be made either on the day when the bill is payable or on one of the two following business days. According to Article 33, a bill of exchange at sight is payable on presentment.

“ Is it to be concluded that the mere fact of having unsuccessfully presented a sight bill for payment without drawing up a protest deprives the holder of the right to protest in due time? We consider that the answer to this question should be in the negative; nothing should be able to prevent the holder from demanding payment afresh (subject to observance of the twelve-months limit of time laid down in Article 33); and Article 43, paragraph 3, should be interpreted as meaning that the holder is not deprived of his right of protest. The latter article simply means that if protest is drawn up on refusal of payment it must be made within two days of such refusal.”

The Conference decided, with the exception of the Swedish delegation, to refer to this observation in its report.

M. MOLENGRAAFF (Netherlands) said that the legislation of several countries — among others, those of Belgium, the Netherlands and, unless he was mistaken, of Italy — recognised protest by private deed in addition to protest by deed in good and due form. It was a declaration made by the drawee and recorded on the bill by which he stated that he refused payment.

This simplified protest had been introduced into the Netherlands by the terms of a recent law of 1925 to meet the desires of the persons concerned who had demanded a simpler form of protest. The Dutch Government could not reverse this decision. For that reason, its delegation proposed that the following reservation should be inserted in the Convention :

“ Each Contracting State reserves the right to prescribe that the protests to be drawn up on its territory may be replaced by a declaration dated and written on the bill of exchange itself and signed by the drawee, except in cases where the drawer demands that in the text of the bill a protest by deed in good and due form be inserted.”

M. Molengraaff thought that this reservation could be added to Article 8 of the Convention (text of the experts). Without that reservation, countries who wished to preserve the possibility of protest by private deed could not accept the first paragraph of Article 43, which required a protest by deed in good and due form.

The PRESIDENT asked M. Percerou, as Chairman of the Committee of Experts, whether M. Molengraaff would not be satisfied by Article 9 of the Hague Convention, which was to the following effect :

“ Every Contracting State may provide that, with the assent of the holder, protests to be drawn up in its territory may be replaced by a declaration dated and written on the bill itself, signed by the drawee and transcribed in a public register within the limit of time fixed for protest.

“ Any such declaration shall be recognised by the other States.”

He thought that M. Molengraaff could be satisfied with this text, though not completely satisfied, for it required the transcription in a public register, a system not used by several States. Article 8 of the Convention (text of the experts) was to the following effect :

“ The form of and the limits of time for protest, as well as the form of other proceedings necessary for the exercise or preservation of rights concerning bills of exchange or promissory notes, are regulated by the laws of the State within whose territory the protest must be drawn up or the proceeding in question taken.”

This article was to replace Article 9 of the Hague Convention. He asked the Chairman of the Committee of Experts whether, in his view, this article also covered protest by private deed, the matter raised by M. Molengraaff.

M. PERCEROU (France), Chairman of the Committee of Experts, thought that that article also covered protest by private deed. It covered cases of the mere record of a refusal to pay without the registration of this fact in a public register. He thought, therefore, that M. Molengraaff would be satisfied.

M. SULKOWSKI (Poland) did not agree with M. Percerou. Article 9 did not settle the question because the first paragraph of Article 43 laid down that a refusal of acceptance or of payment must be noted by a deed in good and due form.

To satisfy M. Molengraaff, a special reservation would have to be adopted to this effect.

The PRESIDENT thought that a paragraph could be added to Article 8 of the draft Convention. He asked M. Sulkowski whether he was in favour of the insertion of such a reservation.

M. SULKOWSKI (Poland) said that the number of reservations had been so largely increased that, though he was not unfavourable to the insertion of this reservation, he feared that the Convention would end by containing more reservations than articles.

M. GIANNINI (Italy) thought that it would be premature to discuss immediately problems which would have to be discussed when the draft Convention was before the Conference. It was impossible to take a decision forthwith on this matter. In his view, Article 9 of the Hague Convention was of a general character, and the Conference should avoid confusing it with the text of the experts. For that reason, it should confine itself for the moment to taking a decision on the question whether it was necessary to insert a reservation in the Convention of the kind proposed by the Dutch delegation. In so far as the wording of that reservation was concerned, the Conference could take a decision when it discussed the Convention.

The PRESIDENT said that he had asked the views of the Chairman of the Committee of Experts on the question. Since, however, there was a divergence of views between the experts themselves, the solution proposed by M. Giannini should be adopted, and the Conference should confine itself to deciding whether it wished to accept the principle laid down by M. Molengraaff or not.

The President would therefore put the proposal of the Dutch delegation to the vote, to the effect that protest by private deed should be authorised. It was understood that the final wording of this reservation and the place which it should occupy in the Convention would be reserved for future discussion.

The Dutch proposal was adopted by 17 votes to 2.

M. DA MATTA (Portugal) asked the reason for the provision in paragraph 4 of Article 43 :

“ Protest for non-acceptance dispenses with presentment for payment and protest for non-payment.”

The two protests, although subject to the same formalities, fulfilled different objects from the point of view of exchange law. Nothing was more natural if the drawee had refused to accept the bill, because he had not received notice or because he had made no deposit, etc., than for him to be ready to pay at maturity after these omissions had been rectified.

According to the strict interpretation of exchange law, the delegation of the drawee containing the bill of exchange was made in the case of payment and not in the case of acceptance. The refusal of that delegation could not therefore be logically deduced from the proof of a refusal of acceptance.

M. SULKOWSKI (Poland) said that it was not necessary to present the bill of exchange for payment at maturity, since the Regulation provided that, in the case of a refusal to accept, the holder might exercise his right of immediate recourse even before maturity. For that reason, it had been laid down that protest without acceptance made legal proceedings, in default of payment unnecessary.

Article 43 was approved at a first reading.

21. Table of Comparative Law in regard to Bills of Exchange, drawn up by Dr. Magnus.

M. QUASSOWSKI (Germany) said that Dr. Magnus of Berlin, a distinguished German lawyer, had just published a table of comparative law concerning bills of exchange in co-operation with a large number of jurists. The publisher, Franz Vahlen of Berlin, who had published this table, had submitted a certain number of copies to the German delegation, who desired to offer them to the President and to each delegation in the hope that they might facilitate the task of the Conference.

The PRESIDENT, on behalf of the Conference, thanked M. Quassowski.

SEVENTEENTH MEETING

Held on May 23rd, 1930, at 10 a.m.

President: M. J. LIMBURG.

22. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continuation).

Observations from the Netherlands delegation on Article 19.

The PRESIDENT submitted the following observation from the Netherlands delegation to Article 19 :

“ Article 19 regards an endorsement after the expiration of the time-limit fixed for drawing up the protest as a cession.

“ Let us suppose that payment has been demanded without success on a sight bill, that protest has not been made, that the time-limit laid down in Article 33 has not yet expired and that the bill of exchange is then endorsed.

“ When the endorsee presents the bill for payment, can the plea be advanced against him that the endorsement was made ‘ after expiration of the limit of time fixed for drawing up ’ the protest and that consequently the rigorous provisions of Article 19 are applicable to it. If so, the endorsee would be the victim of circumstances which he could not have known from the bill of exchange. Nevertheless, a decree by the Egyptian Mixed Tribunal, published in the *Journal des Tribunaux mixtes d’Egypte* on February 5th/6th, 1930, adopted this unfortunate conclusion in a similar case.

“ The Netherlands delegation is of opinion that such an interpretation is contrary to that of the Uniform Regulation. It considers that when a sight bill has been presented for payment and when, on refusal of payment, protest has not been made, the time-limit fixed for drawing up the protest has not expired within the meaning of Article 19.

“ If this is the Conference’s opinion on these matters, the Netherlands delegation will propose no amendment.”

He thought that it was in accordance with the spirit of the interpretation of Article 43 adopted on the previous day.

M. GIANNINI (Italy) thought that it would suffice if it were mentioned in the Minutes that the Conference approved the Dutch delegation’s interpretation.

The PRESIDENT thought that it should also be mentioned in the report.

M. GIANNINI (Italy) agreed.

Baron MARKS VON WÜRTEMBERG (Sweden) said that his delegation could not agree to the interpretation given by the Dutch delegation to Article 19.

The interpretation of the Netherlands delegation was approved subject to the foregoing reservation.

ARTICLE 44 : LATVIAN AMENDMENT.

M. LOEBER (Latvia), in presenting the following amendment :

“ When making protest for non-acceptance or non-payment, the notary or official authorised to draw up the protest according to the domestic law of the Contracting States is bound to notify in writing the persons liable under the bill of exchange whose addresses are specified in the bill of exchange or known to the notary drawing up the protest or given by the persons demanding the protest. The costs of such notice shall be added to the costs of the protest ” —

observed that Article 44 of the Regulations stipulated that the notification should emanate from the holder and his immediate endorsers. Latvian exchange law, which reproduced the provisions of the old Russian Imperial law relating to bills, had established a procedure different from that in the Regulation. It was the notary who, in drawing up the protest for non-payment, was obliged to notify the guarantors of the bill whose addresses were specified in the bill.

The procedure laid down in Article 44 of the Regulation was more complicated than that in Latvian law. The notification required by the Regulation might give rise to difficulties and complications, for instance where the holder, who had had the protest drawn up in default of acceptance or payment, did not notify his endorser. In such cases, not only would the endorser himself, but all the preceding endorsers also, receive no notice. As to the penalty prescribed in Article 44, paragraph 6, of the Regulation, that appeared somewhat problematical. It should further be noted that the system laid down by the Regulation had met with practical difficulties in the various countries where it was in force. The procedure laid down by the Latvian law on bills had caused no difficulties in commercial or banking circles, nor in judicial circles either. The same remark applied to the former Empire of Russia.

In regard to the notice, the practical bearing of the provisions of the Regulation was somewhat doubtful, since, generally speaking, the endorsers did not specify their address beside their name or, at any rate, did not inform, and could not even inform, the holder of their changes of address. Lastly, it must be remembered that the Hague Convention had already considered this question (*cf.* Article 11 of the Hague Convention). The Latvian proposal, therefore, was not an innovation. Nevertheless, the reservation mentioned in Article 11 of the Hague Convention, which corresponded simply to Article 44, paragraph 1, of the Regulation, did not altogether satisfy the Latvian delegation, since it would make it possible to prescribe thereby that a notification by the holder to his endorser and to the drawer must be made by the notary. Article 11 of the Hague Convention, on the other hand, allowed no derogation to the principle laid down in Article 44, paragraph 2, of the Regulation. Consequently, if Article 44, paragraph 2, was not altered in the sense of the Latvian proposal, the system of a simple notice would remain in force. Latvia would find great difficulty in acquiescing in such a situation, and that for very serious reasons.

If the amendment proposed by the Latvian delegation was adopted, paragraphs 2 and 5 of Article 53 would have to be drafted in accordance with the new wording of Article 44 of the Regulation.

M. VAN NIEROP (Netherlands) strongly urged the Conference not to accept this proposal. If a small sheriff's officer (*huissier*) or a small provincial notary forgot to send the notice of non-payment, what recourse would there be against him? It would never be possible in these circumstances to obtain damages. The article, as modified by the Latvian amendment, would be very dangerous in practice. Certain reservations had been made at The Hague and the countries had been given the option of stipulating that the sheriff's officer or notary would be compelled to give the notice. According to the Latvian amendment, however, there was no longer any question of an option, but of an obligation. Such a clause would be detrimental to trade, and for that reason should be rejected.

M. GIANNINI (Italy) said that it was but right to recognise that the Latvian proposal was based on the practical results achieved by a system which had been in force in the former Empire of Russia and had given rise to no serious objection. There were, however, objections, both practical and economic, which could be made against it. In the case of bills of exchange for small sums, the additional expenses resulting from these formalities were very heavy. For that reason, M. Giannini was unable to accept the Latvian proposal.

The Latvian proposal was put to the vote and rejected.

M. DUZMANS (Latvia) desired to return to the question. He would put forward another possibility, that of making a reservation.

He agreed that it had been somewhat rash to propose the amendment which had just been rejected, for its adoption would have necessitated a complete change in the provisions of the draft Regulations on this subject. The Latvian delegation, however, was unable to agree with the objection of M. van Nierop in so far as oversight on the part of the public official was concerned. If the idea of oversight were admitted in this case, *a fortiori* it should be admitted in the case of private persons called upon to give notice of the defect in the acceptance. The representative of Latvia thought, therefore, that it was impossible to reject the Latvian amendment merely for this reason, all the more so as the solution suggested by Latvia had been in force in Russia, an immense Empire where every form of civilisation and culture had been represented. The reason why this delegation had made this proposal was because it had been definitely convinced that it was suggesting an improvement.

In those circumstances, he asked the Conference to admit a reservation in the Convention or by some other means. This reservation was already to be found in Article 11 of the Hague Convention, though its scope was much smaller. The Latvian delegation asked, therefore, that the following reservation should be inserted in the Convention or in some other document :

“As an exception to Article 44 of the Uniform Regulation, each Contracting State may maintain or introduce the system of notice to be given by the public official, that is to say that, when drawing up the protest, if there has been no acceptance or payment, the notary or official who, in accordance with the law of the country, is authorised to draw up the protest must give written notice to those persons liable in the bill of exchange or in the promissory note whose addresses are shown on the bill of exchange or on the promissory note or are known to the public official drawing up the protest or indicated by the persons making the protest. The expenses incurred by such notice shall be added to the cost of the protest.”

M. Duzmans submitted his proposal to the consideration of his colleagues with the reservation that its wording might be changed,

The PRESIDENT asked the Latvian delegation to examine the question afresh, for at first sight he did not think it necessary for a reservation to be made. He would recall that every member of the Conference was convinced of the necessity of inserting as few reservations as possible.

The procedure laid down in the Latvian proposal seemed only to be in force in one country — Latvia. All the other States had indicated that the notice should be given by the persons concerned themselves. If that notice were not given by the persons concerned, the penalties provided for in paragraph 6 of Article 44 would be enforced. That paragraph was as follows :

“A person who does not give notice within the limit of time mentioned above does not lose his right of recourse. He is responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the bill of exchange.”

In those circumstances, the President thought that the Latvian delegation need not urge the adoption of its proposal and he accordingly asked it to reflect.

M. Duzmans could perhaps be satisfied by adding to the text of Article 44 a reference to the fact that the notice could also be given by a public official.

M. VAN NIEROP (Netherlands) thought that the Latvian delegation might perhaps be satisfied if the beginning of the article were made to read as follows: "The holder or *his authorised representative* must give notice".

M. GIANNINI (Italy) was unable to accept this proposal.

The PRESIDENT was also unable to accept it, for it confused private with public law. He returned to his proposal to insert in the text of the article a reference to the fact that notice could be given by a public official.

M. GIANNINI (Italy) was unable to accept the proposal of the President for the result would be to introduce two different procedures into the uniform law and thus make its practical application very difficult. Every State would be able to choose between these two procedures. In spite of his hatred of reservations, a reservation was necessary in this case, all the more so as the practice urged by the Latvian delegation was not only in use in Latvia. After having been in force in the Russian Empire, it had been renewed in Latvia, Estonia, Lithuania and the Union of Soviet Socialist Republics. It was therefore an already well-known and fairly widespread practice.

The PRESIDENT was not convinced by the arguments of M. Giannini.

If it were stated in the Uniform Regulation that the notice must be given by the holder to the various persons concerned or by a public official to those persons, the various States introducing the Uniform Regulation into their legislation might do as they pleased. Italy and the Netherlands might, for example, do away with the public official and remain content with what was, at the moment, in existence.

M. PERCEROU (France) thought there would be no serious objection to satisfying the Latvian delegate. The system of notice given by an official was in use in Estonia, Lithuania and Latvia. In France, there was a provision analogous, though not similar, in the law of December 22nd, 1906, which laid down:

"The official who has drawn up the protest must, further, at the risk of incurring damages, give notice to the drawer when his name and domicile are shown on the bill within the forty-eight hours following the registration of the protest."

This provision did not deprive the drawer of his right of recourse and the notice was furnished only to himself and not to the endorsers. The object of this provision was to prevent the drawer whose bill was not honoured from continuing his deliveries to the drawee. The motives for the provision were practical. In a number of countries, notification by public officials might be advantageous, for the very reason that such notification was in some ways automatic. In view of the fact that the reservation left other States free to act as they desired, he thought it could be adopted.

In reply to the President, M. Percerou said that if it was desired to make the notification by an official compulsory, as Latvia demanded, a reservation would have to be made.

The PRESIDENT thought that the holder could not have the choice without a State regulation, for without such a regulation the public official could not give notice.

Baron CARTON DE WIART (Belgium) thought that the proposal of the President was very wise. He did not think that a public official should be compelled to give notices, but the formula suggested by the President merely allowed him to do so and, for that reason, Baron Carton de Wiart could support it.

M. EISNER (Yugoslavia) said that in his country the law made it possible to avoid a protest in the case of sums lower than fifty dinars by replacing it by a notice such as that just described.

M. SULKOWSKI (Poland) drew the attention of the Conference to the fact that, according to the Uniform Regulation, notice should be given by the holder to his predecessor. The drawer or the endorser who had received the notice must, in turn, warn his immediate predecessor. According to the Latvian proposal, the holder or the endorser would give notice to all the persons liable in the bill of exchange simultaneously. M. Sulkowski considered that Article 44 of the draft offered the best solution, for it might happen that the holder did not know the address of all his predecessors. If the holder was only obliged to give notice to his immediate predecessor, it could be admitted that every endorser knew the address of the person from whom he had received the bill. The principle laid down in Article 44 should therefore be maintained, and the only way of avoiding difficulties was to provide for reservations by the States who wished to act in another manner.

M. Deoclecio DE CAMPOS (Brazil) was in favour of the reservation, although he wished to see as much unity as possible in exchange law. If the Uniform Regulation offered a choice between two methods of giving notice, a certain amount of confusion might result.

According to the Brazilian legislation, it was the parties concerned who had to give notice and not the officer who drew up the protest and simply communicated it to the holder. The latter, together with the other parties concerned, had in their turn to safeguard their rights.

In regard to the legal position, M. QUASSOWSKI (Germany) was of M. Giannini's opinion. If the Uniform Regulation stated that notice could be given by a notary or another official, the contracting States would be obliged to allow them to give such notice. If, however, notice was not given, what would then be the legal position? Would the notary or the holder be responsible? Those questions could easily be settled in the national legislation if a reservation were authorised, which would therefore be preferable to a reference to an official in the Uniform Regulation.

M. GRÖNVALL (Finland) agreed with the German delegation.

The PRESIDENT referred once more to the necessity of avoiding reservations so far as possible. As M. Percerou had observed, the Regulation might state that the various contracting States should offer their nationals a choice. That would be better than a reservation, for if, for instance, in the Netherlands or in Italy the State offered a choice, none of the parties concerned would resort to the sheriff's officer (*huissier*) or to the notary. M. Duzmans should thus have satisfaction.

M. DUZMANS (Latvia) was also desirous of avoiding reservations as far as possible and greatly appreciated the reasons which had led the President to suggest another solution. Nevertheless, M. Duzmans was unable, in principle, to accept the President's point of view. For that reason, he had proposed a reservation. M. Duzmans emphasised the value of the arguments submitted with such authority by M. Giannini, M. Percerou, M. Quassowski and other delegates who had spoken in the same sense.

M. Duzmans stated that the Latvian delegation had made very great sacrifices in connection with the provisions of the legislation of their country with a view to enabling a Uniform Regulation to be laid down. He could quote several examples, but would not emphasise the point. For that reason, however, the Latvian delegation could not consent to make a new sacrifice, particularly in view of the fact that all the reservations were not of equal importance. That, before the Conference, would not greatly harm the uniformity of the Regulation.

M. Giannini had explained very clearly that the practice was not exclusive to Latvia, but was also in force in several other countries. It was impossible to say whether, in future, certain States would not desire to revert to it.

M. DE LA VALLÉE POUSSIN (Belgium) said that the Belgian delegation would prefer the adoption of the double method of notification to the introduction of a reservation.

As several jurists had explained, the insertion of the double method of notification in the Uniform Regulation would enable the parties concerned to choose between two methods of giving notice — by the public officer or by a personal notification. A problem arose, however, which was not settled by the present text. In virtue of Article 44, if notice were not given, the holder did not lose his rights of recourse, but if, owing to his negligence, the debtor of the bill or the endorser to whom application was made suffered loss, he was responsible for damages. If the system proposed were applied, and if neither the public officer nor the party concerned gave notice and a loss resulted, which of the two would be responsible for the damages?

M. de la Vallée Poussin believed that the holder would be responsible, but would it not be desirable to say so expressly in the text? Was it not even necessary?

The PRESIDENT suggested that it should be stipulated that the contracting countries had a choice, but with the proviso that the parties concerned were responsible.

M. BARBOZA-CARNEIRO (Economic Committee) asked the Conference to consider whether it would not be possible to avoid a reservation, as the President had suggested, by laying down somewhere, either in the Protocol or in the report, a provision under which the Governments would undertake, when they deposited the instrument of ratification, to make known to the Secretary-General of the League of Nations which practice they would prefer to adopt. The Secretary-General would draw up a list and would inform the different contracting States what was the position in the various countries. The obscurity which certain delegates feared would then disappear and a reservation would be avoided. Reservations had their use; they made the position more clear. The same result could be obtained, however, by an official communication making known which of the two methods had been adopted by each State.

The PRESIDENT put to the vote the proposal to insert in the Regulation itself, subject to revision by the Drafting Committee, the following principle:

“ This notice may be given through the intervention of a public officer on the responsibility of the holder.”

This proposal was rejected by 15 votes to 8.

The PRESIDENT then called on the Conference to vote on the right to make a reservation, in accordance with the request of the Latvian delegation.

The possibility of making a reservation was adopted by 16 votes to 1.

The PRESIDENT stated that there was a Swiss amendment in regard to the first two paragraphs of Article 44¹ which proposed that the time-limit of four days mentioned in the first paragraph should be altered to six business days and the time-limit of two days mentioned in the second paragraph to four business days.

¹ See Annexe n° 6.

M. VISCHER (Switzerland) stated that the compulsory giving of notice was an innovation for Switzerland. It was obvious that when it was necessary notice was given, but it was not always considered necessary. What was new was that as a result of the provisions laid down failure to give notice would involve the holder in the risk of having to pay damages. Notice had to be given within a certain period, and after that period there was a risk of having to pay damages.

M. Vischer had no intention of making a counter-proposal, for he recognised the value of giving notice. On the proposal of the Federal Bank of Issue, however, and of other credit establishments, he asked the Conference to adopt his proposal to prolong the time-limit. Banking establishments feared that compulsory notice would involve an excess of work on heavy settling days. They would have some difficulty in complying with the new regulation. The prolongation of the time-limit would enable them to divide the work over several days. The army of bank officials was already sufficiently numerous; it should not be increased.

M. SHIMADA (Japan) considered that the period of four days laid down in paragraph 1 was too long. He wished to substitute a period of two days, in conformity with the following proposal:

“The words ‘the four business days’ in paragraph 1 of Article 44 should be replaced by the words ‘the two business days.’”

M. SULKOWSKI (Poland) thought that the drawer should be informed as soon as possible that the bill of exchange had not been paid, otherwise the notice would lose all practical value. Therefore, M. Sulkowski could not accept M. Vischer's proposal, and was in favour of maintaining the text. He could also accept the Japanese proposal.

M. QUASSOWSKI (Germany) considered that the notice would lose almost all its value if the period was unduly prolonged. The object of notification was to enable the endorser or the drawer to make arrangements in the event of non-acceptance or non-payment. That protection would become quite illusory if notice were given too late. It should be taken into consideration that the notice went from one endorser to another, and if the bill of exchange contained a great many endorsements, the delay might become too great. In those circumstances, the speaker approved the proposal made by the Japanese delegation.

Put to the vote, the Swiss amendment was rejected.

The Japanese amendment was rejected by 13 votes to 7.

M. DA MATTA (Portugal) pointed out that the first paragraph of Article 44 stipulated that “the holder must give notice of non-acceptance or non-payment to his immediate endorser and to the drawer.”

On the other hand, the second paragraph stated that “every endorser must, within two days, give notice to his immediate endorser of the notice which he has received. . . until the drawer is reached.”

M. da Matta noted that no mention was made in these two paragraphs of the giver of an “aval”. According to Article 31, however, the giver of an “aval” was bound in the same way as the party for whom he had given security. It seemed, therefore, that Article 44 should also mention the giver of “aval”. It would therefore be necessary to complete the text of Article 44 in that sense.

The PRESIDENT asked M. da Matta to agree that the question should be referred to the Drafting Committee, which, with the delegate of Portugal, would be able to submit a proposal, if necessary. He asked M. da Matta, however, not to return later to the question if the Drafting Committee reached the conclusion that it was not desirable to take account of his suggestion.

M. DA MATTA (Portugal) accepted the procedure proposed by the President.

The PRESIDENT pointed out that the Japanese delegation had submitted an amendment to paragraph 2 to substitute for the words “within two days” the words “within two business days which follow the day on which he has received notice”.

M. SHIMADA (Japan) stated that the Japanese delegation had submitted the amendment because in the two days in question there might be a holiday. In that case, there would only be one business day.

The Japanese amendment was adopted by 13 votes to 5.

The PRESIDENT pointed out that the Japanese amendment also contained the words “and the remainder of the sentence should be modified accordingly”.

The Drafting Committee would deal with that question.

The President then put to the vote the first two paragraphs of Article 44.

These two paragraphs were approved at a first reading.

ARTICLE 44, PARAGRAPH 3.

The PRESIDENT said that the Japanese delegation had submitted the following amendment to this paragraph:

“After paragraph 3 of Article 44, it should be added that in the event of a drawer not having specified his address, or having specified it in an illegible manner, notice need not be given to the drawer.”

M. Molengraaff also had a proposal to submit in regard to that paragraph.

M. MOLENGRAAFF (Netherlands) pointed out that paragraph 3 stipulated that "where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser".

The address of the endorser, however, was hardly ever specified in the bill of exchange. It would therefore be preferable to say :

"Where the address of an endorser is unknown it is sufficient that notice should be given to the preceding endorser."

The PRESIDENT understood that the draft proposed by M. Molengraaff also covered the case in which the name was illegible.

In regard to the Japanese amendment, the President asked whether some such phrase as the following could not be added : "the same rule is applicable to the drawer".

M. ALBRECHT (Germany) said that according to Article 1 every bill of exchange should indicate the place where it was issued, and therefore there would always seem to be a place to which a notice might be addressed. Perhaps the Japanese delegation might modify its proposal in the sense that a notice addressed to the drawer at the place where the bill was issued was sufficient for the purpose of the present article.

H. HERMANN-OTAVSKY (Czechoslovakia) concurred in this view. He thought it entirely in accordance with the spirit of the following provision in Article 2 :

"A bill of exchange which does not mention the place of its issue is deemed to have been drawn at the place mentioned beside the name of the drawer."

The case mentioned by the Japanese delegation might accordingly be solved on these lines.

M. GIANNINI (Italy) proposed that all things considered the formula should be kept as it was. In regard to the drawer, it did not seem necessary to do what the Japanese delegation had asked for or what the German delegation had suggested. As to the Dutch proposal he would have great hesitation in accepting it, for it was always essential to preserve the chain of endorsers.

M. SCHELTEMA (Netherlands) thought that his country's proposal preserved the chain of endorsers better than the present text. It was possible that the address of an endorser might not be specified in the bill, but that it was nevertheless known. The Dutch proposal would thus make it possible to advise this endorser ; that was not the case with the present text.

M. PERCEROU (France) found great disadvantages in the Dutch proposal ; it deviated from the principle whereby the bill of exchange should be self-sufficient, and it raised questions of fact which it would be very difficult to solve. There would be legal proceedings to decide whether the holder knew or did not know the address of the endorser. If an endorser desired to receive notice of payment, he had only to specify his address. The adoption of the Dutch proposal would greatly complicate the working of the system of notice.

The Netherlands amendment was rejected.

The PRESIDENT asked the Japanese delegation whether the following text was in conformity with its desire :

"The endorser need not be notified if he has not indicated his address, or if he has done so illegibly."

M. SHIMADA (Japan) agreed to this wording.

The Japanese amendment was rejected.

M. SHIMADA (Japan) asked whether, if the paragraph was kept as it stood, it could be interpreted in the sense of the Japanese amendment.

The Conference approved this interpretation.

Paragraphs 3, 4 and 5 were approved at a first reading.

ARTICLE 44, PARAGRAPH 6.

The PRESIDENT read the following declaration :

"The Japanese delegation does not know why the last paragraph of Article 44 stipulates that the damages must not exceed the amount of the bill of exchange in the case of injury caused by negligence."

The Japanese delegation in consequence proposed to delete this restriction.

M. SHIMADA (Japan) observed that it was agreed, in principle, that, when the other parties liable had suffered injury as the result of the negligence of the holder or an endorser, they were entitled to damages when they were able to prove the injury. If the same parties liable could prove an injury in excess of the amount of the bill, why should the principle not be applied *in toto*?

M. GIANNINI (Italy) had been unable to find in the reports of the preceding Conferences any explanations of the phrase to which objection had been taken. He did not understand the reason for it, and requested the Conference to delete the words in question, since no change should be made in the general principle of common law unless there were serious reasons.

The PRESIDENT did not think that the Uniform Regulation would be compromised if the words in question were deleted. Generally speaking, the failure to send a notice did not involve greater damages than the amount of the bill.

M. PERCEROU (France) instanced a concrete case. A trader who had effected a first delivery of 10,000 francs might, if he believed that his bill was honoured, effect a second delivery of 20,000 francs, which he would not have effected if he had received notice. The amount of the damages might therefore be very much higher than the amount of the bill.

M. VAN NIEROP (Netherlands) was against the deletion of the phrase to which objection had been taken. There might be important proceedings in regard to the amount of the damages, since the injury might, in point of fact, be greater than the amount of the bill. With the present text, everyone knew where he was.

M. VISCHER (Switzerland) supported M. van Nierop's observations, for he considered that this restriction was of great practical importance.

M. GIANNINI (Italy) was hostile to the — so to speak — exclusively French point of view of the Regulations on Bills of Exchange. Attention must be paid to the point of view of all the interested parties and the circles not represented at the Conference ; that was to say, private persons must also be borne in mind. If the views of the bankers were considered too exclusively, the Uniform Regulation would not be in accordance with the general interest, in the Italian view, and it was the State that should harmonise all national interests.

The Japanese amendment was put to the vote and rejected.

The last paragraph of the article was approved at a first reading.

Article 44 as a whole was approved at a first reading.

EIGHTEENTH MEETING.

Held on May 23rd, 1930 at 3 p.m.

President: M. J. LIMBURG.

23. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continuation).

ARTICLE 7.

The following new text was read :

“ If the bill of exchange, which was incomplete when issued, has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the bill in bad faith or, in acquiring it, has been guilty of gross negligence.”

The PRESIDENT observed that the former Article 7 had disappeared, for it only contained a stipulation covering incapable persons and that stipulation had, in consequence of the adoption of the Scandinavian amendment, been carried forward to Article 68. If the new Article 7 were adopted, the Drafting Committee would be instructed to see whether the most suitable place for it would be that of the former Article 7.

The new Article 7 was approved at a first reading.

M. DA MATTA (Portugal) asked that the following explanation of the way in which he had voted in regard to bills of exchange in blank might be inserted in the Minutes :

“ Seeing that legislations in general contain no provisions requiring the delivery of the complete bill to the creditor ;

“ That, as the bill may be written out by anyone whosoever, provided it is ultimately signed by the drawer, there is no reason why it should not be written out by anyone whosoever if it is a bill signed in blank ;

“ That in either case there is a mandate from the drawer, not forbidden by the law, which does not require that the bill should be written out by the drawer ;

“ That no disadvantage results from this form of bill, for the reason that the relations between the drawer and the person completing the bill signed in blank are explained by a mandate, and there is no need to consider what has been agreed upon ;

“ Further, that as such bills are most useful in trade, having in their favour the authority of commercial practice ;

“ The Portuguese delegation declares that it is in favour of adopting the text proposed.”

ARTICLE 16.

The following text proposed by a group of delegations was read :

“ Persons sued on a bill of exchange cannot set up against the holder defences founded on their personal relations with the drawer or with previous holders unless the holder, in acquiring the bill, has knowingly acted to the detriment of the debtor.”

M. VISCHER (Switzerland) believed that the delegations who had discussed this proposal were in unanimous agreement upon the substance of the solution proposed. Nevertheless, he wondered whether the wording that had been submitted was satisfactory and was sufficiently precise. The object was to allow defences against previous holders, on condition that the person acquiring the bill had acted with a full knowledge of such defences and at the same time with the intention of injuring the debtor. The term “ knowingly ” (*sciemment*) did not sufficiently explain this idea. The Swiss representative feared that this word covered only the intention of the person acquiring the bill to wish to injure the debtor, but did not cover a knowledge of the defences. He suggested accordingly that the text should be altered as follows :

“ . . . unless the holder, in acquiring the bill, has acted with the intention to injure the debtor and with a knowledge of the defences that might be set up against previous holders.”

M. EKEBERG (Sweden) said that the question of the right of a debtor as regards the law of bills to set up against subsequent holders defences founded on relations with previous holders was one of the most important concrete questions submitted to the Conference. It was therefore of the highest importance, not only to come to an agreement on a formula, but also as to the bearing of that formula. The delegations who had drafted the present proposal had succeeded in coming to an agreement on the question of substance. The discussions had centred, first and foremost, on the search for a formula which, when translated into other languages, would express the intentions of the Conference as clearly as possible. It had accordingly been agreed that where the person acquiring the bill knew that the debtor could, as regards the endorser, set up a defence, for instance in respect of a set off or of a delay in the delivery of the goods or, lastly, in consequence of a defect in the latter, this could not justify the debtor in also invoking a circumstance of that kind in regard to the new holder of the bill.

It was only in cases where it would be *contra bonos mores* to intend with a full knowledge of the facts to acquire the rights given by the law of bills of exchange that the defence would be valid in respect of the new holder.

This principle had been expressed sufficiently clearly in the text of the experts. Nevertheless, M. Ekeberg had accepted the text submitted by the group of delegations who had examined the question. He had done so in order to fall in with the wish expressed in very strong terms by the German delegates. His concurrence in the present formula was, however, contingent upon the maintenance of the following conditions as had been agreed. The report would explain clearly the principle which M. Vischer had mentioned ; that was to say, that the knowledge of a possible defence on the part of a debtor did not suffice, but that an intention to injure the debtor or, in other words, a fact which gave the conduct of the person acquiring the bill the character of an action *contra bonos mores* was also required.

M. QUASSOWSKI (Germany) said that his delegation were glad to see that the notion of bad faith had been eliminated in the new wording. It was accordingly common ground that a mere knowledge of the existence of the objections on the part of the holder did not suffice to set up a defence against the holder ; and, further, that such a defence was valid only in cases where the person acquiring the bill had intended to injure the debtor in the case ; in other words, only in cases of *exceptio dolis generalis*. He thought, however, that the drafting proposed by the Swiss delegation corresponded still better to what the German delegation had in mind¹ ; that was to say, that there was a certain moment at which the person acquiring the bill was dishonest, and likewise that the holder, in acquiring the bill, was pursuing objects which were *contra bonos mores*. In those circumstances, M. Quassowski concurred in the drafting proposed by the Swiss delegate, which seemed to conform still better to the requirements of the situation.

M. PERCEROU (France) thought that the new text of Article 16 was badly drafted. Further, he considered it useless to add the words “ and with a knowledge of the defences that might be set up against previous holders ”. These words added nothing to the idea that the bill must have been acquired with the intention to injure.

M. DA MATTA (Portugal) was in full agreement with M. Percerou's observation.

M. ASSER (Netherlands) put the following question to M. Vischer : Was the amendment which he had proposed intended to indicate that it was not sufficient that the holder should have acted knowingly to the detriment of the debtor, but that he must also have had the intention to injure ?

M. VISCHER (Switzerland) thought that the intention to injure was already expressed in the text proposed. The idea which was not expressed positively was that of the knowledge of the defences that might be set up against previous holders. He thought that this point should be expressed, since it was an essential condition to the right of the person acquiring the bill to set up defences.

M. LA LUMIA (Italy), considering the matter from the practical point of view, observed that the last holder never had a definite intention to injure the previous holders except in cases of

¹ See Annexe n° 7.

collusion or fraudulent understanding, which were referred to in the German amendment. He thought that the text proposed by the group of delegations should allay all fears and proposed that the Conference should adopt it. The solution recommended by the German delegation was too narrow.

M. QUASSOWSKI (Germany) thought that the objections could only be set up as defences against the holder if the person acquiring the bill had a knowledge of them. This was an indispensable condition clearly expressed in the text proposed by M. Vischer. For this reason, M. Quassowski would accept his text.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that it was going too far even to have the intention to injure. The knowledge that injury might result should suffice. A knowledge alone, however, of the defences did not suffice, since a person might acquire a bill and have a knowledge of the exceptions without there being any deceit.

A practical example would show his meaning. The purchaser of goods accepted a bill of exchange drawn on him to the order of the drawer himself. The seller (drawer) had furnished defective goods. The acceptor could therefore, since proceedings against him would be taken by the seller (drawer), set up the defect in these goods as a defence against him. Supposing that the bill had been endorsed to a person who was aware of this fact when acquiring the bill, was he liable to be accused of fraud (*dol*)? The reply must be in the negative. The mere knowledge of the defences or of the position of which they were the result did not imply fraud (*dol*) on the part of the endorsee. He might, for example, have adequate reasons for supposing that the matter would be settled on a friendly basis between the parties and that the acceptor would suffer no injury owing to the payment of the bill of exchange. It was for that reason that in the text proposed by a group of delegations the words "has knowingly acted to the detriment of the debtor" had been chosen. According to the French delegation, the word "knowingly" as it stood implied a certain intention. It meant active knowledge. This term meant, therefore, something other than a mere knowledge of the defences. Despite that knowledge, the holder might still be acting in good faith according to the circumstances. It was his knowledge of the injury threatening the debtor which constituted, in so far as the debtor was concerned, the *exceptio doli*.

The PRESIDENT thought that the intention of the framers of the text before the Conference was the same as that indicated by M. Vischer. The text proposed by the group of delegations stipulated that the holder, when acquiring the bill, must have acted knowingly to the detriment of the debtor. The person acquiring the bill accordingly knew that there were defences. Nevertheless, he acted knowingly to the detriment of the debtor. If such was the interpretation to be given to this text, it appeared that there was agreement between those proposing it and M. Vischer, and in that case the President preferred the text submitted by the group of delegations, as being simpler.

He put to the framers of the text the following question: Was it enough to show that the holder had acquired the bill to the detriment of the debtor that he had wished to acquire the means of execution and of recourse — the defences to the general principles of law relating to obligations — of which he could avail himself when he had acquired a bill of exchange? It did not seem that that could be the intention of the framers of the proposal.

Personally, he was not in agreement with the principle of the article. He would prefer to see adopted the principle according to which it sufficed that the holder was aware of the defences in order that they might be brought against him.

M. MOLENGRAAFF (Netherlands) stated that the Netherlands Government regarded as an improvement the modification to Article 16 of the Regulation proposed by the experts, according to which the expression "fraudulent understanding" had been replaced by the term "bad faith". For that reason, the Netherlands delegation was unable to accept the text proposed by a group of delegations. It was of opinion that more could not be demanded than "bad faith" in the sense of the definition contained in Article 148(a) of the Netherlands Commercial Code, which was as follows:

"In an action on a bill of exchange, the defendant shall not set up against the plaintiff a defence based on his relations with the drawer, the payee and the previous holders, unless, when the bill of exchange was acquired, the holder who was plaintiff in the action did not know, or was unable to know, of the existence of the said means."

That interpretation of the idea "bad faith" was in conformity with the definition given by the German delegation on the occasion of an observation on Article 15, paragraph 2.

The text now proposed, while requiring that the holder should have knowingly acted to the detriment of the debtor, involved the protection of a holder in bad faith. In other words, it protected a person who, in acquiring the bill of exchange, knew that the previous claimant was liable to be met by a defence which could be set up by the person sued by the holder.

That principle was contrary to the law of bills of exchange, according to which the object of the bill of exchange was to facilitate the acquisition of what was owing to someone. On the other hand, the object of the law of bills of exchange was not in any way to confer on any one what was not due to him. This law was based on the protection of the rights of third parties "in good faith". It did not sanction the possibility of a bill of exchange becoming an instrument for the unfair enrichment of a person who had acquired it in bad faith. Such enrichment would, however, be encouraged if the debtor of the bill of exchange were refused the right to set up the defence of bad faith, and if the burden of proof were put on him that there was an intention to defraud him to his detriment.

For those reasons, the Netherlands delegation accepted the draft proposed by the experts.

M. SRB (Czechoslovakia) asked the Conference to delete the word "intention" which appeared in M. Vischer's text, because the employment of that word might give rise to doubts in regard to fraud (*dol, absicht, Vorsatz*). That was a very debated question in penal law.

It seemed that everyone would agree in saying that it sufficed that the holder should have known at the moment of the acquisition of the bill of the defences which could be opposed to the previous holders and that prejudice might be caused to the debtor when, in acquiring the bill, he deprived him of his defences.

M. Srb had drawn up the following text, which M. Vischer accepted. The Conference could perhaps adopt it :

"...Unless the holder, in acquiring the bill with a knowledge of the defences that might be set up against previous holders, had knowingly acted to the detriment of the debtor."

M. LA LUMIA (Italy) considered that the employment of the words "connaissance]" and "sciemment" was a pleonasm.

M. VISCHER (Switzerland) was not of that opinion. It was necessary to have knowledge of the previous defences and also to know that action was being taken to the detriment of the debtor.

M. GRÖNVALL (Finland) thought that M. Vischer put too much emphasis on knowledge by the person acquiring the bill of the defences that might be set up against the previous holders. It might result that the decisions of the courts would attach too much weight to that circumstance by considering it very nearly decisive and unconsciously overlooking the other circumstances which should also be taken into consideration.

M. GIANNINI (Italy) felt somewhat embarrassed after hearing the observations of M. Molengraaff. As a starting-point, the Italian delegation wished that Articles 15 and 16 should be kept entirely parallel.

It had been necessary to do a large amount of work to find a formula, and the discussion, which had lasted at least three hours, had been very arduous. He felt himself right in maintaining that not one word of the formula had been adopted without discussion.

Nevertheless the fact that agreement had been difficult to reach did not constitute a sufficient reason for the adoption of the formula as presented. Two questions arose : What was the scope of the formula and could a better formula be found ?

What was the scope of the formula ? During the discussion, the delegations had agreed that the formula proposed by the German delegation was too narrow and that it must be broadened and made more supple. The proposed text said that :

"Persons sued on a bill of exchange cannot set up against the holder defences founded on their personal relations with the drawee or with previous holders, unless the holder. . ."

Up to this point the agreement was universal, then the text went on :

"...In acquiring the bill has knowingly acted to the detriment of the debtor."

The President had asked what weight was to be attached to the word "knowingly". M. Giannini would base his reply on the following principle, that *scire est scire per causas*. In the present case, "the person who has obtained a bill knowing the defences which may be set up against it".

He obtained the bill — that was the second point — in order to act to the detriment of the holder: What did the word "detriment" mean ? It seemed to him to be the most supple formula possible which could be used to cover an extreme case of fraud and at the same time cover cases in which fraud, in the strict meaning of the word, had not been committed, but in which the person obtaining the bill had intended to prevent the debtor from setting up his defences.

If the word "detriment" was replaced by the phrase "intent to injure", it must be admitted that, without desire to do so, the Conference would return to the idea of fraud in its strictest sense, which was just what it had been desired to avoid.

The proposed formula therefore seemed to eliminate all the difficulties raised by those delegations which did not wish that only fraudulent intent could be covered. It was obvious that this would not entirely satisfy the Dutch delegation nor M. Giannini, but, on the other hand, the other formulæ proposed by M. Vischer and M. Srb went further than the compromise suggested, since that of M. Vischer would be subject to the very just criticisms of M. Percerou if the last part of it were deleted, while if it were adopted in its complete form it would depart from the text proposed by the group of delegations and would be similar to a mere prohibition of fraudulent understanding.

The Czechoslovak proposal went so far in the direction urged by M. Vischer that the latter had been able to accept it without difficulty. If it were laid down that the holder had obtained the bill knowing the defences which could be set up, and if it were added that he had acted knowingly to the detriment of the debtor, the number of conditions was increased and M. Vischer should be very happy.

M. Giannini asked the Conference to realise that, if it were desired to achieve an agreement, sacrifices must be made. The French delegation had given a good example and deserved the Conference's thanks. The formula had been difficult to find. In those circumstances, every criticism so far made led him to the same conclusion as that of M. Ekeberg. That conclusion could be summarised as follows : "Are you content with this formula? No. Will you vote for it? Yes, I will vote for it because I do not like it ; since, however, no one likes it, this means that it is the only formula upon which everyone will agree."

The PRESIDENT referred to an amendment in the text proposed by the group of delegations which might receive universal support. It was to the following effect :

“...Unless the holder in acquiring the bill knowing the possible defences which could be set up against former holders had sufficient reasons for foreseeing that his acquisition of the bill would cause injury to the debtor.”

Mr. GUTTERIDGE (Great Britain) said that the Anglo-Saxon law required something in the nature of “*entente frauduleuse*”. If he were asked what he wanted, he would at once say “*entente frauduleuse*”, which was the only thing that would satisfy him, because it was the nearest to the English law. But he supported the amendment on the same ground as M. Giannini. He did not like it, but believed it was the only rule which had any chance of being adopted in the circumstances. But it was unsatisfactory and could not be accepted by an English lawyer.

M. VAN NIEROP (Netherlands) thought that the proposed formula went very far and wished for explanations. He took as an example the case of a holder who knew that the debtor might raise the defence of set off. The holder endorsed the bill to a third party who was aware that a set off might be claimed. Would the third party be affected by this defence?

M. PERCEROU (France) replied that this would depend on circumstances. If the holder acquired the bill of exchange the day before bankruptcy in order to prevent a set off, there might be an assumption of a possible detriment.

M. VAN NIEROP (Netherlands) said that in that case there would be more than an assumption. There would be fraudulent intent. He would take the case of a holder who endorsed the bill to a third party, but not with intent to prevent a set off.

The PRESIDENT thought that there was no need to pursue a further discussion on this wording, which was a mere suggestion. He would, nevertheless, point out that in the case contemplated by M. van Nierop all the other formulæ would give rise to the same difficulty, for the question of set off was particularly complex.

Before calling upon the Conference to vote, the President desired to point out the procedure to be followed. After having heard M. Molengraaff, who preferred Article 16 of the Geneva Committee of Experts to Article 16 proposed by the group of delegations, the wording of the latter could be considered as an amendment to Article 16 as proposed by the Committee of Experts. There was a sub-amendment, however, proposed by the representatives of Czechoslovakia in agreement with M. Vischer.

M. HERMANN-OTAVSKY (Czechoslovakia) replied that the observations which M. Srb had made did not amount to a proposal.

The PRESIDENT noted that, in those circumstances, the sub-amendment of M. Vischer to the amendment proposed by the group of delegations was the only one that existed. That sub-amendment was to the following effect : to replace “has knowingly acted to the detriment of the debtor” with the words “has acted with the intent to injure the debtor and with a knowledge of the defences that might be set up against previous holders”.

The President would next put to the vote the text proposed by the group of delegations amended or not according as to whether the amendment proposed by M. Vischer was, or was not, adopted. If this text was rejected, he would then put Article 16 of the experts to the vote.

M. SULKOWSKI (Poland) urged that the Conference should first take a decision on the text proposed by the group of delegations and then on the formula proposed by M. Vischer.

The PRESIDENT said that a number of delegates might not wish to adopt Article 16 as proposed by the group of delegations.

M. PERCEROU (France) thought that the order of voting as suggested by the President was logical.

The amendment of M. Vischer was put to the vote and rejected.

Article 16 as proposed by the group of delegations was approved at a first reading by 22 votes against 2.

The British delegate abstained.

The PRESIDENT said that this text would necessarily involve changing the words “gross negligence” for the words “bad faith” wherever found. Article 15 was therefore maintained in the form in which it was to be found in the experts’ text.

As a result of the Conference’s decision which had just been recorded, the Yugoslav amendment¹ to Article 16 would not now arise.

ARTICLE 45.

The PRESIDENT read the following Czechoslovak amendment :

“The drawer or an endorser may, by the stipulation ‘retour sans frais’, ‘sans prôtet’, or any other equivalent expression, allow the holder to dispense with a protest for non-acceptance or non-payment, in order to exercise his right of recourse.

¹ See Annexe n° 8.

“ This stipulation does not release the holder from presenting the bill within the prescribed time nor from giving notice of dishonour to a preceding endorser or the drawer. The burden of proving the non-observance of the limits of time lies on the person who seeks to set them up against the holder.

“ When this stipulation is inserted by the drawer, it takes effect as regards all parties who have signed the bill. If, in spite of this stipulation, the holder has the protest drawn up, he must bear the expenses thereof. When the stipulation is inserted by an endorser, the expenses of protest, if it has been drawn up, can be recovered from all the parties who signed the bill.”

M. SRB (Czechoslovakia) said that the text of the experts made it impossible to insert in the bill the supplementary stipulation “ retour sans frais ” and “ sans protêt ” which had been included in the Hague Conference.

The experts had pointed out that this possibility might make it doubtful whether this stipulation could be set up against subsequent endorsers.

The Czechoslovak delegation deeply regretted that it was unable to accept this opinion. The sole fact that a text raised doubts was not a legitimate reason for entirely rejecting it. If the reply to the question whether the possibility for an endorser to insert the stipulation “ retour sans frais ” or “ sans protêt ” had a practical value or not was in the affirmative, that possibility should be admitted and the text should be drawn up in such a way as to avoid any possible doubt.

The Czechoslovak delegation replied in the affirmative. Article 38 of the Czechoslovak exchange law admitted that possibility in the case of all debtors on bills of exchange. The competent experts in the country held that the stipulation “ sans frais ”, “ sans protêt ” by an endorser was not very rare, and in many cases greatly facilitated the circulation of bills of exchange.

The same point of view was expressed by the Hungarian Government. If that practice existed in a great many other countries, it might be supposed that the complete re-establishment of the Hague text would be essential. Moreover, it might be considered that the text gave to the stipulation inserted in the bill of exchange by an endorser legal effects only in connection with that endorser. That would appear to be the most just and equitable interpretation.

If the Conference adopted the Czechoslovak amendment and if it decided in favour of that interpretation, it would be easy for the Drafting Committee to replace the Hague text, should it consider the latter insufficient and obscure, by a more definitely worded formula.

M. SULKOWSKI (Poland) stated that the Hague Regulation provided for the possibility of the insertion by an endorser of the stipulation “ sans frais ”. The experts, on the other hand, had considered that such a stipulation by an endorser should be deemed to be unwritten. He was in favour of the re-establishment of the Hague text.

The question which arose was whether an endorser was allowed to modify the original draft. In M. Sulkowski's opinion, the endorser could change the original bill of exchange. The stipulation “ sans garantie ” had been allowed, as well as the abridgment of the time for presentment. There was no reason for withholding from the endorser the right to insert the stipulation “ retour sans frais ” if it did not appear in the original bill of exchange.

M. DA MATTA (Portugal) shared the views of the Czechoslovak delegation. There were three systems of legislation concerning the stipulation “ retour sans frais ” or “ sans protêt ” ; that of the Belgian law which recognised the validity of this stipulation whether it was inserted by the drawer or one of the endorsers. In the first case, the drawer was not obliged to draw up the protest. He had, however, to notify the default of payment within fifteen days from maturity to those against whom he wished to bring an action of recourse. In the second case, that was to say when the stipulation was inserted by one of the endorsers, the effect was the same, but only in regard to the endorser who had inserted the stipulation and to the subsequent debtor of the bill.

The second system was that contained in German law, which laid down that the “ sans protêt ” stipulation dispensed the holder from the obligation of drawing up the protest, but not from the obligation of presenting the bill at the proper date.

The third system was that of the Italian Code, which was followed by the Portuguese Commercial Code. It laid down that this stipulation inserted by any of the signatories would be deemed unwritten.

M. da Matta thought that the Belgian system was the best. Obligations in regard to the law of bills being independent, there was no reason to refuse to allow everyone to meet his obligations in any manner he saw fit. It could not be maintained that, in accepting this system, contracting parties would be allowed to destroy the legal guarantees which formed the effective basis of credit. It should not be forgotten that the “ sans protêt ” stipulation should take effect only in regard to those who had inserted it or who had accepted it afterwards. For that reason, M. da Matta thought that the Hague text should be maintained and that, in consequence, paragraph 2 of Article 45 of the experts' text should be deleted.

M. LOEBER (Latvia) said that the provision in Article 45, making it possible to release the holder from drawing up a protest, was diametrically opposed to the principles of Latvian exchange law, which did not recognise this stipulation and which laid down in Article 12 that no stipulation dispensing the holder from observing any stipulation of the law of bills was valid.

The Latvian delegation, however, was ready to make a sacrifice in order to secure uniformity and to make no objection to the text proposed by the experts.

Prince VARNVAIDYA (Siam) agreed with the delegate of Czechoslovakia and supported his amendment. Siam had already adopted the Hague system.

M. QUASSOWSKI (Germany) supported the proposal of the Czechoslovak delegation. The reintroduction of the Hague text was fully justified.

The object of the "retour sans frais" stipulation was to save the expense incurred in connection with the bill which was not paid. There was no reason to forbid endorsers to insert a "retour sans frais" stipulation and thus free the holder from the obligation of drawing up the protest. The experts had taken the view that the possibility for the endorser to insert a "retour sans frais" stipulation should not be admitted, because it might raise a doubt as to the possibility of setting up this stipulation in so far as subsequent endorsers were concerned. This, M. Quassowski thought, was a mistake, as the effects of the stipulation would be different according as to whether it had been inserted by the drawer or by an endorser. The effect of the stipulation as inserted by the drawer would be that the drawing up of the protest might be dispensed with. This meant that the cost of a protest drawn up despite the stipulation would have to be borne by the holder. The stipulation inserted by an endorser only gave the holder the right not to draw up the protest. If the holder, despite that stipulation, drew up the protest, its cost might be recovered, according to the Hague text, from all the signatories. The provision was perfectly clear and the conclusion could be drawn that all the signatories, even the endorser who had inserted the stipulation, would be compelled to refund the cost of the protest.

M. BIAMONTI (Italy) supported the Czechoslovak proposal on behalf of the Italian delegation, but proposed a number of amendments.

In the first place, the Italian delegation thought it useful to take account, not only of the drawer and of the endorser, but also of the person giving an "aval", who might also insert this stipulation.

It should next be laid down that the stipulation must be signed.

In the third paragraph, in order to make the meaning of the text clearer, the Italian delegation proposed the following wording :

"When this stipulation is inserted by the drawer, it takes effect as regards all parties who have signed the bill. If it is inserted by an endorser or by a person giving an 'aval', it takes effect only in regard to the latter. If in spite of this stipulation the holder has the protest drawn up, he must bear the expenses thereof."

The Italian delegation would draft the first paragraph as follows :

"The drawer or the endorser or the person giving an 'aval' may, by the stipulation 'retour sans frais' or 'sans protêt' or any other equivalent expression *duly signed*, allow the holder to dispense with a protest for non-acceptance or non-payment, in order to exercise his right of recourse."

M. PERCEROU (France) had intended to make observations similar to those of the Italian delegation. That it should be possible for the endorser to insert the stipulation "retour sans frais" could meet, he thought, with no objection based on principle. There were, however, two blemishes on the Hague text ; it did not make it possible to ascertain who had inserted the stipulation. It must therefore be signed. Secondly, it did not settle the question whether a stipulation inserted by an endorser took effect only in regard to him or whether it took effect also in regard to subsequent endorsers.

M. Percerou supported the proposals of the Italian delegation.

M. Deoclecio DE CAMPOS (Brazil) said that, although Brazilian legislation did not cover this case, he would, in order to achieve unification, support the Hague text.

He was quite willing to accept the amendments proposed by the Italian delegation.

M. BOUTERON (France) said that if the paragraph — "If the stipulation is inserted by an endorser, it shall be deemed to be unwritten" — were deleted, it might be better to lay down that the "sans frais" stipulation should be included in the text itself.

M. SRB (Czechoslovakia) was prepared to accept the amendments of the Italian delegation. Czechoslovak law gave this permission to each debtor and consequently to each person giving an "aval".

In so far as paragraph 3 was concerned, the amendment proposed by the Italian delegation fully corresponded to the interpretation of the Hague text which the representative of Czechoslovakia had just given.

The PRESIDENT proposed, in order to avoid all confusion, that the Conference should vote first on the proposal that a return should be made to the Hague text, which meant the deletion of the second paragraph of Article 45 of the experts — "If the stipulation is inserted by an endorser, it shall be deemed to be unwritten".

If this proposal were adopted, the Conference would be called upon to take a decision on the Italian amendments.

This procedure was adopted.

The PRESIDENT proposed to return to the Hague text, provided that the Italian amendment were adopted.

By 21 votes to 1, this proposal was adopted.

The PRESIDENT submitted the first paragraph of Article 45, as amended by the Italian delegation :

"The drawer or the endorser or the person giving an "aval" may, by the stipulation "retour sans frais, sans protêt" or any other equivalent expression *duly signed*, allow the

holder to dispense with a protest for non-acceptance or non-payment, in order to exercise his right of recourse."

M. SULKOWSKI (Poland) proposed that the text suggested by the Italian delegation should be adopted, subject to drafting alterations. The word "duly" seemed to him superfluous.

The views of M. Bouteron could be met by inserting after the words "equivalent expression" the phrase "inserted in the text and signed".

M. GIANNINI agreed with the proposal to delete the word "duly".

The PRESIDENT informed M. Sulkowski that the Conference had, in principle, accepted the proposal that "aval" by separate document should be allowed. How could countries which availed themselves of this stipulation stipulate the insertion of the words "sans protêt" in the body of the instrument by the person giving an "aval"?

M. SULKOWSKI (Poland) withdrew his amendment.

The PRESIDENT put the first paragraph as proposed by the Italian delegation, after the word "duly" had been deleted, to the vote.

M. VAN NIEROP (Netherlands) said that when the stipulation had been inserted by the endorser he should not insert it in the endorsement itself, because it would be overlooked. This would be inevitable in practice.

The PRESIDENT said that, to satisfy M. van Nierop, it should be stated that the endorser had the right to add the "sans protêt" stipulation, but that if he wished to do so he must insert that stipulation in the front of the document, while he himself signed the back.

M. VAN NIEROP (Netherlands) said that, in practice, this stipulation would always be found on the front of the document.

The first paragraph was adopted in the form proposed by the Italian delegation.

Paragraph 2 of the Hague text was adopted.

ARTICLE 45, PARAGRAPH 3.

The PRESIDENT read the Italian amendment, as follows :

"The third paragraph should be changed to read :

" 'When this stipulation is inserted by the drawer, it takes effect as regards all parties who have signed the bill. If it is inserted by an endorser or by a person giving, an "aval", it takes effect only in regard to the latter. If, in spite of this stipulation, the holder has the protest drawn up, he must bear the expenses thereof.' "

M. PERCEROU (France) asked whether the final sentence of the article : "When the stipulation is inserted by an endorser, the expenses of protest, if it has been drawn up, can be recovered from all the parties who have signed the bill", still remained.

The PRESIDENT replied in the affirmative.

M. BOUTERON (France) asked for an explanation as to the meaning of the expression "all parties" in the first part of the paragraph. In a recent case which had come before the French courts, the drawer had issued a bill with a "sans frais" stipulation in it. At the request of the drawer, who had expressed fears as to the financial soundness of the drawee, the third holder had protested the bill. But the drawee who had accepted the bill containing the "retour sans frais" stipulation had taken advantage of this stipulation to demand damages, which had been granted to him by the court. In the view of M. Bouteron, this acceptance was equivalent on the part of the drawee to a conditional acceptance, and it might therefore be better not to include the acceptor among "all parties who had signed the bill", at any rate in so far as this paragraph was concerned, for it could not be said that the acceptor was authorised to take advantage of this stipulation. The Convention covered only the drawer or the endorser.

The PRESIDENT wondered whether the proposed amendment would constitute a remedy for this situation. The question was one of common law. In the case in point, the acceptor had said that he had been the victim of an action covered by Article 1382 of the Civil Code. It was common law which had settled the point.

M. BOUTERON (France) thought that the proposed text would make it possible for the drawee to take advantage of the stipulation even without relying on common law.

The PRESIDENT took the view that when the drawer or the holder was not required to draw up the protest from the point of view of exchange law, Article 45 must nevertheless be applied. From the point of view of civil law, the question whether the commercial honour of the drawee had been injured could be raised. This, therefore, lay outside the scope of exchange law.

M. BOUTERON (France) said that common law was unnecessary in order to apply the present text ; it would be enough for the protest to have been drawn up for the drawee to demand damages.
The Italian amendment was unanimously adopted.

The PRESIDENT asked the Czechoslovak delegation whether it considered that the Italian amendment took the place of the remainder of the Czechoslovak amendment.

M. HERMANN-OTAVSKY (Czechoslovakia) replied in the affirmative.
Article 45 as a whole was approved at a first reading.

ARTICLE 46.

The PRESIDENT read an Italian amendment proposing that the following paragraph should be added to the article :

“ When several persons are liable in the same class, even if they sign the bill successively, there is no right of recourse as between them ; their reciprocal relations, in the absence of agreement to the contrary, are subject to the provisions concerning obligations contracted jointly and severally.”

M. WEILLER (Italy) explained that this amendment had been put forward at the request of business men. It covered the case which was not theoretical in which an “aval” was given at the same time or successively by several persons. It was always desired to have bills of exchange guaranteed as well as possible, which meant guaranteed by several signatures. The nature of a bill of exchange required that this should not be prevented, for it assisted the development of the bill. The more the bill was guaranteed, the better it was and the greater its use in trade.

It was a question of discovering the position of these persons who had given an “aval”. Their position was clear in regard to the possessor. They were jointly liable, and the possessor had the right to demand payment from one or other, according to his desire.

What, however, was the connection between the persons giving the “aval”? The person who had paid could not be given a right of recourse against the other or others, for they would merely move round and round in a circle, the first person paying having recourse against the second and the second against the first, which meant that there would never be an end. The question must therefore be settled, and this could be done by presuming the division of responsibility when several persons were liable in the same degree though they had signed successively. Their relationship was then settled by the ordinary principles of common law. If they were two, each would pay half, except in the case of a special agreement concluded between them.

In order to cause exchange law to make progress in a practical direction, the Italian delegation put forward this formula, which was based on a special case, it was true, but which was set out in general terms conforming with the principle of equality of obligation for persons liable in the same degree.

M. SULKOWSKI (Poland) was unable to support this proposal. The scope of the amendment went further than the object in view. On the basis of the very general formula proposed, it would be justifiable to presume, for example, that there might be several beneficiaries, a fact which could not be admitted.

The observations made by M. Weiller led to the belief that the formula referred only to the case of several givers of an “aval”. That case, however, was not covered by the text, as would become apparent from the following possible case. The “aval” had been given on behalf of a drawer. As the chapter dealing with “avals” stipulated that the giver of an “aval” was liable to the same extent as the person for whom he was acting as guarantor, it might be thought that this was precisely the case covered by the Italian formula — *i.e.*, the case of several persons liable to the same extent. What would result from such an interpretation? According to the Italian proposal, it would have to be admitted that there was no recourse between them. Nevertheless, that would be contrary to the solution laid down in the chapter on “avals”, where it was stated that the giver of the “aval” who had paid the bill of exchange acquired the right of recourse against the guarantee and the guarantors.

Finally, the Italian formula endeavoured to establish that there was no recourse under exchange law if there were several givers of an “aval”. M. Sulkowski thought it superfluous to say that in the Regulation there was no provision under which it could be claimed that such recourse on the bill existed. If it was a question of knowing whether a giver of an “aval” who had paid a bill of exchange possessed a right of recourse under common law, that question, which related to civil law, could not be dealt with in the provisions of the Uniform Regulation.

For these various reasons, the representative of Poland was of opinion that the Italian proposal did not fulfil its intention.

M. QUASSOWSKI (Germany) approved the observations of M. Sulkowski. The provision proposed by the Italian delegation did not appear to him to be desirable. It was obvious that the givers of an “aval”, for instance, had no recourse on the bill as between themselves. Apart from the law of bills, it was clear that the question whether one of the parties liable had an action against another who was liable to the same extent was settled by common law, and it was not necessary to note that fact in the Uniform Regulation. Finally, the amendment was not clear. What was meant by the words: “persons liable in the same class”? It might perhaps mean the endorsers, since they were persons liable in the same class. M. Quassowski was unable to support the proposal.

The PRESIDENT asked the Italian delegation whether it was not satisfied with the exchange of views which had just taken place. It was beyond doubt that if, for instance, there were several givers of an "aval" — signatories liable to the same extent jointly, but jointly under the terms of civil law — civil recourse was governed by the provisions of civil law in regard to persons jointly liable.

On the other hand, the observations of M. Sulkowski appeared to be well founded. He had taken as an example the giver of an "aval" on behalf of the drawer. In the eyes of the holder, both were joint debtors, but on the one hand there was no recourse on the bill, and on the other there was in the article concerning "avals" a special provision settling the recourse of the giver of the "aval" against the person for whom he was guarantor. It would certainly be very difficult to find a text which would solve that difficulty.

For those reasons, the President considered that the discussion had given satisfaction to the Italian delegation, since the Conference was in agreement in recognising that signatories liable in the same class were joint debtors who had civil recourse against one another in accordance with the terms of civil law in regard to persons jointly liable.

In conclusion, the President thought that it would perhaps suffice to mention the exchange of views in the report.

M. GIANNINI (Italy) stated that if the Conference was in agreement that some words on the matter should be inserted in the report, the Italian delegation would not insist on its proposal.

The PRESIDENT asked whether the Conference was of opinion that it should be said in the report that the Conference agreed with the views of the Italian delegation.

This suggestion was approved.

M. Giannini (Italy) withdraw the amendment submitted by the Italian delegation.

Article 46 as a whole was approved at a first reading.

ARTICLE 47.

The PRESIDENT pointed out that this article was the object of a Czechoslovak and a Polish amendment.

The Czechoslovak amendment was to add a sub-paragraph 4 as follows :

" 4° A commission which in default of agreement shall be one-third per cent of the principal sum payable by the bill and which in no case can exceed this rate."

M. SRB (Czechoslovakia) pointed out in support of his amendment that in the text of the experts sub-paragraph 4 of the Hague text concerning commission was deleted.

The following reasons had been adduced in favour of this deletion, which had not been accepted unanimously :

" The experts held that it was desirable to raise the rate of interest from five to six per cent, the latter rate being more in keeping with the present economic conditions in most countries. This was also the opinion of the International Chamber of Commerce, which proposed a *minimum* rate of five per cent.

" On a majority vote, the experts have omitted No. 4 of Article 47 of the Uniform Regulation, dealing with the right to commission. They think that, as this right to commission is only customary in a few countries and as it might be levied concurrently with the similar commission mentioned in Article 48, No. 4, it would be preferable not to mention this right as a matter of common usage, but to allow each country to decide as it thinks best."

M. Srb added that, if the question had been merely one of a model law, all countries could have concurred in the experts' point of view. At the outset of its proceedings, however, the Conference had decided to draw up a really uniform regulation. The question of the commission could not accordingly be left to the national legislations and should be settled in the Regulation itself.

Czechoslovakia was one of the countries where the law allowed the holder to recover a commission. That was in conformity with a very old tradition. In order to avoid being obliged to change the national law in this respect, the Czechoslovak delegation proposed that the Hague text should be restored with an amendment in regard to the amount of the commission. The Hague text stipulated a commission of one-sixth per cent, whereas Czechoslovak law allowed a commission of one-third per cent.

The Czechoslovak delegation did not, however, attach any great importance to the question and was prepared to accept the Hague text as it stood; that was to say, a commission of one-sixth per cent.

In conclusion, M. Srb drew the Conference's attention to the fact that there was a considerable number of countries where the law authorised a commission, among them being Germany, Austria, Bulgaria, Denmark, Norway, Poland, Hungary, Siam, Sweden, Switzerland, Czechoslovakia, Turkey, and Yugoslavia.

M. GIANNINI (Italy) saw no difficulty in accepting the Czechoslovak proposal to revert to the Hague text. Nevertheless, he considered that the rate of one-third per cent proposed for the commission seemed high and would prefer to keep to the figure of one-sixth as in the Hague regulation. The usurious practices of bankers should not be legalised.

The PRESIDENT pointed out that M. Srb was prepared to adopt the Hague text as it stood and to accept the rate of one-sixth per cent. He asked whether he might now consider that the figure of one-third mentioned in the amendment had been replaced by that of one-sixth per cent.

M. SRB (Czechoslovakia) replied in the affirmative.

M. ALBRECHT (Germany) supported the Czechoslovak amendment. The commission provided for in the Hague text was justified on practical grounds. M. Vischer had previously alluded to the increased work to be done by the banks, which had to give notice in case of dishonour. A holder incurred a certain risk when a bill was dishonoured. He must see that the bill was duly protested. He had many arrangements to make, and it was only fair that he should receive a certain amount for his additional trouble. For those reasons, the German delegation supported the re-establishment of the Hague text.

Prince VARNVAIDYA (Siam) said that it was true that sub-paragraph 4 had been adopted in the Siamese Code, but in view of the very wide differences in the economic conditions of various countries he preferred the experts' text which left out sub-paragraph 4. Consequently, though he was not opposed to the amendment, because it was already in Siamese law, he would not support it. He would therefore abstain from voting.

M. VISCHER (Switzerland) noted that the Czechoslovak delegation having withdrawn its amendment in favour of the Italian amendment, the Conference was now reverting to the Hague text. He pointed out that, as M. Srb had said, a commission of one-third per cent existed in many countries. That rate was regarded as a compensation which was perfectly justified by the work falling on the bank. If it was desired to settle the question, the Czechoslovak amendment should be taken up again. If that amendment had not been tabled, M. Vischer would have been obliged to make the proposal himself, and he would have suggested a rate of one-third per cent. If this suggestion were not adopted, he would prefer the solution recommended by the experts ; that was to say, to leave it to the national law to fix the rate of the commission.

Baron MARKS VON WÜRTEMBERG (Sweden) said that, in regard to the right to a commission, the exchange laws in the Scandinavian countries contained provisions corresponding to the Hague text of 1912 as well as to the content of the Czechoslovak amendment. He could accordingly support that amendment. Nevertheless, he was inclined to adopt the experts' proposal, which seemed to be the one that had the best prospect of being accepted by the majority of the delegations. Whatever the result of the vote, he would accept it. He would be very glad if his example was followed by a large number of delegations. He did not understand why any country should wish now to have a system different from that adopted by the majority of the countries. The interests of unification demanded the rejection of any insertion of a reservation on this point in the Convention.

M. PERCEROU (France) explained that the practice of commissions referred to in the fourth paragraph of the Hague text, which had been deleted, was not followed in all countries. In France, in particular, it was not in force. It seemed impossible by virtue of a law to impose on commerce a surcharge to which it was not accustomed. The text itself stipulated that an agreement to the contrary was possible. In the countries where this practice was in force, it would be maintained by agreement. If unification were effected, it would be so by an understanding among the parties concerned.

M. SOKAL (Austria) supported M. Vischer's proposal because, to his mind, a commission was justified by the work which had to be carried out for the various recourse proceedings. He proposed, however, that the rate should be one-quarter per cent. As bills of exchange circulated in different countries, it would be well to lay down a uniform rule so as to obviate difficulties.

Mr. GUTTERIDGE (Great Britain) strongly supported the view expressed by M. Percerou. It did not seem to him to be right to impose this liability upon any particular country by means of a rule of law. It was a matter which could always be arranged by private contract, and a law did not seem to him to be appropriate.

The PRESIDENT thought that he should put the experts' text to the vote first.

The text of the experts was adopted by 19 votes to 5.

Prince VARNVAIDYA (Siam) explained that when he had said that he would abstain he meant that he would abstain from voting on the amendment. As the President had put the experts' text to the vote, he had voted in favour of it.

The PRESIDENT read the following Polish amendment :

“ Any Contracting State is entitled to prescribe, as regards bills of exchange and promissory notes which are both drawn and payable in its territory, that the rate of interest mentioned in Article 47 (2) and Article 48 (2) of the Regulation may be replaced by the legal rate in force in that country.”

M. SULKOWSKI (Poland) recalled that he had explained in connection with Article 5 the special conditions existing in Poland with regard to the legal rate of interest, which at present amounted to 10 per cent. If the provision recommended by the Regulation, which fixed the rate of interest at 6 per cent, came into force, it would be to the advantage of the debtor domiciled in a country where the rate was higher not to pay the sum due at maturity so as to benefit by the difference between the rates of interest. In these conditions, he asked that each State should be allowed to make a reservation in order to be able to substitute for the rate of 6 per cent laid down in the Regulation the legal rate in force within its borders. A reservation had already been made in this matter in the Hague Convention, the only difference between the reservation proposed by the Polish delegation and that contained in the Hague Convention was in respect of the legal rate of interest, but it did not specify what that rate was to be.

The Polish amendment was rejected by 12 votes to 9.

M. SULKOWSKI (Poland) asked the Conference to agree in principle to the introduction of a reservation for the purpose of safeguarding Polish interest, this reservation to be inserted in the draft Convention.

M. EISNER (Yugoslavia) supported the Polish delegates proposal and emphasised the fact that Yugoslavia was in the same position as Poland.

The proposal of M. Sulkowski was adopted.

M. HERMANN-OTAVSKY (Czechoslovakia) asked that the Conference might accept in principle the introduction in the Convention of a reservation in regard to the right to a commission.

M. GIANNINI (Italy) thought that no reservation should be made on this subject.

M. HERMANN-OTAVSKY (Czechoslovakia) adhered to his request.

The principle of the reservation requested by the Czechoslovak delegation was rejected by 12 votes to 7.

Articles 47 and 48 were approved at a first reading.

ARTICLES 49 AND 50.

These articles were approved at a first reading.

ARTICLE 51.

M. ALBRECHT (Germany) understood that the French delegation had observed that the provision contained in Article 51 had no practical utility ; therefore, if it were put to the vote, the German delegation would vote in favour of its suppression.

Prince VARNVAIDYA (Siam) supported the observations of the German delegation.

The PRESIDENT pointed out that, if the article were deleted, the result would be to change completely the numbers of the other articles.

M. SHIMADA (Japan) asked the exact meaning of the phrase " in the absence of agreement to the contrary ".

The PRESIDENT said that this term meant except in cases where a redraft is prohibited by agreement between the holder and the drawer.

He called on the Conference to vote on the principle of keeping the article.

The Conference decided by 11 votes to 8 to retain Article 51.

NINETEENTH MEETING.

Held on May 24th, 1930, at 9.30 a.m.

President: M. J. LIMBURG.

24. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continuation).

COMMUNICATION BY THE PRESIDENT REGARDING THE QUESTION OF COMMISSION AND ARTICLE 7.

The PRESIDENT pointed out that the Swiss delegation reserved its right to return, during the second reading, to the question of commission.

The French delegation wished to draw the attention of the Conference to the fact that Article 7 concerning bills of exchange in blank had been adopted, but that no text authorising reservations had been submitted. The French delegation proposed the following text :

“ Each Contracting State reserves the right not to embody Article 7 of the Uniform Law in its legislation.”

In reply to a request from Baron Marks von Würtemberg for explanations, the President pointed out that bills of exchange in blank had been introduced into the Uniform Regulation at the request of several delegations, although the question was not mentioned in the Hague text or in that of the Committee of Experts. The object of the French proposal was to enable those countries who did not desire to introduce this system into their legislation to make reservations.

The text was adopted by 12 votes to 4.

Mr. Gutteridge (Great Britain) abstained from voting.

M. GIANNINI (Italy) asked whether the Drafting Committee could not deal with the text concerning the replacing by an authentic document of the signatures of persons who were unable to sign.

It was a question of the authentic document which would in certain cases replace the signature. Article 3 of the Hague Convention contained the following stipulations :

“ Every Contracting State has, so far as regards bills of exchange obligations, undertaken in its own territory the power to determine in what manner there may be substitutes for signature, provided that a formal declaration inscribed on the bill verifies the intention of the person who ought to have signed.”

In regard to the question raised by Japan, it had been decided that the explanation should be given in the report.

The PRESIDENT noted that the Conference was in agreement with M. Giannini that the Drafting Committee should deal with the question.

ARTICLE 51.

M. ALBRECHT (Germany) said that the first paragraph of Article 51 referred to the redraft. A bill of exchange of that kind must not be domiciled. The paragraph was apparently intended to convey that a redraft must be drawn payable by the debtor at his domicile. In view of the decision already adopted concerning domiciled bills of exchange, there was at present, in his opinion, a doubt regarding the exact meaning of the first paragraph of Article 51. He would therefore propose that it should be read in the sense that a redraft must be drawn payable by the debtor at his domicile. That was a question for the Drafting Committee.

M. Albrecht wished next to draw the attention of the Conference to the third paragraph of Article 51, in the French text of which the word “ domicile ” occurred repeatedly. In the English version, this was translated by “ resides ” or “ resident ”. In his opinion, domicile and residence were two different notions, and the English text should be corrected. He thought that “ domicile ” was a better known legal term and one which could be translated into German, at any rate, with more accuracy than the somewhat ambiguous word “ residence ”.

Mr. GUTTERIDGE (Great Britain) was not quite happy in his own mind about the alteration suggested by the German delegate, because he was not quite sure whether everyone attached the same meaning to the word “ domicile ”. He was obliged to make a reservation in regard to this point, which would require somewhat careful consideration.

Prince VARNVAIDYA (Siam) only wished to say that he had no objection to the word “ domicile ”, because it had been adopted in the English translation of the Siamese Code and was used in the sense in which it was understood on the European Continent.

The PRESIDENT noted that the German delegate had made no proposal but had merely addressed a suggestion to the Drafting Committee. Nevertheless, he believed it to be his duty to point out to the Conference that if it began a discussion on the words “ domicile ” and “ resides ” that discussion would certainly be long and difficult. For that reason, the President would draw attention to the adage : *Quieta non movere*.

Article 51 was approved at a first reading.

ARTICLE 52.

The PRESIDENT pointed out that in regard to this article there was an amendment by the Danish, Finnish, Norwegian and Swedish delegations to add the word “ exchange ” to the first paragraph of the article before the words “ rights of recourse ”.

M. STUB HOLMBOE (Norway) observed that in regard to this article the experts had made the following observation :

“ The question whether the drawer is obliged to provide cover for the bill on maturity and whether the holder has any special rights on this cover is not discussed in these proposals.”

That attitude was quite justified. The same also applied to the "action d'enrichissement", which was recognised in the legislations of Germany, the Northern and several other countries. It was also the solution adopted at The Hague in 1912 (see Article 13 of the Convention).

The four Scandinavian Governments had pointed out in their joint remarks the desirability of explaining clearly the meaning of the draft Regulation in this connection. That could be done by the insertion of the word "exchange" before the word "rights" in the last line but one of the first paragraph.

That was the proposal of the delegations of the four Governments; it would not change the meaning of the text, but would make it more clear. If it were adopted, the reservation expressed in Article 13 of the Hague Convention would be unnecessary.

In that connection, the Norwegian delegate was authorised to state that the four Scandinavian delegations were opposed to any proposal to settle in the Uniform Regulation the question concerning the provision of cover. They were not authorised to discuss such questions which were outside the sphere of the law of bills of exchange. That was the opinion of the Hague Conference and of the experts, and it was right.

M. QUASSOWSKY (Germany) had some doubts in regard to the interpretation of the word "exchange". The "action d'enrichissement" was a special action which was connected with the problem under discussion. Would not a special reservation be necessary? If the Conference considered that in the event of the adoption of that term the "action d'enrichissement" would be assured, M. Quassowski would not insist on a reservation, but would ask that that interpretation should be noted either in the Minutes or in the report.

In view of the statement of the Norwegian delegate, M. GIANNINI (Italy) asked the Conference to consider at the same time Article 52 and Article 53(a) in regard to which the Italian delegation had made a proposal,¹ and also the unnumbered article submitted by the Italian delegation, which was as follows:

"The drawer may transfer the cover by clause entered on the bill of exchange, but the owner of the title, duly confirmed in accordance with Article . . ., shall have no claims on third persons unless he signifies the transfer, reproducing in the signification the exact terms of the title.

"Each State shall be free to lay down rules regarding the said signification in its own laws."

The PRESIDENT noted that there was an obvious relation between the Scandinavian amendment and the Italian proposal.

M. GIANNINI (Italy) stated that the Italian delegation attached a great deal of importance to the proposal which they had submitted.

It concerned, first, the adoption in the Uniform Regulation of a provision for acknowledging the validity of a special stipulation which would give certain safeguards to the possessors of drafts by means of the carrying out of very simple formalities in regard to notification.

The principle had already been admitted in certain legislations — France, Belgium, the Netherlands and Scotland — and appeared in certain recent drafts, the Austrian draft of 1913 and the Swiss draft of 1928.

The question should be examined from the practical point of view, taking into consideration the needs of banking and trade.

When the banks discounted bills relating to commercial transactions, they were convinced that they were undertaking very safe transactions. Indeed, knowing that the buyer had received the goods sent by the seller who was the real creditor of the former and that at maturity the buyer, who had meanwhile sold the goods, would be in a position to pay the bill issued on his account, the bank quite safely discounted the bill — that was to say, bought it — relying in full confidence on the debt owing to the seller-drawer by the buyer-drawee.

Sometimes the bank assured itself that the debt existed by requiring information in regard to the documents concerned before acting in that way.

What would happen in the event of a declaration of bankruptcy (*faillite*) of the drawer before the bank had obtained the drawee's acceptance of the bill of exchange? The official receiver (*syndic de faillite*), noting the drawer's right to payment of the bill — that was to say, that the sum held by the drawee had never been recovered from the estate of the person who had failed — included the amount of the bill in the assets in order that it might be distributed among the creditors. Consequently, the bank which had been absolutely confident that it had nothing to fear was not covered at the very moment when it had most need for protection.

On the contrary, the drawee had no particular interest in paying either the one or the other — that was to say, the official receiver rather than the possessor of the bill of exchange. There resulted the quite unfair consequence that the estate of the drawer, which had already received the value of the goods sold by means of the discounting of the bill by the bank, received the same amount a second time at the expense of the bank.

The Italian banks had therefore asked whether it would not be desirable to refuse to discount bills before acceptance. The question concerned commercial rather than banking circles. The former ran the risk of depriving themselves of the benefit of the discounting of bills of exchange, which deserved the maximum protection.

It should not be forgotten that it had already been stated with authority in the Conference that the use of bills of exchange which did not need to be presented for acceptance was becoming more widespread. The Conference, however, had confirmed the principle authorising the drawer to release himself from guaranteeing acceptance (Article 9), thus recognising the bill of exchange which did not have to be presented for acceptance.

¹ See Annexe n° 9.

It was necessary to consider that some traders were not in the habit of accepting bills of exchange. Often, when the bank presented the instrument for acceptance, the drawee refused acceptance, stating, however, that he would pay at maturity. Such a declaration did not increase the security of the banks ; in fact, if the drawee failed, the bank was treated in the same way as any unsecured creditor.

For that reason, therefore, taking into account the special nature of the discounting of bills which, whatever legal definition might be given to them, were from the economic point of view only purchases of the drawee's debts to the drawer, the Italian delegation had thought it proper to propose the settlement of the question in the Uniform Regulation.

In conclusion, it was a question of regulating a very simple and rapid transfer of a debt in order to make possible, in the interests of trade, the discounting of bills not yet accepted or which were not intended to be accepted.

It would be desirable that the proposed unnumbered article should appear in the Convention. M. Giannini thought that Article 53(a), which laid down the principle that a bill of exchange did not constitute a "novation", expressly settled a question of great importance. Nevertheless, in view of the statement made by the Norwegian delegation in the name of the Scandinavian delegations, the amendment proposed by the latter might, to a certain extent, give satisfaction.

Finally, he proposed that the amendment handed in by the Swiss delegation should be considered at the same time. It referred to the same question.

Mr. GUTTERIDGE (Great Britain), referring to the Scandinavian proposal, said that the word "cambial" was entirely obsolete in England. He therefore suggested that it should be struck out and that the sentence should read :

"The holder loses his rights of recourse under the law of bills of exchange. . ."

The PRESIDENT realised that there was a connection between the Swiss amendment and the Italian proposal. Nevertheless, he considered that the Conference should discuss separately the Swiss and Scandinavian amendments and the Italian proposal, although they might, to some extent, be connected with the question of cover.

He wished to warn the Conference against entering into a discussion on the Scandinavian and Italian amendments, not because he was unable to support them, but possibly because he was entirely in agreement with their content and considered it undesirable to insert the principle in the Uniform Regulation. That Regulation only referred to relations in the matter of bills of exchange, and if it was desired at all costs to have an express statement on the matter, it could be inserted in the report. Looking at the matter from a legal and scientific point of view and considering that the Uniform Regulation referred only to relations in the matter of bills of exchange, he considered that the value of the instrument would be affected if either the Scandinavian or the Italian amendment were introduced into it.

It would be inopportune to say : "Take note that we are only concerned here with relations in the matter of bills of exchange". That would make it necessary to examine all the articles in order to see whether it could be said that "Rechtsgeschäfte" existed. For those reasons, the President suggested that the Scandinavian delegation should withdraw their amendment.

The same was the case in regard to the Italian proposal. To state that "the action arising out of the relationship (transaction) which occasioned the issue or transfer of the bill of exchange shall continue to exist notwithstanding the issue or transfer of the bill of exchange unless it is proved that there has been a novation" would, apart from the idea of "novation", be to break down a door already open. In the doctrine on bills of exchange, it had been recognised on all sides that apart from the bill of exchange "Rechtsgeschäfte" existed behind the scenes and came out from time to time. They appeared, for instance, in regard to Article 16. They came to the front of the stage when there was a question of bad faith, but usually they remained in the background.

The Italian amendment might raise numerous difficulties, for the civil action which was behind the scenes remained there, except if it was proved that there had been a novation. Would the difficulty be solved in that way? It was necessary to know whether, in a special case, there had or had not been a novation. In 1877 Professor d'Abling, one of the most eminent jurists of Holland, wrote a book on "novation" in relation to bills of exchange. That had been a great event in the legal world, for the book in question had shown the deepest erudition. It could be noted from it how difficult it was to say whether or not there had been a "novation". In considering the various codes of States, it appeared that there were special cases, for instance, in French law and in those systems which were based on the French law, there was the case of the "claim in the event of bankruptcy". The law itself said that there had been a "novation". In other cases, it was for science to decide whether there had or had not been a "novation".

In conclusion, and with the greatest conviction, the President advised the delegations to withdraw their amendments ; though they might be absolutely correct from the practical point of view, it was undesirable to insert them in the Uniform Regulation on Bills of Exchange. On the other hand, they might find a place in the report.

M. QUASSOWSKI (Germany) was glad to find himself in entire agreement with the President. The question was not one of the law of bills of exchange. It was a problem either of civil or of bankruptcy law. This was a field outside the terms of reference of the Conference. The very important question of cover was, in principle, a question connected with bankruptcy law. It was, however, vitally necessary not to confuse the law of bills of exchange with common law and bankruptcy law. The Conference could not introduce into the Uniform Regulation rules pertaining

to common law or bankruptcy law. M. Quassowski, however, was ready to accept the insertion of a reservation corresponding to Article 14 of the Hague Convention, for he thought that the question of cover should be settled in the case of those States where such a system was practised. The same was true concerning the "action d'enrichissement". Nevertheless, the German delegation could not consent to a proposal that States which did not follow this practice should be compelled to do so, for their business men thought that it was somewhat dangerous and might hinder the circulation of bills of exchange.

M. HAMMERSCHLAG (Austria) shared the President's view. It was impossible, he thought, to upset the foundations of exchange law. The adoption of the Italian amendment would, however, lead to this result.

M. Hammerschlag thought it unnecessary to recall that this question had been the object of study on the part of lawyers and courts in every country for a long period of years. In his view, it was a problem that must remain outside the Uniform Law, for it was part of civil law. He would not, however, oppose the inclusion of a reservation in the Convention.

M. GIANNINI (Italy) remained of the view that the question whether the issue of a bill of exchange was or was not a "substitution" (*novation*) was a problem of exchange law. The Italian amendment was therefore within the scope of the Uniform Regulation. Nevertheless, to hasten the work of the Conference, the Italian delegation was prepared to withdraw its proposal for the insertion of an Article 53^{1(a)} in favour of the proposal from the Scandinavian delegations.

M. SULKOWSKI (Poland) explained that the object of the amendment submitted by the Scandinavian delegations was to add the word "exchange" before the word "rights". They thought that if this amendment were accepted it would be unnecessary to make any reservation in the Convention in so far as the "action d'enrichissement" was concerned. M. Sulkowski was unable to share this view. In his opinion, it would be necessary to contemplate an express reservation in the case of those States employing the system of cover and another reservation for those employing the system of "action d'enrichissement". The text of Articles 13 and 14 of the Convention of The Hague might perhaps be reintroduced.

M. Sulkowski drew the attention of members of the Conference to the possibility of a conflict which might arise between two States only one of which employed the system of cover. The draft Convention drawn up by the experts contained a stipulation in Article 6 to the effect that "the question whether the beneficiary and succession holders of the bill have special rights on the cover (*provision*) and the nature of these rights is determined by the law of the country in which the bill of exchange is payable".

If a text of that kind were adopted, the Conference could abstain from regulating any question concerning civil law and confine itself to solving problems which were actually covered by the field of law on bills of exchange.

The PRESIDENT drew the Conference's attention to the fact that the Committee of Experts had already provided for a reservation on the part of those countries which used the system of cover. That reservation was to be found in Article 6 mentioned by M. Sulkowski, which could still be completed.

M. PERCEROU (France) noted that the proposals submitted by the Italian and Swiss delegations were nearer the French conception concerning the transfer of cover. He was glad to observe this point. It was generally admitted, however that the transfer of cover and action for inequitable gain "sans cause" were outside the scope of exchange law. This was an almost unanimous opinion, though M. Percerou would personally have liked to make a number of reservations on this word.

This being so, it was obvious that the Conference would not have to settle by means of a law concerning bills of exchange the question of the transfer of cover nor of the action for inequitable gain "sans cause". Nevertheless, he thought it opportune because of the very great practical importance of this problem to state definitely that these questions were reserved for the legislation of each State, and to achieve this the best way would be to return to Article 14 of the Hague Convention by completing it with a reference to "enrichissement sans cause", in order to satisfy the German delegation.

The PRESIDENT thought that so delicate a point should not be drafted hastily. The question was dealt with, in the first place, in Article 6 of the draft Convention and, in the second place, in Articles 13 and 14 of the Hague Convention.

The Conference had unanimously decided, in order to satisfy those who wished that cover should remain outside the Regulation, to say so expressly. It was also desired to satisfy those who wished that an "action d'enrichissement" should exist and that it should be mentioned. The Drafting Committee could be instructed to draw up a text combining the elements of Article 6 of the draft and of Articles 13 and 14 of the former Convention, since the Conference had now reached agreement on the principle.

This proposal was adopted.

M. VISCHER (Switzerland) had proposed a text dealing with the regulation of the transfer of cover, but only in case it had been desired to deal with this question in the Uniform Regulation. He did not especially wish to do so.

It had been said that the question of the transfer of cover and that of the "action d'enrichissement" were questions of common law and for that reason they should not be settled. It might,

¹ See Annex No 10.

however, be desirable to regulate some questions in a uniform manner when the utility of doing so was apparent, even though they concerned common law. In the present case, a uniform regulation would certainly meet the desires of commercial circles.

It was quite impossible to achieve an agreement owing to the point of view of certain countries. It would be better, therefore, not to seek to achieve a complete and ideal uniform regulation which would merely remain on paper but upon which no action would be taken. It would be preferable to have a regulation which, though less complete, was nevertheless ratified by every State. A reservation, therefore, was all that should be allowed, either in the Convention or in the report or in the text concerning conflicts of laws.

M. SCHELTEMA (Netherlands) also thought that everyone agreed in regard to cover. He would desire, however, to refer to the following case, which might arise and which was of great importance in Dutch law. If a bill of exchange had not been paid by the drawee and the protest had not been drawn up in time, the Dutch Code, following in this the French Code, laid down that the endorser had no further obligation but that the drawer remained liable unless he could prove that he had deposited cover with the drawee. That action against the drawer was in accordance with the provisions of Dutch exchange law and was not a point of civil law as was the case, for example, in Germany.

According to Article 52 of the present Uniform Regulation, however, such action could not be taken. By the terms of the reservation made to Article 13 of the Hague Convention, the national laws could provide for this action which concerned exchange law, and for that reason he thought it necessary to make a reservation in the Geneva Convention.

M. PERCEROU (France) said that the only course to take would be to re-insert Articles 13 and 14 of the Hague Convention.

The PRESIDENT considered that the point raised by M. Scheltema had already been partially met by Article 52 of the experts and would be completely met when Articles 13 and 14 had been combined in order to make Article 6 of the Convention.

M. STUB HOLMBOE (Norway) said that if the Conference agreed that the two questions of "cover provided" and "action d'enrichissement" were left to national law, he would not insist on the form of the proposal and would acquiesce in the President's suggestion. The Drafting Committee would consider the matter.

The PRESIDENT took note of the withdrawal of the amendment; the question would be settled in the Convention.

M. GIANNINI (Italy) regretted that the various proposals concerning this question had had to be relinquished and the solution indicated adopted. Nevertheless, he noted that Article 6 of the Convention, which referred only to conflicts of laws, was still accepted. Articles 13 and 14 of the Hague Convention were likewise adopted. The Italian delegation proposed to add to them a paragraph on the following lines:

"The same applies to any other question regarding the legal relation on the basis of which the bill has been issued."

This point was not mentioned in Article 14 and it was desirable that the report should contain explanations on the matter.

The question whether a bill contained a substitution of obligations (*novation*) was a question which was much disputed in practice. Judicial decisions were by no means unanimous in their reply to this question, in regard to which it had been said at the outset of the discussion that it was a very easy one. It was for that reason that M. Giannini thought it useful to have certain explanations inserted in the report.

The PRESIDENT thought that M. Giannini's wishes would be met still better by the insertion, textually, in the report of the Italian and Scandinavian amendments, together with an explanation of the decision taken by the Conference in regard to them.

M. GIANNINI (Italy) accepted this suggestion, but thought that the text which he had read might nevertheless be appended to Article 14.

The PRESIDENT agreed. That was a question of drafting.

Article 52 was approved at a first reading.

NEXT ARTICLE (UNNUMBERED).

The PRESIDENT understood that the Italian and Swiss delegations' amendments had been withdrawn.

M. GIANNINI (Italy) and M. VISCHER (Switzerland) replied in the affirmative.

CHAPTER VIII. — INTERVENTION FOR HONOUR.

The PRESIDENT said that he had hoped that there would be no amendment to this chapter, since it appeared that the case of intervention for honour practically never occurred in actual fact. Unfortunately, several amendments had been tabled.

M. SHIMADA (Japan) said that his delegation wished an express reference to signature to be inserted in the Uniform Regulation because the Japanese Government attached great importance to this question.

M. GIANNINI (Italy) thought that, owing to the explanations which had been given in this connection, the Japanese delegation might find it unnecessary to press this proposal. He drew attention to the danger which might result from a rule of that kind if it appeared either in the Uniform Regulation or in the Convention. Until the Uniform Regulation came into force, it would be possible to disallow the circulation of bills of that kind, since it might be held that signatures affixed by that method were not valid.

The PRESIDENT wished to give a few explanations. The Rapporteurs must know whether a reference was to be made in the report or whether a special reservation was to be allowed.

M. SHIMADA (Japan) wondered whether a formula could not be found so as to obviate the disadvantages mentioned by M. Giannini, and to mention expressly the wishes of the Japanese Government in the Convention.

M. GIANNINI (Italy) thought that the problem did not concern Japan alone, but all countries as well which had colonies ; France, Great Britain, Portugal, the Netherlands, Italy, etc. The Arab races likewise were accustomed to use a mark as a signature. In practice, the problem was of no great importance, since bills of exchange of this kind did not circulate. It did, however, arise in connection with the establishment of a uniform law. It was impossible to make an express reservation merely for Japan. If the Conference decided to allow one, it would have to be far wider. In point of fact, M. Giannini thought the reservation useless, since any expression of personality, whether handwriting or a seal or a mark, was allowed as a signature.

The PRESIDENT thought that the Japanese delegation might be satisfied by M. Giannini's explanations. The countries concerned would be able to follow the present practice without objection.

M. SHIMADA (Japan) said that his delegation would be content if the question were mentioned in the report.

M. PERCEROU (France) wished to have a few explanations concerning Article 37 so as to assist him in drawing up the report. The article contained a clause which fixed the limit of time for presentment at three days. So far as he had been able to gather from the Minutes, the practice of presenting a bill, not on the third day, but on the actual day of maturity, was that obtaining in England and the United States of America. In France, it was an absolutely regular practice and one to which the business world was much attached. M. Percerou quite realised the considerations for which three days had been proposed for presentment, and he had no intention of asking for any change in the uniform law on this point. He would, however, apply to make a reservation similar to that made at The Hague (Article 7), viz :

“ Every Contracting State may supplement Article 37 of the Regulation to this effect — namely, in the case of a bill payable in its own territory, the holder shall be bound to present it on its due date. . . .

“ The other States will be empowered to determine the conditions under which they will recognise such an obligation.”

He merely asked that France might be granted the same reservation as that contained in Article 7.

The PRESIDENT thought that the Conference might concede this reservation to France, seeing that it had already been approved during the discussion.

M. GIANNINI (Italy) said that his delegation had no objection to granting this reservation. If, however, it was desired to be accurate, it should be noted that the Conference had not approved the reservation during the debate.

The PRESIDENT asked whether, in those circumstances, the Conference was prepared to allow it.

The Conference approved the reservation.

M. QUASSOWSKI (Germany) observed that the Conference had adopted an amendment to Article 45 which Germany would find it difficult to accept unreservedly. Under that amendment, a protest could only be drawn up in the course of the two days following the day of maturity. That would be inconvenient to business between small traders in Germany, where protest by post was very widespread. The protest by post was drawn up on the actual day of maturity. For this reason, M. Quassowski requested the Conference to authorise Germany to make a reservation concerning Article 43 so as to allow the drawing up of the protest on the actual day of maturity.

M. HAMMERSCHLAG (Austria) supported the German proposal, seeing that in these cases the bills were very often only for small amounts which played no part in international trade. Furthermore, protest by post would perhaps be introduced in time to come in other countries as well.

M. GIANNINI (Italy) did not wish to oppose the German request for a reservation, but feared that the reservations were becoming too numerous. M. Hammerschlag had just said that this reservation was not one of any great importance, since it related only to bills which did not circulate internationally. No limit, however, had been put to the reservation, and use might be made of it also in regard to bills of exchange of a certain importance.

Care must be taken not to consent to too many reservations, which would overburden the Convention.

M. DE LA VALLÉE POUSSIN (Belgium) said that the practice of protest by post existed in Belgium as well, but did not entail an obligation to draw up the protest on the actual day of maturity. The time-limit in Belgium for the protest by post was the same as that for the protest drawn up by the public officer (*huissier*). There was therefore no reason for not allowing the debtor twenty-four hours' grace. The question was one of organisation, which presented no difficulty in Belgium and in no way justified the introduction of a reservation. The problem, however, was different if it was desired to safeguard a practice existing in Germany.

M. SULKOWSKI (Poland) thought that, if the Conference allowed this reservation, it should be general and should not be made exclusively for the benefit of Germany. Furthermore, the question raised by M. Quassowski was one of great moment to other countries as well, in particular to Poland. The reason why M. Sulkowski himself had not formulated this reservation was only because he had been prepared to sacrifice Polish law from a desire to achieve a uniform regulation. If, however, the Conference was prepared to acquiesce in the reservation for one country, there was no reason why other States should not have the benefit of it.

The reservation requested by the German delegation was approved by 16 votes to 3.

The PRESIDENT added that the reservation would not be made exclusively in favour of Germany, but in favour of all countries.

M. BARBOZA-CARNEIRO (Economic Committee) wished to draw the attention of the different delegations who had submitted reservations to the following point :

The Conference had already adopted a number of reservations to different articles, some of them by a strong majority and others by a very weak majority. Could not the delegations which had taken the initiative in formulating these reservations consider the possibility of withdrawing at least some of them ?

In making this appeal, M. Barboza-Carneiro was convinced that he was serving the cause of the unification of the laws on bills of exchange to achieve which the delegations had met in conference. It would be highly regrettable if the value of the Convention were to be diminished by reservations which would make it inferior to that voted at The Hague in 1912. He felt sure that he was voicing the general desire of the Conference and of the Members of the Economic Committee whom he represented in urging delegations to examine the possibility of withdrawing some of the reservations.

The PRESIDENT supported M. Barboza-Carneiro.

ARTICLE 54.

M. MOLENGRAAFF (Netherlands), speaking on behalf of his delegation, drew the attention of the Conference to the fact that the "referee in case of need" could not be regarded as an intervener as was laid down in Article 54 and the following articles in the draft Regulation. The intervener was a person who, without being asked to do so by the holder, offered to do what the holder had unsuccessfully asked the drawee to do — namely, accept or pay the bill. The "referee in case of need", on the contrary, was a subsidiary drawee, designated as drawee by the drawer in the bill to meet the case where the drawee designated in the first place failed to accept or to effect payment. The "referee in case of need" did not offer to accept or to pay, but the holder was obliged to ask him to accept or pay. If the "referee in case of need" was prepared to accept or to pay, the holder could not refuse acceptance or payment.

If, on the contrary, the "referee in case of need" refused to accept or to effect payment, the holder was obliged to act as if the case were one of non-acceptance or non-payment by some one designated as drawee in the first place. The holder must then have the protest drawn up ; he was afterwards entitled to have recourse against the drawer and the endorsers.

M. Molengraaf asked whether the members of the Conference concurred in the view he had expressed, which was that followed in Dutch law. If that was the case, the Dutch delegation would, in consultation with the Drafting Committee, make such modifications as would become necessary.

M. ARCANGELI (Italy) agreed that the question put by the Dutch delegation was very important. It was partly a question of substance and partly one of form or terminology. The two aspects of the problem must not be confused.

As to the substance of the question, he wondered whether the Dutch delegation's opinion — namely, that the "referee in case of need" was a subsidiary drawee — was correct. Personally, he did not share that view. He was well aware that it was a very widespread principle in practice, but it was not entirely in conformity with the truth, since a person who drew a bill on the drawee generally did so because he was his creditor. The result was that if the drawee accepted he was liable, from the point of view of exchange law, to the drawer. If, on the other hand, the drawer,

or any other party liable, designated a "referee in case of need", he did so, not because he was his debtor, but because he hoped to obtain a signature from this "referee in case of need" — namely, an acceptance "in case of need" — for the purpose of obviating the effects which would result from non-acceptance by the drawee.

The consequence was that if the "referee" accepted, the drawer had no right of action under exchange law against him. Such action existed only in regard to the party liable who came immediately after the person on whose behalf intervention had been exercised and in regard to the other parties liable.

It was, however, true, and on this point M. Arcangeli entirely agreed with the Dutch delegation, that the "referee" must not be confused with a third party who accepted. The situation differed entirely according to whether the case was that of a "referee" who accepted or a third party who accepted. In the case of a "referee" who accepted, the holder must have the signature affixed, and he could not have recourse against the parties liable, since, owing to the specification of this fact in the bill, he was aware that he must be content with acceptance by the "referee". If, on the contrary, it was a third party who accepted, the holder might refuse such acceptance, and he preserved his rights of recourse against the other parties liable.

On this point, M. Arcangeli thought that he was in complete agreement with the Dutch delegation.

As to the terminology, it must be allowed that the various laws had solved this question in different ways.

It might be held that a "referee" who had accepted was an intervener, but an intervener who must be carefully distinguished from a third-party intervener. Both in the Hague draft Convention and the experts' text the word "intervener" applied to the "referee" and to the third party alike. A distinction, however, must be made in regard to the effects, and that distinction had been laid down in the Hague Convention of 1910. In the 1912 Convention and in the text of the experts, on the other hand, there was a certain confusion, and consequently Article 55 would have to be modified. A proposal for its modification had already been made by certain Scandinavian delegations and M. Arcangeli was prepared to support their proposal, the object of which was to correct an error in the text of Article 55.

If the question was solved in accordance with M. Arcangeli's views, Article 54 might apparently remain as it was, for there was no difficulty in agreeing that the "referee" should even be described as an intervener. M. Arcangeli considered that, put in this way, the question could be solved easily.

M. GIANNINI (Italy) thought that M. Arcangeli had very clearly expressed the problem to be examined in regard to the substance while dealing with Article 55. The Italian delegation had confined itself to drawing the Conference's attention to the desirability of reverting to the 1910 formula, but in order to elucidate the discussion it had nevertheless prepared a form of wording.

The discussion on Article 54 might be suspended and the formula proposed for Article 55 examined. When agreement had been reached on the latter, the Conference might return to Article 54 and examine the amendments relating to it.

The PRESIDENT said that he had intended to make the same proposal. Everyone apparently agreed that there was a certain difference between the intervener and the "referee". If agreement were reached on Article 55, the only outstanding question would be that of drafting.

This procedure was adopted.

ARTICLE 55.

The PRESIDENT said that the Italian delegation thought that this Article, adopted by the 1912 Conference (Article 55) should be revised on the basis of the principles proposed by the 1910 Conference (Article 32).

The delegations of Denmark, Finland, Norway and Sweden proposed that the conference :

1. Should adopt the principle that when the drawer has designated, to accept in case of need a person domiciled in the place of payment, the bearer shall duly present the instrument to such person and shall enter protest if acceptance is refused, failing which he shall lose his right of recourse before maturity ;

2. Should request the Drafting Committee to frame a text embodying this principle.

The new wording of the Italian amendment was as follows :

"Acceptance by intervention may take place in all cases where proceedings by way of recourse are open to the holder of an acceptable bill of exchange before maturity.

"Where the drawer or an endorser has, under Article 54, paragraph 1, indicated a referee in case of need as domiciled in the place of payment to accept the bill of exchange, the holder must in due time present the bill to the referee in order to obtain acceptance by intervention and to have the protest drawn up if acceptance is refused. If he omits to do so, he loses the rights of recourse belonging to him before maturity.

"In all other cases, the holder may refuse acceptance by intervention, but if he allows it, he loses, as against the guarantors, the rights of recourse belonging to him before maturity."

M. ARCANGELI (Italy) thought that the first paragraph required no explanation. It was not contained in the 1910 text, but it would be wise to insert it in the Regulation, for it raised the question in general terms.

In regard to the second paragraph, M. Hammerschlag had put a question connected with the wording. He was perhaps right ; the text was that of 1910, which could be improved.

As there was a "referee" designated in the bill, the second paragraph determined the consequences devolving from it — namely, that the holder was obliged to present the bills to the "referee" in order to obtain acceptance — and to perform the consequential formalities.

The third paragraph reproduced the text of the experts, because it contained certain provisions which it would be wise to add. The phrase "in all other cases" covered the case in which acceptance had been given by a third party.

It appeared that the two positions of the "referee" and the third party were thus clearly distinguished.

Lastly, there was a small question which had not been raised by the amendment submitted by the Scandinavian delegations. By adding the words "or an endorser" after the words "where the drawer", the Italian delegation thought that a difficulty which might occur was solved. These words were in direct relation to Article 54, which said that even an endorser might specify a person to accept or pay in case of need.

As to the substance of the question, it would, he thought, be useful to preserve the endorser's right to specify a "referee". It might even be said that it was he who had the stronger reasons for this, stronger even than the drawer himself. It might happen that the position of the drawee underwent a change after the issue of the bill by the drawer. The drawer would no longer be able to designate a "referee" in the bill, if he was not in possession of it. In that case, it was the endorser who, in anticipation of the possibility of non-acceptance or non-payment by the drawee, could designate a "referee" in the bill.

The case therefore might arise, and it would be well to solve the difficulty.

M. HAMMERSCHLAG (Austria) said that the question had already been discussed in the Committee of Experts, several of whom shared the views of the Italian delegation. The Austrian delegation was all the more ready to support this view as it corresponded to the Austrian law, in which Article 57 laid down that acceptance by the intervention of a person who is not designated as a "referee" could be refused. He also drew the attention of the Drafting Committee to the word "come" to be found in the following sentence in the Italian proposal :

"Lorsque le tireur (ou un endosseur) en vertu de l'article 54, alinéa premier, a indiqué un besoin *comme* domicilié au lieu du paiement. . ."

M. MOLENGRAAFF (Netherlands) wished to know why the Italian delegation had used the restrictive expression "domiciled in the place of payment". Why should not the drawee be allowed to designate a "domiciliary referee" in a place other than that of the place of payment?

M. HERMANN-OTAVSKY (Czechoslovakia) thought that the formula proposed by M. Arcangeli might constitute the basis of a general agreement. One observation was, however, necessary.

The second paragraph of the Italian proposal stated that : "The holder must in due time present the bill to the referee in order to obtain acceptance by intervention. . . If he omits to do so, he loses the rights of recourse belonging to him before maturity." This formula was too hard and fast, in view of the severity of the penalty, for the holder lost any right of recourse which he had possessed before maturity. It might perhaps be possible to say in accordance with the new Czechoslovak law and the law of several other countries as well, that the holder "was bound to present the bill of exchange before exercising his right of recourse, etc." Presentment to the holder should precede the exercise of recourse, but it was not in the nature of a conservatory act.

M. EIGTVED (Denmark) stated that the proposal of the Danish, Finnish, Norwegian and Swedish delegations was included in the Italian delegation's amendment. He thought, however, that it would be better to keep the second paragraph of the proposal put forward by the Scandinavian countries, which suggested that the Drafting Committee should draw up a text covering this principle. The Scandinavian delegations also thought that, in order to safeguard the legitimate interests of trade, especially of overseas trade, if the drawer had designated an address to the "referee", the holder must present the bill to him either for payment or for acceptance before drawing up a protest of non-acceptance in cases when the drawee refused to accept. Such a provision was desirable in order to avoid difficulties which might arise in cases where, in the case of documentary bills, for example, the person designated by the drawer was the "referee" or expressly appointed to take charge of the documents.

His main desire was that the Conference should reach an agreement in principle. The Drafting Committee could be left to draw up a text meeting its views.

M. Eigtved added that the intervener could never be regarded as an acceptor, but only as a payer.

M. SCHELTEMA (Netherlands) agreed with the view of the Italian delegation that it would also be possible for an endorser to designate "the referee". Was it necessary, however to say that it was only when the holder had made no protest against the "referee" and had asked no payment from the "referee" that he lost his rights against this endorser and not against previous endorsers and the drawer, since they had not caused their obligations to be dependent upon presentation to the "referee".

M. DA MATTA (Portugal) agreed with the Italian delegation, but drew the attention of the Drafting Committee to the expression used in the second paragraph of the Italian amendment : "where the drawer or an endorser. . . has specified a referee. . .". This was a well-known expression in commercial practice, but was obviously not of a very legal kind. It should be explained that the reference was to a person who could accept the bill in the case of need.

M. ARCANGELI (Italy) recalled that intervention had always raised a very large number of very difficult questions, as was shown in the "Pratique d'Anvers", in M. Thomsen's edition. It was obvious that the Drafting Committee should draw up a final wording, but it must be given sufficient data to enable it to solve the problems involved. The question of the endorser had been settled, but many others had been raised.

M. Molengraaff and M. Hermann-Otavsky had drawn attention to the second paragraph, which stated: "Where the drawer or an endorser . . . has specified a referee domiciled in the place of payment. . .". This domiciliation at the place of payment was not only to be found in Article 32 of the Convention of 1910, but also in Article 54 of the Geneva Convention. The principle underlying this wording was to make it clear that it was not desired that the holder should go at maturity to various places which might be very far away from each other in order to draw up different protests or in order to continue the same protest. The period for protest was short and sometimes it was not possible to perform all the necessary formalities within the time-limit.

Another question had been raised by M. Hermann-Otavsky, who said that the words "in due time" were not necessary. The Conference should show prudence before deleting them. Intervention had been established mainly to avoid protests. The protest was always a danger for the drawer and the endorsers. It was that which it was desired to avoid. A custom established for several countries laid down that the intervention of "the referee" or of the third person at the moment of the protest was effective and took effect. When, however, it was made late, that was to say, if it came after the protest, but before the recourse, it eliminated a number of objections — even recourse itself — but did not eliminate the objection of the protest which had already been drawn up.

This question could be dealt with one way or another according to practical considerations; it could obviously be referred to the Drafting Committee, but there was nothing to prevent it from being settled immediately.

The representative of Denmark had contemplated another and more radical solution — the elimination of the acceptance of the third party. That solution had likewise been followed in the Italian proposal, but it would be difficult to introduce it in a uniform regulation applicable to a large number of countries. Finally, as to the referee designated by an endorser, M. Arcangeli thought that the Conference had already taken two decisions on this point in connection with similar preferences, in the sense that when a special mention was inserted by an endorser, it held good only for such endorser himself and that the holder lost his rights of recourse only as against such endorser himself.

M. QUASSOWSKI (Germany) added that he lost his rights in so far as the successive guarantors were concerned.

M. ARCANGELI (Italy) said that, in principle, he was unable to concur in M. Quassowski's point of view. There was in this connection, however, a question of the concordance of the two texts, which would have to be examined.

M. PERCEROU (France), in agreement with M. Giannini, proposed the following text to form the second paragraph of Article 55:

"When the drawer or an endorser has, in virtue of Article 54, paragraph 1, indicated in a bill of exchange a referee in case of need in the place of payment, the holder must present the bill to the person designated to accept it and, if the acceptance is refused, he shall draw up a protest."

There would be no change in the rest of the Article.

M. SULKOWSKI (Poland) requested the President to ask the Conference to take a decision on the principle, it being understood that the actual wording would be settled by the Drafting Committee.

The PRESIDENT thought that it would be difficult to vote only on a principle. It would be better to take a decision on the Italian amendment as changed by M. Percerou and reserve the question of wording.

The Italian amendment, as modified by M. Percerou was adopted.

The Dutch proposal was also sent to the Drafting Committee, which would revise the complete text of Article 55.

TWENTIETH MEETING.

Held on May 26th, 1930, at 10.30 a.m.

President: M. J. LIMBURG.

25. Departure of a Number of Members.

The PRESIDENT announced that Baron Carton de Wiart, M. Hammerschlag and M. Troullier would be unable to attend further meetings. He was sure that he was voicing the views of the Conference when he said that these three delegates had contributed greatly to the clarity and

value of the discussion, so that each of them might be referred to in the terms used of Molière by the French Academy: "Rien ne manque à sa gloire, il manquait à la nôtre." Baron Carton de Wiart would be replaced by M. van Zeeland, who was already very well known in connection with exchange matter and to whom the President extended a welcome.

**26. Discussion of the Draft Regulation concerning Bills of Exchange and Promissory Notes :
First Reading (Continuation).**

ARTICLE 54 (continuation).

M. Deoclecio DE CAMPOS (Brazil) made the following declaration :

"Certain delegations representing very important countries have informed the Conference that cases of intervention as specified in exchange law are very rare in their countries. Others have even said that this institution has never been applied in practice.

"In Brazil, such cases are allowed by exchange law and often occur on the market. In relations between Brazil and the Portuguese Exchanges, for instance, they are found to occur daily and the legislation and jurisprudence of the two countries — I need mention no others — have had to take action and, in cases of dispute, settle the legal status, the charges and the rights of the interveners. It is to be hoped that this institution will be settled in such a way as to obviate the possibility of another reservation being made in the Convention.

"It may be said in passing that the retention of the article dealing with redrafts at the meeting before the last has made it possible for the Brazilian and other delegations to obviate the necessity of having to propose the insertion of yet one more reservation in the Convention.

"This observation is dictated by the fact that we have noticed during the discussions tendencies towards what I may call 'unilaterality' in regard to certain legal and practical questions which hamper a more complete unification.

"The institution of intervention is provided for by Brazilian law which covers cases of 'claimed' intervention (if I may so translate the Portuguese word 'reclamada'); that is to say, the case of reference in case of need as well as cases of spontaneous or voluntary intervention.

"The legal status differs in two ways, as is generally the case in other countries. It may be proved either at the time of acceptance or refusal or at the time of maturity and at the payment of the bill.

"Without going into details, I may say that according to the law, if the bill is accepted, intervention cannot take place unless the holder gives his consent.

"The legal status of the intervener is then identical to that of the debtor; the consequence is that he becomes liable in exchange law.

"It is accordingly a *sine qua non* that the possessor or holder must give his consent.

"The two interveners — that is to say, the 'referee in case of need' or the voluntary intervener — remain liable in exchange law as a result of acceptance.

"Where the bill is paid, the voluntary intervener is substituted in regard to all rights for the person whose signature he has honoured.

"The legal picture of the institution as laid down in the Hague text satisfies in theory and in practice — except on certain divergent points — the provisions of Brazilian law.

"The Brazilian delegation will therefore follow with interest the discussion of this question, which is so important to it, and will approve the retention of the text established by the 1912 Conference, subject to certain changes which entail no alteration in the fundamental structure of the institution, in conformity with the principles of law."

The PRESIDENT asked whether the amendments to Article 54 submitted by the Japanese¹ and Czechoslovak² delegations might be considered withdrawn in view of the new wording of Article 55.

M. SHIMADA (Japan) replied in the affirmative, provided that Article 55 in its new wording was regarded as implicitly settling the question in the sense of the Japanese amendment.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that a satisfactory basis had been found for the discussion and settlement of this question in M. Arcangeli's proposal, but that the text had not been finally settled.

The article should be confined to mentioning the addresses of the "referees in case of need" who were domiciled in the place of payment. There should be no necessity to consider the others, and the holder could disregard them, since it would be very difficult to settle the question if there were "referees in case of need" in different places.

Article 59, moreover, was cognate to Article 54, since it said "the holder must at the place of payment. . ." and that if there were "referees in case of need" domiciled in another place this provision would then apply — namely, that the holder or notary must nevertheless seek for them at the place of payment — a proceeding which would be very troublesome. It would be necessary to have a protest of absence (*protêt d'absence*).

The Czechoslovak delegation therefore adhered to the condition which it had laid down, but was ready to relinquish it if it appeared in M. Arcangeli's text as seemed probable.

The PRESIDENT thought that the wording adopted at the end of the last meeting entirely met the Czechoslovak delegate's point.

M. HERMANN-OTAVSKY (Czechoslovakia) withdrew his amendment.

¹ See Annex N° 11.

² See Annex N° 12.

M. GIANNINI (Italy) thought that it would perhaps be better to pass over the other Czechoslovak amendment to Article 54 as well, since the formula as proposed applied equally in regard to Article 58. That was a question to be settled by the Drafting Committee.

The PRESIDENT considered M. Giannini's observation important from the point of view of the wording. The Conference, however, need not deal with the matter for the moment. Agreement had been reached on the substance. The only question to be settled was that whether it would not be better to insert the mention of the place of payment by the "referee in case of need" in Article 54 rather than in Article 55, since the question arose also in regard to Article 58. That would obviate the repetition of the same wording in Articles 55 and 58. The Drafting Committee would have to examine this point.

M. QUASSOWSKI (Germany) raised certain objections to the Czechoslovak proposal concerning Article 54, paragraph 1. That proposal had apparently been withdrawn, but it appeared now to have been taken up again by the Italian delegation.

The PRESIDENT observed that the Japanese and Czechoslovak amendments to the first paragraph had been withdrawn, since Article 55 as adopted on Saturday covered the question in a way which satisfied Japan and Czechoslovakia. According to M. Giannini, the question of the place of payment by the "referee in case of need" could be introduced in Article 54, thus obviating a repetition in Articles 55 and 58.

M. QUASSOWSKI (Germany) thought the position to be somewhat different. It was a question of substance that had to be settled.

The PRESIDENT held that this question of substance had been settled at the previous meeting in connection with Article 55. That decision had an effect on Article 54.

M. QUASSOWSKI (Germany) thought that no vote had been taken on the Czechoslovak proposal and on the general question whether it was possible to designate a "referee in case of need" having his domicile in the place of payment or otherwise.

The PRESIDENT replied that the solution depended solely upon the interpretation of Article 55 which had been adopted.

M. Molengraaff had raised an objection similar to that of M. Quassowski. It was desired not to have a "referee in case of need" or an intervener in America when payment had to be made in Europe. It was to meet this point that the text of Article 55 had been adopted.

M. Giannini had been right in affirming that, from the point of view of wording, the question might be considered whether the specification of the domicile of the "referee in case of need" should not be inserted in Article 54, since, if that procedure were followed, there would be no necessity to repeat it in Article 55.

M. QUASSOWSKI (Germany) believed that two distinct questions were involved. The first was whether it was possible to specify a "referee in case of need" who had his domicile at a place other than the place of payment; the other was under what conditions the holder lost his right of recourse if he refused the acceptance of the "referee in case of need". The second question was decided by the Italian proposal, to which he did not intend to make any objection. The first question, however, remained open. M. Quassowski added that the specification of a "referee in case of need" gave an additional right to the holder. The suppression or restriction of that right was not to be recommended. It would, however, be restricted if such specification were admitted only when the person specified had his domicile at the place of payment. Whether the holder who refused acceptance or payment by the person specified lost his right of recourse was another question and one that must be settled differently according to whether the person specified was or was not domiciled at the place of payment. It was fair to restrict the loss of recourse when the person specified had his domicile at the place of payment.

The latter question had been settled by the Italian proposal, but the other question, which was the object of the Czechoslovak amendment, was still open.

The PRESIDENT considered that the distinction which the German delegate had just made had not been drawn during the discussion. Indeed, the Minutes of the previous meeting stated:

"When the drawer or an endorser has, in virtue of Article 54, paragraph 1, indicated in a bill of exchange a referee in case of need in the place of payment. . ."

This passage implicitly settled the question raised by M. Quassowski.

M. QUASSOWSKI (Germany) considered that the problem arose in a different manner in the third paragraph.

The PRESIDENT pointed out that the formula "in all other cases" had not appeared to him to be clear and that he had proposed to refer it to the Drafting Committee.

M. QUASSOWSKI (Germany) would be satisfied if paragraph 3 were to be understood to mean that it related to cases in which the person specified had a domicile other than that of the place of payment.

The PRESIDENT did not believe that by the formula "in all other cases" the Conference intended to cover the case referred to by M. Quassowski.

M. SULKOWSKI (Poland) was of opinion that two different questions were involved. By accepting the Czechoslovak proposal, the Conference would limit the right to specify a "referee in case of need", in the sense that the holder would never be able to apply to a "referee" whose domicile was different from the place of payment of the bill. There was no reason for limiting the possibility of specifying a "referee in case of need", even if he was domiciled in a place other than the place of payment. At the previous meeting, the Conference had only settled the question of the right of recourse when it adopted the Italian proposal in regard to acceptance and Article 59 in regard to payment by intervention. The holder was only obliged to apply to the "referee" specified in case of need who was domiciled at the place of payment. If, however, for certain reasons the holder considered it desirable to apply to a "referee in case of need" who was not domiciled at the place of payment, there would be no reason for preventing him. If the "referee in case of need" domiciled in another place had accepted the bill of exchange, he was bound by that acceptance.

M. Sulkowski considered that the Conference would be able to avoid the difficulty by refraining from completing Article 54 with the Czechoslovak proposal. It would then be obvious that the drawer was not limited in specifying a "referee in case of need", and that, on the other hand, Articles 55 and 59 referred only to the question of recourse.

The PRESIDENT noted the disagreement which appeared to divide the Conference on the question whether a drawer or an endorser could specify a "referee in case of need" in a place other than that of the drawee. Personally, he had had the impression during the discussion of the preceding meeting that in accepting the amendment to Article 55 the Conference had implicitly decided in the negative. He would, however, have no objection to reopening the discussion if the meeting considered it useful to return to the question. It would indeed be preferable to clear up the point.

For these reasons, the President asked the Conference whether it intended to accept the principle that the intervener or "referee" might have a domicile other than that of the drawee. If the Czechoslovak amendment to Article 54, paragraph 1, were rejected, the present text might be interpreted as giving the drawer and the endorser the right to specify an intervener or "referee" domiciled elsewhere than at the place of payment of the bill. Thus there would be nothing to add to the text.

M. VISCHER (Switzerland) had been of opinion at the preceding meeting that in adopting Article 55 the Conference had at the same time rejected the Czechoslovak proposal. If that were not the case, the representative of Switzerland entirely supported the observations of M. Quassowski as well as M. Sulkowski's explanation. There was no reason to exclude the possibility of specifying an intervener or "referee" whose domicile was different from that of the place of payment. What M. Vischer could not accept was the imposition on the holder in that case of the obligation to present the bill. Account had been taken of that point of view when Article 55 had been adopted, but at the same time the Czechoslovak amendment had been rejected. If it were put to the vote a second time, M. Vischer would vote against it.

M. QUASSOWSKI (Germany) believed that the text of the Italian proposal was not inconsistent with his own opinion. He thought that the Italian delegation itself was of opinion that a "referee" domiciled in a place other than the place of payment could be allowed.

The text of the Italian amendment was as follows :

"Where the drawer or an endorser has under Article 54, paragraph 1, specified a referee in case of need domiciled in the place of payment. . ."

If the possibility of having a referee in case of need domiciled in a place other than that of payment did not exist, the text would have been different. Paragraph 3 should therefore be interpreted as including the other cases, that was to say, those in which the "referee" was domiciled in a place other than that of payment.

In conclusion, M. Quassowski supported the opinions expressed by M. Vischer and M. Sulkowski.

The PRESIDENT pointed out that from the moment at which the Italian amendment had been interpreted differently by different delegates, the discussion was reopened on the question as to whether the "referee" should have his domicile at the place of payment or whether he could be domiciled elsewhere.

M. HERMANN-OTAVSKY (Czechoslovakia) explained that the intention of his delegation was to spare the holder the necessity of presenting the bill to the "referee" who was domiciled in a place other than that of payment. It would be extremely difficult to send a bill of exchange from one town to another. The time-limits would be insufficient and it would be necessary to prolong them. The object of the Czechoslovak amendment was also to save the holder the loss and forfeiture of his rights in the event of failure to present the bill. For that reason, the Czechoslovak delegation had suggested the insertion, after the words "specify a referee", of the following words: "resident at the place of payment".

M. Sulkowski had asked that those words should not be inserted, in order to obviate restricting the right to designate referees and so even to make it possible to designate referees who resided in a locality other than the place of payment. Intervention by such persons would not, however, be excluded altogether; it might perhaps be possible to have recourse to them by way of an "aval"; payment by intervention might likewise be offered by a person residing in a place other than that of payment.

M. Hermann-Otavsky repeated that he had simply wished to preserve the holder from the loss and forfeiture of his rights. Nevertheless, if the text of the Italian delegation achieved that result, the Czechoslovak delegation was prepared to withdraw its amendment.

At the same time, it seemed to him that paragraph 3 might give rise to some doubt, but he believed that the Italian delegation had no intention of including cases in which the "referee" was domiciled in a place other than that of payment.

M. GIANNINI (Italy) drew the attention of the Conference to the fact that Article 55 had been adopted. He hoped that it would be possible to reach agreement in regard to Article 54. If the Conference was in agreement in regard to those two articles, M. Giannini was ready to adopt Article 54 as it stood, for the very simple reason that it concerned a practical and not a theoretical problem, and in those circumstances he was willing to leave an illogicality in Article 54. Indeed when the practical problems were definitely settled, such an illogicality might very well be allowed. He did not, however, think that there actually was any such illogicality.

The PRESIDENT thought that the Conference should take a decision. It appeared from the discussion that the first paragraph of Article 54, as it was at present drafted, might very well be interpreted as authorising the specification of a "referee" whose domicile was other than that of payment. If that were the interpretation which the Conference gave to it, the paragraph could remain as it stood. Paragraph 3 would then refer to other cases — that was to say, those in which the "referee" was not domiciled at the place of payment.

The Conference should therefore first take a decision on the interpretation to be given to the first paragraph of the article, and then on the substance of the question.

The President pointed out that there remained an amendment submitted by the Czechoslovak delegation in regard to paragraph 2 of Article 54 to replace the words "for any person who has signed it" by the words "for any of the parties liable by way of recourse".

M. HERMANN-OTAVSKY (Czechoslovakia) held that in paragraph 2 of Article 54 the right of intervention would have to be restricted so that it could only be allowed in favour of any of the debtors liable to an action in recourse. It was difficult to imagine cases in which such intervention could be allowable on behalf of any other debtor, and there seemed no urgent necessity for allowing it on so broad a basis.

The object of intervention was to exclude recourse proceedings and it was entirely logical to allow it on behalf of indirect debtors — namely, the drawer and the endorsers — but it would be unusual to allow it on behalf of the acceptor.

In regard to the acceptor, Article 59, paragraph 2, reading as follows, must be borne in mind :

"In default of protest within this limit of time, the party who has indicated the referee in case of need, or for whose account the bill has been accepted, and the subsequent endorsers, are discharged."

The acceptor would thus be discharged from his obligation. The situation would then be as follows : The drawee, having accepted, would have incurred the principal or direct obligation, that which established the basis of the credit of the bill ; if there was intervention on behalf of the acceptor, the holder would be obliged to present the bill and to draw up the protest in order not to lose his rights against the acceptor. In this way, the drawee would have accepted, but with a very noteworthy restriction — namely, on condition that the bill was presented within a short time-limit and that the protest was drawn up.

Apparently there was an inconsistency here. The acceptor was the principal debtor and by this roundabout method he would become only an indirect debtor. If, however, it was agreed by the majority of authorities that the practical object of intervention for honour was to cut short or exclude recourse proceedings, there were no reasons for allowing intervention on behalf of the acceptor.

The PRESIDENT thought that there was a mistake here and that the Czechoslovak amendment was logical.

The Czechoslovak amendment was adopted by 14 votes to 1.

M. DA MATTA (Portugal) wished to make a few comments and to submit various amendments to Article 54. He would refer first to the declaration made by M. Deoclecio de Campos at the beginning of the meeting.

M. Percerou had said at the previous meeting that it was very rare that a third party was designated to accept or pay. His idea seemed to be that a designation of that kind indicated a lack of confidence in the drawee. Nevertheless, as the Brazilian delegate had rightly pointed out, that situation occurred often and quite definitely in relations between Portugal and Brazil. This fact sufficed to show the desirability of making a special reference to the matter in the uniform law. It would even appear that there were advantages in spreading the practice of intervention, since it facilitated the circulation of bills of exchange, obviated the discredit involved for the signatories in non-acceptance or non-payment and avoided the onerous alternative of providing a surety or paying the bill, an alternative which might arise for a party liable in consequence of non-acceptance.

He regretted, moreover, that the Conference had decided in favour of keeping the first paragraph of Article 54, the result being that the general character which predominated or should predominate the question of intervention, and which appeared in that article, would be counteracted by the sub-articles. That was an illogical situation, but it was not the only one in the draft uniform law.

Article 54, paragraph 1, which said "the drawer or an endorser may specify a person. . ." should, he thought, be supplemented by the words "person giving an 'aval'" after the word "endorser". The drawer, the endorsers and the person giving an "aval" were all equally

concerned in the acceptance or payment of the bill, since they all had their credit to save and expenses to avoid in one way or another. In view of the situation in which the person giving an "aval" was placed as a result of Articles 31 and 46, there did not appear to be any reason for refusing him the right to designate a person to accept or pay the bill.

M. da Matta accordingly proposed that the first article should read: "The drawer, an endorser or a person giving an 'aval' may designate. . .". Further, paragraph 1 referred to the person designated to accept or pay, and paragraph 2 said: "A bill of exchange may, under the conditions hereafter set forth, be accepted or paid by a person who intervenes for any person who has signed it." The paragraph, in order to be clear, should read: "A bill of exchange may, even in the absence of such designation, and under the conditions. . .".

The intention apparently had been to refer in this way to both forms of intervention: in paragraph 1, to intervention by specification of one of the parties liable on the bill — that was to say, the case of "accettazione al bisogno" in Italian law — and, in paragraph 2, to intervention without any designation of any parties liable on the bill — that was to say "accettazione per onore" in Italian law. M. de Matta ventured to call the Drafting Committee's attention to this point and believed that the Czechoslovak amendment represented only a different formula which expressed the idea contained in the words "for any person who has signed it". That question, however, was now solved.

There were certain comments to be made on Article 54, paragraph 3, the first being as follows: paragraph 3 said that the intervener might be a third party, even the drawee "or a person already liable on the bill, except only the acceptor". M. da Matta did not understand this clause. A person already liable on the bill, for instance, the drawer, the endorsers and the respective persons who had given an "aval", could intervene. If, however, they were, in consequence of their legal status, already guarantors for the payment of the bill, their intervention, as provided for in paragraph 1, would be a useless and meaningless formality. It would amount to repeating a promise which had not been fulfilled and would add nothing to their legal position.

Finally, paragraph 4 did not cover the possibility of presentment to more than one person for the acceptance of the bill. He thought that a rule should be formulated similar to that embodied in Article 62 and that reference should be made to the case of competition for payment by intervention; the preference was given to the payment which effected the greater number of releases in each group. M. da Matta proposed, accordingly, a wording similar to that of Article 62 or any other equivalent wording.

In regard to paragraph 4 of Article 54, he considered that it was necessary to explain the expression "without delay", and proposed that a time-limit of two days be allowed for notice of intervention.

The PRESIDENT regretted that the Portuguese delegate had intervened at so late a stage to present five amendments.

His first amendment consisted in inserting in the first paragraph of Article 54 the "drawer and endorser or the giver of an 'aval' may specify. . .".

This amendment was rejected by 10 votes to 5.

M. GIANNINI (Italy) stated that if the Portuguese delegation had not submitted an amendment agreement would have been reached. Now it was impossible to understand the position. He considered that the giver of an "aval" was in the same position as the endorser. It had not been desired to say so expressly, but he wished that the fact should be noted in the Minutes, since the question, however, had not been settled, but remained where it was.

The PRESIDENT considered that the text of paragraph 1 of Article 54 did not cover the case of the giver of an "aval". In Article 45, the Conference had decided expressly to include the giver of an "aval" in connection with the stipulation "*retour sans frais*", "*sans protêt*". Consequently, according to the text of paragraph 1 of Article 54, the giver of an "aval" could not be included. Obviously, if the Conference desired that it should be included, it would have to take a decision in the matter.

M. DA MATTA (Portugal) withdrew all his amendments to Article 54.

M. SHIMADA (Japan) asked the President whether paragraph 1 of Article 54 should be interpreted in a very wide sense — that was to say, whether it was possible to designate both a person domiciled at the place of payment as well as one not domiciled at the place of payment.

The PRESIDENT stated that the Conference desired that the first paragraph of Article 54 should be interpreted in the following manner: The drawer or an endorser may specify a person who is to accept or pay in case of need. That paragraph referred equally to those who were domiciled in the same place as the drawee and those who were domiciled elsewhere.

M. SHIMADA (Japan) regretted that he had withdrawn his amendment. He had understood the President to state that paragraph 2 of Article 53 settled the question in a narrow sense.

The PRESIDENT replied that the Conference, contrary to the Czechoslovak and Japanese amendments, was of opinion that the first paragraph referred to persons who were domiciled either in the same place as the drawee or elsewhere. On the other hand, and this gave satisfaction to the Japanese delegation, in Article 55, which had been adopted at the nineteenth meeting, a decision had been taken in regard to the legal effects, and only cases in which the intervener or the "referee in case of need" were domiciled in the same place as the drawee had been taken into consideration.

M. SHIMADA (Japan) said that the Japanese delegation did not desire the principle that a person not domiciled in the place of payment could be designated to be adopted, for this case sometimes gave rise in Japan to difficulties in practice. The Japanese delegation might have to make a reservation on this point.

The PRESIDENT did not think that the Japanese delegation would have any reason to make a reservation. After reflection, he thought they would readily perceive this to be the case, for the text stipulated that in all other cases the holder could refuse acceptance by intervention. This formula covered the case of a difference in domicile on the part of the drawee and of the intervener.

M. SCHELTEMA (Netherlands) thought that the final paragraph of Article 55, which said that in all other cases the holder could refuse acceptance, did not cover the "referee in case of need". It must be laid down that it was not necessary to present the bill for acceptance.

The PRESIDENT recalled that the Conference had decided to refer this third paragraph to the Drafting Committee for examination. If M. Scheltema wished to make any remarks on the subject, he should make them to the Drafting Committee.

M. LOEBER (Latvia) asked whether Article 54, paragraph 1, included in the expression "endorser" a *sine obligo* endorser. On this point, German opinion was in the affirmative, more particularly that put forward by M. Langen in his work on intervention. M. Loeber thought that this view was not justified. According to Article 14 of the Uniform Regulation, the endorser, unless there was a stipulation to the contrary, was a guarantor of the acceptance. This meant that the *sine obligo* endorser was not the guarantor. Consequently, the provision in paragraph 1 of Article 54 should not be applied to *sine obligo* endorsers. M. Loeber proposed that the Conference should state this either in its report or in some other manner.

M. SULKOWSKI (Poland) observed that M. da Matta had pointed out that Article 45 had made it possible to insert the "*sans frais*" stipulation in the case of the person giving an "aval". M. Sulkowski had first of all taken the view that this possibility should not be admitted, for it would complicate the circulation of the bill. As, however, this right had been allowed, it was essential to insert likewise in Article 54 a stipulation providing that the person giving the "aval" could designate a "referee in case of need". It should not be deduced from the vote of the Conference on this point that it had decided in the negative. Perhaps the question could be sent to the Drafting Committee, with instructions to bring Article 45 into concordance with Article 54.

M. DEOCLECIO DE CAMPOS (Brazil) agreed with the proposal of M. Sulkowski. The amendments submitted by the Portuguese delegation were of a very organic character; they therefore deserved careful examination by the Conference. As the result of the vote on the first of these amendments, M. da Matta had withdrawn them all. If M. da Matta agreed, the representative of Brazil would propose that the other Portuguese amendments, upon which a vote had not been taken, should be submitted to the Drafting Committee for examination. That Committee could lay them before the Conference at a later stage if it thought good to do so.

The PRESIDENT pointed out that the Conference had voted on the first amendment of M. da Matta. It had rejected this proposal with a full knowledge of the facts. It was impossible, therefore, for the Conference to return to it immediately. Nevertheless, if during the second reading the Conference took into consideration any of the other amendments proposed by M. da Matta after they had been examined by the Drafting Committee, should that Committee propose that the Conference should take them into consideration, there would then be time to do so. The President therefore suggested that the Portuguese representative should submit his proposals to the Drafting Committee, which would examine them and might submit them to the Conference at the second reading if it thought good.

M. DA MATTA (Portugal) thanked the representative of Brazil for the suggestion he had made and the President for having accepted it.

The reason why he had withdrawn his amendments was not to protest against the procedure adopted by the Conference, which was free to accept or reject any amendments submitted to it. On the contrary, he would pay a tribute both to the President and to the Conference.

Article 54 as a whole was approved at a first reading.

ARTICLE 56.

This article was approved at a first reading.

ARTICLE 57.

The PRESIDENT said that the Japanese delegation had submitted an amendment to paragraph 2 to the effect that reference should be made to a receipted account.

This amendment appeared logical according to the principle *eadem ratio eadem lex*. The Conference could, he thought, accept it and the Drafting Committee be called upon to settle the final wording.

With this reservation, the Japanese amendment was adopted.

M. GIANNINI (Italy) said that, according to Article 31, the giver of an "aval" was under the same obligations as the person for whom he stood guarantor. Paragraph 2 of the same Article stipulated that his engagement was valid, even when the liability which he had guaranteed was inoperative for any reason other than a defect of form.

Article 57 also made the acceptor by intervention liable to the holder and to the endorsers subsequent to the party for whose account he had intervened in the same manner as the latter, but did not define, as was the case in Article 31 concerning the person giving an "aval", what his position was in cases where the obligation was null and void. Did the silence of this Article imply a different solution for the problem? If such were the case, M. Giannini wished it to be explained why different treatment was granted to accessory debtors, who, in his view, were in the same position. If, on the other hand, it was thought that they deserved the same treatment, a sentence should be added to paragraph 1 of Article 57 reproducing the same provision as that found in paragraph 2 of Article 31.

The PRESIDENT said that in the French Commercial Code, as well as in the Dutch Code, the provision of paragraph 2 of Article 31 did not apply to the intervener. He thought here, too, however, that the principle *eadem ratio eadem lex* should be followed. At first sight, the proposal of M. Giannini appeared logical, but he suggested that it should not be examined immediately, in order to give members of the Conference time to reflect upon it and return to it at the next meeting.

With this reservation, he proposed that the Conference should adopt Article 57 as a whole, together with the Japanese amendment.

With this reservation, Article 57 was approved at a first reading.

ARTICLE 58.

M. SOKAL (Austria) said that paragraph 2 of this article stipulated that payment by intervention must be made at latest on the morrow of the last day allowed for drawing up the protest for non-payment. British law contained no principle of this kind. Franz Klein had stated in his work that there were no valid reasons for upholding this principle. During previous discussions on this point, it had rightly been pointed out that payment by intervention of a bill of exchange sent to Europe from an overseas country might be made impossible. If, on the other hand, it were desired to avoid an exaggerated postponement of the date of payment, it would be possible to do so by establishing, according to the proposal of Klein, a special provision to cover bills of exchange drawn on a foreign country or else by somewhat increasing the period for payment which appeared too short.

This was a suggestion which M. Sokal would submit to the Drafting Committee for its examination.

The PRESIDENT said that this suggestion would be recorded in the Minutes.

Article 58 was approved at a first reading.

ARTICLE 59.

M. SOKAL (Austria) said that in the first paragraph of this article a reference was made to protest for non-payment. This term in its technical aspect, however, applied to the protest for non-payment made against a bill of exchange which was not mentioned in this paragraph, for it concerned a protest for non-payment by intervention. According to this passage, the real protest was referred to simply by the word "protest" instead of "protest for non-payment of a bill of exchange". In the second paragraph, this phrase was again used to mean protest for non-payment by intervention. It would be necessary, in the interests of uniformity, to change the terms used. The Austrian delegation consequently proposed to say in the second paragraph, instead of "in default of protest", "in default of presentation or protest". This was a question which could be submitted to the Drafting Committee.

The PRESIDENT thought at first sight that this amendment was not necessary. The question would, however, be submitted to the Drafting Committee, who would examine it.

M. SHIMADA (Japan) proposed, in order to bring this article into conformity with the second paragraph of Article 55, to add to the second line of the first paragraph, after the words "in case of need", the words "having their domicile in the place of payment".

M. HERMANN-OTAVSKY (Czechoslovakia) said that, in view of the very close relationship between Article 59 and Article 55, which had not yet been given its final form he would suggest that Article 59 should be voted with the reservation that it should be brought into concordance with Article 55.

The PRESIDENT said that the Conference was faced with a proposal that the first paragraph of Article 59 should read as follows: "If a bill has been accepted by intervention or if persons having their domicile in the place of payment have been specified to pay it in case of need. . .".

M. GIANNINI (Italy) thought that this formula should be connected with Article 55.

M. SULKOWSKI (Poland) doubted whether this addition was necessary, for Article 59 already stated that "the holder must at the place of payment. . .".

The PRESIDENT said that the Conference would vote upon this proposal at the next meeting.

TWENTY-FIRST MEETING

Held on May 26th, 1930, at 3 p.m.

President: M. J. LIMBURG.

**27. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes :
First Reading (Continuation).**

ARTICLE 57 (Continuation).

The PRESIDENT said that the Italian delegation wished to complete this article by a provision already accepted at The Hague in the case of the person giving an "aval". It concerned the intervener. The Conference was aware that an "aval" was valid even in cases in which the primary obligation was null and void. M. Giannini proposed to give the same right to the intervener and this course had seemed logical to the President at the previous meeting. He had wished, however, to give the Conference time to reflect and for that reason Article 57 had only been adopted provisionally.

The Italian amendment was adopted, and Article 57 was approved at a first reading subject to drafting amendments.

ARTICLE 59 (Continuation).

The PRESIDENT recalled that the Japanese delegation desired to add the words "at the place of payment" after the word "persons" in the first line.

M. SHIMADA (Japan) had proposed that this addition should be made after the words "in case of need", but he was prepared to support the wording suggested by the President.

The Japanese amendment was unanimously adopted.

The PRESIDENT drew the Drafting Committee's attention to two points :

It would perhaps be better to improve the text by deleting the word "all" in the phrase "all these persons". The case might occur in which only one person was involved.

It was better to insert the phrase "au lieu de paiement" after the words "ces personnes" in order to avoid all ambiguity as to the meaning of the phrase "au lieu du paiement" ("the place of payment" and not "instead of payment").

Article 59 was approved at a first reading.

ARTICLE 60.

The PRESIDENT said that the Japanese delegation had proposed that the following words in paragraph 2 — "The holder who refuses this payment loses his right of recourse against those who would have been discharged thereby" — should be replaced by the words :

"The holder who refuses this payment loses his right of recourse against the person for whom acceptance by intervention has been made and against his successors."

The meaning seemed to the President to be the same, but the Japanese wording was more explicit.

M. SHIMADA (Japan) said that his delegation thought that the words in paragraph 2 of Article 60 — "those who would have been discharged thereby" — meant "the person for whom acceptance by intervention has been made and his successors". According to the second paragraph of Article 62, however, the endorsers subsequent to the party for whom payment had been made were "discharged". Consequently, the Japanese delegation, though it interpreted paragraph 2 of Article 60 in this manner, thought it preferable that it should be replaced by a more definite and clearer form of words.

M. SULKOWSKI (Poland) wished to ask the following question in regard to this amendment. If a "referee in case of need" had not been designated, but if there was an intervener offering payment, was the holder obliged to accept payment by a third party intervening who was not indicated as a "referee in case of need". If the reply was in the affirmative, the Japanese proposal could not be accepted, for it said that "the holder who refuses payment loses his right of recourse against the person for whom acceptance by intervention has been made". The Japanese proposal assumed that acceptance had first taken place by intervention, and this was not in the least necessary.

M. ARCANGELI (Italy) said that this must be an error and that the word "acceptance" should be replaced by the word "payment".

The PRESIDENT agreed.

M. SULKOWSKI (Poland) concluded that the question had been answered in the affirmative. The holder might refuse, but in that case lost his right of recourse.

The PRESIDENT asked the Japanese delegation whether it agreed to modify its amendment as suggested by M. Sulkowski, to read as follows :

“ The holder who refuses this payment loses his right of recourse against the person for whom payment by intervention has been made and against his successors.”

M. SHIMADA (Japan) agreed to this wording.

M. PERCEROU (France) thought that the wording proposed by the Committee of Experts was more concise and clearer.

The PRESIDENT replied that the draft of the Committee of Experts was identical in its legal effects with that proposed by the Japanese delegation. He thought the proposal of the Japanese delegation did not require any mental gymnastics in order to be understood.

The Japanese amendment was rejected by 12 votes to 3.

M. QUASSOWSKI (Germany) considered that paragraphs 2 and 3 of Article 60 covered the case in which payment was complete, but not the case of payment which was not offered in time — that was to say, which was not offered until after the expiry of the period laid down in Article 58, paragraph 2. In such a case, a holder must also have the right to refuse payment without running the risk of losing his right of recourse. To take account of this, M. Quassowski proposed that the second paragraph should be amended to read as follows :

“ The holder who refuses a payment which is not in conformity with paragraph 1 of Article 60, or with paragraph 2 of Article 58, loses his right of recourse against those who would have been discharged thereby.”

The PRESIDENT did not think this addition necessary, for the article stated clearly “ the holder who refuses *this* payment ”, which meant the payment made in the conditions covered by Article 58.

M. QUASSOWSKI (Germany) said that this was not clear from the text. The expression “ this payment ” might mean any payment.

The PRESIDENT proposed, in order to meet the representative of Germany, that Article 60 should be changed to read as follows :

“ The holder who refuses payment by intervention loses his right of recourse against those who have been discharged thereby.

“ This payment must include the whole sum which the party for whom it is made would have had to pay.”

M. QUASSOWSKI (Germany) thought that this amendment was an improvement.

The PRESIDENT asked M. Percerou if, as Chairman of the Committee of Experts, he could agree to it.

M. PERCEROU (France) thought that there would be no objection to changing the order of the paragraphs.

M. DE LA VALLÉE POUSSIN (Belgium) considered that the original wording was better and clearer. By saying in the second paragraph “ the holder who refuses this payment ”, it was quite clear that this did not mean any payment, but the payment provided for in Article 58.

M. PERCEROU (France) replied that when the first paragraph said “ the holder who refuses the payment ”, this was an implicit reference to the second paragraph of Article 58. It was stated clearly that the reference was to payment offered at latest on the morrow of the last day allowed for drawing up the protest. The connection between Articles 58 and 60 was thus better established.

M. DE LA VALLÉE POUSSIN (Belgium) still thought that the advantage of the Presidents proposal was worth nothing. He would not, however, press for the maintenance of the text of the Committee of Experts.

M. SCHMIDT (International Chamber of Commerce) wondered whether it would not be useful to settle in Article 60 the question of partial payment by intervention. In view of the fact that the principle of partial payment had been agreed to in Article 38, partial payment by intervention should also be allowed, in favour of which the same arguments could be put forward as had been expressed during the discussions on Article 38. M. Schmidt therefore recommended the Conference to bring Article 60 into concordance with Article 38, which could be effected by simply adding paragraphs 2 and 3 of that article to Article 60.

The PRESIDENT drew attention to the fact that the experts at the Hague Conference had deliberately made this difference. Article 38 stipulated that “ the holder may not refuse partial payment ”. This referred to the acceptor, but not to the intervener. There had been no omission. If, however, the Conference wished to decide otherwise, it was naturally free to do so.

M. GIANNINI (Italy), after having closely examined the whole of this chapter with M. Arcangeli, who had made what he could only call a classical study of the matter, had reached the conclusion that the regulations not included in this chapter were so numerous that they could be made the object of another Convention. This being the case, M. Giannini thought that the smallest number of special rules possible should be included in this part of the Uniform Regulation. It should deal with problems of a general kind. If the opposite view were taken, what amounted to a convention on intervention would have immediately to be drafted.

The PRESIDENT entirely agreed with M. Giannini. He also desired to make an observation of a general kind. He drew the Conference's attention to the fact that the section on payment by intervention dealt with the idea of the "referee in case of need" and also with the idea of the intervener without establishing any great distinction between the two. Several amendments had been adopted, among others an Italian amendment to the effect that the Conference should return to Article 55 of the Hague text with certain amendments. When the Conference revised this chapter at its second reading, it would realise that everything dealing with the intervener in the strict meaning of the term could not refer to "the referee in case of need" unless the principle were adopted that "the referee in case of need" was also an intervener. This principle, however, had been contested. For that reason, he drew the Drafting Committee's attention to the fact that it might be better to make a more marked difference between the "referee in case of need" and the intervener.

M. SULKOWSKI (Poland) was in favour of the text drawn up by the experts, for he thought it impossible to define the scope of an amendment submitted on the spur of the moment. It appeared that the German delegation would be satisfied with the text of the article as at present worded and that it was not necessary to make any change in the Regulation.

M. QUASSOWSKI (Germany) proposed that paragraph 1 of Article 60 as drawn up by the Committee of Experts should be transferred to the end of Article 58, of which it would form the third paragraph. Article 60 would then be made up only of the present paragraph 2, which could take the following form :

"The holder who refuses payment offered in accordance with the conditions laid down in Article 58 loses his right of recourse against those who would have been discharged thereby."

M. SULKOWSKI (Poland) would have preferred the proposal of the President, which consisted in reversing the order of the paragraphs of Article 60.

The PRESIDENT suggested that the Conference should adopt Article 60 in the form which he had proposed, with a reservation that it should review it once more during the second reading.

With this reservation, Article 60 was approved at a first reading.

ARTICLE 61.

M. SHIMADA (Japan) drew the Conference's attention to the proposal made by the Japanese delegation that a reference should be made in this article to a receipted account.

The PRESIDENT did not think that this reference was necessary in the article, which laid down that a payment by intervention must be authenticated by a receipt given on the bill of exchange.

M. SHIMADA (Japan) withdrew his proposal.

Article 61 was approved at a first reading.

ARTICLE 62.

M. DA MATTA (Portugal) observed that Article 62 stipulated in paragraph 1 that "the person who pays by intervention is subrogated to the rights of the holder against the person for whom he has paid. . .". The subrogation of the person who paid by intervention to the rights of the holder was proved *pleno jure* and by force of law alone. A person who had paid by intervention thus became a creditor in the law of bills of exchange and consequently must be deemed to be an autonomous (*autonome*) creditor exercising a right which was invested in him, notwithstanding the fact that he was subrogated to the holder. The question therefore was that of a subrogation in matters of the law of bills of exchange governed by the content of the instrument and not by the personal status of the holder, who had been satisfied. The result, consequently, was that personal defences which could be set up against the holder were not admissible against the intervener.

It was for that reason that M. da Matta considered that the first paragraph of Article 62 should be amended by the addition of the adverb "cambiairement" or of some more precise formula than that appearing there at present. The adverb "cambiairement" did not, of course, exist in French, but some such wording as follows might perhaps be adopted : "The person who pays by intervention is subrogated to the rights which the holder derives from the bill against the party. . ."

M. da Matta thought it should be made clear that the question here was that of subrogation in bills of exchange law and not of subrogation in common law.

M. HERMANN-OTAVSKY (Czechoslovakia) agreed that subrogation existed in exchange law ; the holder became an autonomous creditor. He suggested that the Drafting Committee should explain this point in the report. Further, it would be possible to add in the first paragraph of Article 61 that the person paying by intervention was subrogated likewise to rights against the acceptor. That provision existed in Czechoslovak and German law. Any doubts on this point should be removed.

The PRESIDENT also thought that the word "cambaiement" was not French. He likewise thought that when a person was subrogated in this respect he could only be subrogated from the point of view of the law on bills of exchange. Subrogation was a kind of "novation". If, however, M. da Matta wished to have still greater precision, there would, of course, be no objection to saying : "The person who pays by the intervention is subrogated to the rights which the holder derives from the bill against the party. . ."

The Portuguese amendment with this alteration was adopted.

The PRESIDENT pointed out that M. Hermann-Otavsky had submitted no formal proposal with regard to the "principal right against the acceptor".

M. HERMANN-OTAVSKY (Czechoslovakia) thought that it would suffice if the Drafting Committee observed in its report that the person paying by intervention, who was subrogated to the rights of the holder against the guarantors, likewise acquired the principal right against the acceptor ; German and Czechoslovak law said so explicitly.

The PRESIDENT pointed out that the Hague system and that of the experts said that the person paying by intervention was subrogated to the rights of the holder against the party for whom he had paid "and against the parties liable to him". The acceptor was not a party liable to him.

M. SULKOWSKI (Poland) thought that the words "and against the acceptor, if any" might be added.

The PRESIDENT did not agree, since this was contained neither in the Hague system nor in that of the experts. Though that system might exist in one legislation or another, that was no reason for adopting it.

In reply to Mr. Gutteridge, who had asked whether the English text was in conformity on this point with the French text, the President said that in his opinion there was no difference. If under Article 54, paragraph 2, acceptance by an intervention could not take place in favour of the acceptor, the Czechoslovak proposal would be entirely justified and the acceptor would also have to be mentioned in Article 62. A decision, however, had been taken to the contrary.

The Czechoslovak delegation had proposed to say in Article 54, paragraph 2, "who intervenes for a party liable by way of recourse" instead of "who intervenes for any person who has signed". The argument advanced was that there must be no intervention for the acceptor. The Czechoslovak delegation now, however, wished to include the acceptor once more.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that there was no inconsistency. To whom could the principal right against the acceptor belong? According to Article 61, it appeared that the person paying by intervention was referred to as being the creditor. If there was any doubt in regard to this interpretation, M. Hermann-Otavsky would propose an amendment on the point.

M. GIANNINI (Italy) invited M. Hermann-Otavsky to expound his view in the Drafting Committee.

The PRESIDENT did not propose to ask the Conference to decide immediately the point whether or no the acceptor was included in Article 62. The Drafting Committee would consider the point. There appeared to him to be no conclusive difference in the English text. He proposed accordingly that paragraph 1 of Article 62 should be adopted.

Paragraph 1 of Article 62 was approved at a first reading.

ARTICLE 62, PARAGRAPH 2.

Paragraph 2 was approved at a first reading.

ARTICLE 62, PARAGRAPH 3.

The PRESIDENT thought that, as the text read "the payment which effects the greater number of releases has the preference", it was for the holder to choose.

M. PERCEROU (France) pointed out that the holder was obliged to choose the intervener who discharged the greatest number of persons.

The PRESIDENT asked whether it was possible for an intervener to know that it was he who discharged the greatest number of persons.

M. PERCEROU (France) explained that if anyone wished to intervene on behalf of an endorser and if another person wished to intervene on behalf of an earlier endorser, the intervener who released the larger number of parties liable was the second intervener ; the other must give way to him.

Paragraph 3 of Article 62 was approved at a first reading.

Article 62 as a whole was approved at a first reading.

CHAPTER IX. — PARTS OF A SET AND COPIES.

I. PARTS OF A SET.

ARTICLE 63.

The PRESIDENT submitted a Czechoslovak amendment proposing the deletion of the words added by the Committee of Experts.

M. SRB (Czechoslovakia), in support of his amendment, quoted the following remarks of his Government :

“ The necessity of indicating in the body of the instrument the number of parts issued may lead to confusion. Thus several parts might be issued, all except one indicating the number issued, and this would lead to the absurd result that all those parts, which indicate in accordance with the regulations the number of parts issued, would have to be regarded as separate bills of exchange. The third paragraph of Article 63 of the Hague draft is, moreover, very useful, and if retained would prevent the possibility of complication.”

In order to avoid these difficulties, the Czechoslovak Government proposed to delete the words which had been added by the experts.

Prince VARNVAIDYA (Siam) supported the Czechoslovak amendment, because it was in agreement with Siamese law and practice and because it constituted a compromise between the English and the Continental systems.

The PRESIDENT considered that the question was purely technical and wondered whether the amendment was feasible. The deletion of the words added by the experts would complicate matters. A person who had a bill bearing the number “ 5 ” would not know, if the Czechoslovak amendment were adopted, how many parts existed and the amendment would not in any way help him to ascertain the number of the draft.

It would be a different matter if the numbering were done away with, since the number of drafts would nevertheless be known.

M. SOKAL (Austria) stated that the Austrian delegation accepted the opinion of the experts that each part of a bill of exchange issued in several parts should indicate, in addition to the number, the total number of parts issued. It would be necessary, however, to redraft the Regulation in such a manner that the body of the instrument itself would show clearly, not only the number of parts issued, but also the number of the particular instrument. It might be said :

“ Those parts must be numbered in the body of the instrument itself and the number of parts issued must be indicated.”

M. QUASSOWSKI (Germany) drew the attention of the Conference to the fact that if the text of the experts were adopted, it would be necessary to follow the experts and to delete the third paragraph of Article 63 of the Hague text. By so doing, however, the right of the holder to require the delivery of several parts would be removed. That right, however, was of considerable practical importance. For those reasons, M. Quassowski wondered whether the change proposed by the experts was desirable.

M. SRB (Czechoslovakia) said that the Hague text provided for one formality only, whereas that of the experts required two. One of those formalities appeared to the Czechoslovak delegation to be unnecessary.

If he had to choose between the two formalities, the PRESIDENT would prefer that which required the indication of the number of parts issued ; such an indication would be more useful.

M. SULKOWSKI (Poland) proposed that, in view of the relation between the two texts, the Conference should at the same time discuss paragraphs 2 and 3 of the Hague Regulation. It would be necessary, in the first place, to see whether the Conference was prepared, by adopting the text of the experts, to do away with the right of the holder to require a certain number of duplicates even after the issue of the bill of exchange.

The PRESIDENT saw no objection to opening a discussion on the second part of the Czechoslovak amendment reintroducing into the Regulation paragraph 3 of the Hague text which the Committee of Experts proposed to delete.

M. PERCEROU (France) wished to indicate in a few words the experts' reasons for requiring that each of the parts should bear an indication of the number of parts issued. When a person took a bill of exchange to discount it, he generally desired to have in his hands all the parts issued in order to avoid finding himself in competition with the holder of another part. Otherwise, his situation would be precarious. In order to have that certainty, he must know the number of parts issued.

That was the main reason for the proposal of the experts. It has appeared and still appeared to M. Percerou to be of capital importance. The present text perhaps expressed that idea imperfectly. With the desire to make it more clear and in agreement with M. Giannini and the other members of the Italian delegation, M. Percerou proposed the following text :

“ These parts must be numbered and each of them must indicate in the body of the instrument itself, in addition to its number, the number of parts issued.”

The Czechoslovak delegation apparently feared that the mere absence of a number on one of the parts would involve the validity of each of them as a separate bill of exchange. Of the two formalities prescribed — the indication on each part of the number of parts issued and the numbering of each part — the former was the more important. M. Percerou recognised that it would be too much in the event of the omission of the number from a part, to provide the sanction referred to in the text. That sanction might be limited to the case of the omission to indicate the number of parts issued and the Regulation might say : “ If the number of parts issued is not indicated, each of them is considered. . . in place of “ in default of which.” Thus mere forgetfulness to number the part would be excluded from the article.

In practice, it appeared to M. Percerou to be necessary that the number of parts issued should be indicated on each part ; otherwise the bill could no longer be circulated with security.

The PRESIDENT pointed out that the experts had proposed to suppress the third paragraph of that article because it had no practical value and in view of the fact that the effect of its provisions would be to increase the risks of the holder.

He put to the vote the first Czechoslovak amendment to delete the words “ and . . . the number of parts issued must be indicated ” from the second paragraph.

The amendment was rejected by 12 votes to 11.

Paragraph 1 was approved at a first reading.

The PRESIDENT proposed that the Conference should adopt M. Percerou's suggestion and that the second paragraph should read as follows :

“ These parts must be numbered and each of them must indicate in the body of the instrument itself, in addition to its number, the number of parts issued. If the number of parts is not indicated, each part is considered as a separate bill of exchange.”

M. DE LA VALLÉE POUSSIN (Belgium) proposed that, in order to make the text more clear, the last sentence should be drafted in a somewhat different form. He suggested the words :

“ If the number of parts issued is not indicated on one of them, that part is considered as a separate bill of exchange.”

He would observe that if four parts were issued, for instance, and that indication was missing from one of the four, it would not be known, with the text proposed by M. Percerou, whether it would be necessary to consider that there were four bills of exchange or only two.

M. PERCEROU (France) accepted the text proposed by M. de la Vallée Poussin.

M. SCHELTEMA (Netherlands) asked whether it was understood that there would be no sanction if the number had been omitted from one part.

The PRESIDENT replied that that was the case. He added that it could not be said that a legal provision which did not provide a sanction was without value.

The second paragraph as modified was adopted.

The PRESIDENT asked the Czechoslovak delegation whether it maintained its proposal to return to the third paragraph of the Hague text.

M. SRB (Czechoslovakia) withdrew his proposal. The third paragraph of the Hague Convention was inconsistent with the second paragraph which had just been adopted by the Conference.

Article 63 as a whole was approved at a first reading.

ARTICLES 64 AND 65.

Articles 64 and 65 were approved at a first reading.

2. COPIES.

ARTICLE 66.

The PRESIDENT pointed out that the Japanese delegation desired that under Article 66 the holder should only be allowed to make a single copy of a bill of exchange, but thought that, if the

right of making several copies were admitted, it would be preferable to adopt a provision similar to that laid down in Article 64.

This was not a formal amendment, but rather a recommendation.

M. SHIMADA (Japan) considered that, if the possibility of making several copies were accepted, abuse might result. For that reason, he asked that only a single copy should be made. Nevertheless, if the Conference could not accept that point of view, the Japanese delegation would desire that a provision similar to that which had been laid down in Article 64 should be inserted in Article 66.

The PRESIDENT asked the members of the Conference whether they could accept the principle that the holder should be allowed to make only a single copy of a bill of exchange.

As no delegation supported the suggestion put forward by the Japanese delegation, the President stated that it was *rejected*.

He pointed out that, in this case, the Japanese delegation had asked that the article should contain a provision similar to that laid down in Article 64. The President considered, however, that the case was absolutely different. Article 64 concerned parts, whilst Article 66 dealt with copies. There was a great difference between "parts" and "copies". Did the Japanese delegation press its amendment?

M. SHIMADA (Japan) replied in the negative.

The PRESIDENT asked M. Percerou, as Chairman of the Committee of Experts, whether it would not be desirable to put between inverted commas at the end of the second paragraph the words "Up to here copy", which appeared in the 1910 text.

M. PERCEROU (France) replied that that would be more precise.

M. GRÖNVALL (Finland) remarked that if the copy was endorsed and if there were endorsements on the original well subsequent to those at which the copy ended, it would be impossible to know which were the earlier endorsements and which the later endorsements. The necessary concordance between the original bill and the copy would therefore cease to exist.

The PRESIDENT said that the original prevailed; if there were later endorsements in the original but not in the copy, it was the original that was authentic.

M. GRÖNVALL (Finland) pointed out that if there were endorsements on the original later than those at which the copy ended, but which did not appear on the copy, this might be detrimental to the rights of the holder of the copy.

The PRESIDENT replied that in any case the original was authentic in the first place. It was impossible to foresee everything that might happen. It might obviously occur that the copy was not altogether in accordance with the original. In that case, it was the original that was authentic. The holder of the copy might, of course, suffer loss by reason of this fact, but that was a question of common or civil law. He could apply for damages.

Article 66 as a whole, with the addition of the words "jusqu'ici copie", was approved at a first reading.

ARTICLE 67.

The PRESIDENT observed that there were two amendments proposed by the Yugoslav delegation. The first consisted in the addition of the words "orguaranteed by 'aval'" after the word "endorsed" in the second paragraph.

M. EISNER (Yugoslavia) said that the question was a simple one of drafting, because, according to Article 66, paragraph 3, the copy might be not only endorsed but guaranteed by "aval" as well. It would consequently be necessary to mention in Article 67, paragraph 3, the right of recourse against persons giving an "aval" as well.

The first Yugoslav amendment was adopted.

The PRESIDENT said that the second Yugoslav amendment proposed the addition of a third paragraph as follows :

"No copy in which the person in possession of the original instrument is not specified is valid."

M. EISNER (Yugoslavia) explained that the "Allgemeine Deutsche Wechselordnung" and the laws on bills of exchange contained a rule that the copy was valid also in cases where the person in possession of the original instrument was not designated in the copy. That rule had provoked a controversy on the question whether the copy alone could be presented for acceptance or payment. In order to avoid disputes, it would be desirable to make an express rule to the contrary — that was to say, that no copy in which the person in possession of the original instrument was not designated was valid.

M. QUASSOWSKI (Germany) said that there was no reason for declaring invalid a copy in which the person in possession of the original instrument was not designated. If the copy did not

contain that designation, under Article 67, paragraph 2, there was no possibility of protest with the copy, and, further, the holder could draw up the ordinary protest, in default of acceptance or payment, with the original. The copy, however, did not lose its entire rise. The holder could use the copy to endorse the bill. This right should not be suppressed. It constituted the principal right of the holder of a copy and the special significance of a copy ; that must be maintained.

In those circumstances, M. Quassowski could not support the Yugoslav proposal and urged that the text of the experts should be retained.

The second Yugoslav amendment was rejected.

Article 67 as a whole was approved at a first reading.

CHAPTER X. — FORGERY AND ALTERATIONS.

ARTICLE 68.

The PRESIDENT reminded the Conference that a new Article 68 had been passed during the discussion on the former Article 7. A question connected with a change in the heading had then been raised as well.

M. GIANNINI (Italy) said that the Drafting Committee had considered the question and that it no longer arose. The question was solely that of forgery (*faux*), since it related to the issue of the bill, whereas fraudulent alteration (*falsification*) took place only after issue.

ARTICLE 69.

Article 69 was approved at a first reading.

TWENTY-SECOND MEETING.

Held on May 27th, 1930, at 10.30 a.m.

President: M. J. LIMBURG.

28. Discussion of the Draft Uniform Regulation concerning Bills of Exchange and Promissory Notes : First Reading (Continuation).

ARTICLE 70.

The PRESIDENT submitted the Czechoslovak delegation's amendment proposing that the period laid down in paragraph 2 should be reduced to six months.

M. SRB (Czechoslovakia) said that the Czechoslovak Law of Bills of Exchange Sections 81 and 82, prescribed that any action against parties liable by way of recourse was generally barred after three months. If, however, the bill of exchange was payable outside Europe, or if the plaintiff lived outside Europe, actions were barred after six months. This period had been thought sufficient by the Czechoslovak legislature, and in practice it had given rise to no objections up to the moment. M. SRB understood that some delegations might think that a period of three months might be somewhat short and he was prepared, therefore, for the period to be fixed at six months in paragraph 3. On the other hand, the same period would be sufficient for actions referred to in paragraph 2 and there was no need to lay down that that period should be a year.

This proposal was also inspired by a desire to unify the periods and thus simplify the provisions of Article 70.

M. NAMITKIEWICZ (Poland) made the following observations :

In reading Article 70, paragraphs 2 and 3, it is doubtful why a holder having recourse against the drawer and the endorsers should be able to take action during the period of one year, while the endorser is granted a period of only six months for recourse against the same persons. This difference in the periods appears unjustified. The quality of the creditor should not determine the extent of the period after which action is barred. It is rather the quality of the debtor and the character of his obligation which should be the determining factor according to the law of bills of exchange.

This diversity in the length of periods after which proceedings are barred on the one hand, in regard to the acceptor, and on the other in regard to the drawer and the endorsers, is justified by the position of the debtors. It is assumed that the acceptor is insolvent, that he is in a difficult situation and must therefore make it possible in every way for his creditor, the holder, to await the moment when his financial situation has improved. That moment may not be very close to the date of maturity, but it is assumed that it will arrive during the three years following maturity. The holder is thus offered the period of three years, which is sufficiently long, instead of being allowed, by taking proceedings, to break a short period of limitation of actions (*prescription*). On the other hand, this presumption of insolvency does not exist as regards the endorsers and the drawer. Quite on the contrary ; it is assumed that it is in their interest for their share in the obligation to be liquidated as soon as possible.

The diversity of the periods during which the guarantors and the drawer are liable to be sued has no logical justification. In that respect the Uniform Regulation is not based on the German law, which in Articles 78 and 79 grants in principle the same period of three months, both in regard to actions in recourse taken by the holder as well as those taken by the guarantor who has repaid the bill or who has himself been sued.

M. Namitkiewicz was therefore in favour of the unification of the periods provided for in paragraphs 2 and 3 of Article 70.

As far as the length of the period was concerned, three months was obviously not sufficient if it were not desired to make any exceptions, as was the case with the German law, to cover cases in which the bill was payable outside Continental Europe.

It would thus be more just to fix the period at six months for all cases. If, however, every possible combination was to be taken into account — those, for example, referred to in the German legislation — it might still be more just to prolong this period and to fix it at one year, as was the case in Japanese law (Commercial Code of 1899). The proposal therefore of the representative of Poland was that the period of prescription on the part of the holder and of the endorser, who had repaid the bill or who had been sued, should be one year.

M. Namitkiewicz added that the expression “sued” at the end of paragraph 3 was lacking in precision. It should be replaced by the phrase proposed by the International Chamber of Commerce and the end of the article should read: “Or from the day on which the summons was served or the action first entered”.

Cases might occur in which the endorser might be informed too late of the fact that he was being sued, especially in the case of absence. The endorser might be compelled to repay the bill without himself being able to have recourse against his predecessors owing to the fact that the period had expired.

This situation would therefore be avoided if it were laid down that the period would not begin to run until the day on which the summons was served or the action first entered, for example, by the production of the creditor’s petition to the judge sitting in bankruptcy.

M. GIANNINI (Italy) asked the indulgence of the Conference if he recalled the history of the matter. The Italian delegation regretted that after twenty years of discussion on the Hague draft the Uniform Regulation was almost entirely silent in regard to prescription. Two questions more particularly were in suspense, and yet were of great practical importance.

The first had been referred to the experts, who gave in Article 71, in the form of an observation, the substance of Article 16 of the Hague Convention, to the effect that it was for the legislation of each State to determine the causes of the interruption and suspension of the prescription. In practice, a creditor who thought that the period of limitation (*prescription*) was suspended or interrupted according to the local law might find the defence of limitation set up against him in the foreign court. The difficulty would arise still more easily after the adoption of the Uniform Regulation for persons utilising it would succeed only with great difficulty in finding the proper path to follow between the provisions of the internal law, which were purely national, and those adopted in order to carry out the Uniform Regulation. M. Jitta had proposed to delete, in so far as bills of exchange and promissory notes were concerned, all personal causes of suspension of limitation of action (*prescription*) and to agree that only actions brought into court, or actions similarly dealt with by the law of the place of procedure, should be regarded as an interruption.

The experts had not followed M. Jitta’s view, but had not indicated any other solution. They had probably considered that the whole problem concerning the limitation of actions (*prescriptions*) in international conventions had been reserved to national law. This preoccupation could be easily understood, but M. Giannini thought also that the Conference should certainly begin to attack a problem of which the solution was indispensable if the exigencies of modern life were to be met. If it was precisely such a problem as this which led to so many difficulties in practice.

Another question, still more grave, concerned the effects of limitation of actions (*prescription*). The German delegation had requested a reservation to the effect that the text of Article 13 of the Hague Convention should be reintroduced. This had been done. Consequently, the effects of the limitation of actions would remain entirely reserved to national law. In other words, in countries whose legislation was based on English law, a subsequent recognition might revive the action. According to German law, action could be taken against the drawer as far as was allowed by the procedure of “*enrichissement*”, and it was with precisely this object that the German delegation had asked for a reservation. Finally, the law of several countries maintained that other actions subsisted in addition to actions arising out of the bill of exchange. The obvious reply at the outset might be that in this case the matter was already outside the sphere of the law of bills of exchange. That argument, however, was of no great importance. M. Giannini recalled that German theory had rightly defined “*action d’enrichissement*” as being what was left over from an action in exchange law that had been barred by limitation of action (*prescription*). He would confine himself to drawing attention to the problem. The absolute silence of the Uniform Regulation in these matters was not helpful either to commerce or to the circulation of bills of exchange. Did the Conference consider it impossible to find any solution at the moment? M. Giannini did not dare think so. Nevertheless, if such was the view of the Conference, the Italian delegation would bow to it, but wished to state that it considered the problem to be one of the questions remaining open. In another conference, Italy would be found to be right. In the movement towards unification, the peoples of the world must be content with possibilities, and the Italian delegation was happy to note that immediate possibilities existed. It thought, however, that the movement would not be stopped by the Convention.

Nevertheless, a certain amount of progress might be achieved along the lines of the Convention itself if the Conference were to adopt a few rules. For example, in regard to paragraphs 2 and 3 of Article 70, the institution of extinctive prescription should be adopted, as was the case at

Warsaw lately in the International Convention for International Aerial Transport. The advantages of such an institution were obvious, and M. Giannini would confine himself to submitting this proposal to the Conference.

The PRESIDENT asked the Italian delegation whether it desired to make a formal proposal to the effect that limitation of actions (*prescription*) should be replaced by extinctive prescription.

M. GIANNINI (Italy) replied that the Conference should decide whether it could follow him. If the Conference agreed with him, a formula might easily be found by the Drafting Committee. His proposal, however, was of a formal nature and represented the minimum for which the Italian delegation asked.

The PRESIDENT said that there was also a Czechoslovak amendment.

M. HERMANN-OTAVSKY (Czechoslovakia) said that the Regulation governing limitation of actions showed an increasing tendency towards extinctive prescription. There were probably several questions which could be more harmoniously settled if the principle of extinctive prescription were taken as a starting-point. There were several other questions, however, which would have to be discussed in detail. A Sub-Committee might perhaps examine them. This question was extremely important and interesting and deserved the closest study.

M. PERCEROU (France) thought that if it were left to national legislation to decide what were the causes for the interruption and suspension of limitation of actions (*prescription*) and likewise what were exactly the effects of such limitation (*prescription*), there would undoubtedly subsist, as M. Giannini had pointed out, a regrettable uncertainty in international relations in the matter of bills of exchange.

If, on the other hand, extinctive prescription was substituted for limitation of actions (*prescription*), that would mean a plunge into the unknown, and it would be necessary first to define what were the differences existing between these two notions and to study them very closely.

The question appeared rather to be one for the future; it might perhaps require the convocation of another conference for the purpose of unifying the national legislations, but at the time it did not seem practicable to enter upon such a course, and owing to the insufficient exploration of the ground the simplest thing would be to keep to the existing provisions of the Uniform Regulation.

The experts had fully realised that the problem existed and that the present situation was not ideal — far from it — but they had thought it right to reproduce the Hague text, and M. Percerou still considered that it would be better to keep to that provision for the moment.

M. ARCANGELI (Italy) explained that his delegation had put forward a general question. M. Percerou had examined principally the points connected with extinctive prescription in comparison with the limitation of actions (*prescription*). It was perhaps possible for the Conference to concentrate its attention on one point only — that concerning the means of obtaining the interruption or suspension of actions.

That was, of course, the most difficult question of all; it would, moreover, cause the most doubt in practice because, if the determination of this point were left to each national law, the situation in every country would be extremely awkward owing to its being unknown whether rights of action had been lost or still subsisted. This uncertainty might continue for a long time, since there might be successive means of interruption and they might relate to a number of different parties liable.

Accordingly, in order to simplify the principles and to safeguard creditors and debtors, would it not be better in the general interest to unify the principle and lay down what should be the means of interruption which would be regarded as universally valid? It would, for instance, be stipulated that judicial action alone and bankruptcy (*faillite*) were legitimate means of interruption. That, of course, would have a very marked effect on certain legislations, but it would afford certainty on this problem, which was one of the most important in the whole question of bills of exchange.

The Italian delegation would be prepared to reduce its proposal to the laying down of a rule designed to regulate in a uniform manner the question referred to above and no other.

The PRESIDENT thought it very difficult to take a decision on the Italian proposal during the present Conference. Proof of this had been afforded by the Italian delegation itself, since it had converted its first proposal to substitute extinctive prescription for limitation of actions (*prescription*) into another which was intended partially to settle the causes of interruption.

Even if the Conference had had another five or six days to deal with this question alone, it would not have been easy to reach agreement. The delegations were probably not equipped to discuss it. For instance, the President himself had brought from The Hague the legislation relating to bills of exchange, but not the Civil Code dealing with the questions of interruption and suspension of the limitation of actions (*prescription*) or the difference between the latter and extinctive prescription.

In regard to the general problem, M. Giannini was, of course, perfectly right. There was a grave omission; but the Governments had apparently all desired this since they had made no remarks on the question whether the difference between extinctive prescription and limitation of actions (*prescription*) should be settled. They were accordingly all in agreement — or rather had been — on the system of the experts.

As to the matter itself, and looking at it from the point of view of actual law, the President thought that there was no argument in favour of extinctive prescription. The case was one of private law and of actions which, though actions on bills of exchange, were none the less actions and must be liable to limitation (*prescription*).

Extinctive prescription had been introduced solely to meet the difficulties of the suspension and interruption of limitation of actions (*prescription*). It would perhaps constitute the solution of the future, but it was improvised and could not, he thought, be adopted at present.

The expedient proposed by M. Arcangeli was attractive. It would be an interesting experiment to say that the only cause for interruption allowed in the Uniform Regulation was bringing of the case before a court (*assignation en justice*), but there was much food for thought in this point as well. In that case, interruption resulting from the recognition in writing of the exchange debt or interruption in consequence of partial payment would cease to exist.

The President felt some hesitation in adopting this solution at the present time, but it was for the Conference to decide.

Obviously a serious and awkward hiatus would subsist, but it was apparently better to hold the question over for another conference.

The President reminded the Conference that M. Giannini, on behalf of the Italian delegation, had tabled a recommendation on suretyship (*fide jussio*) and insurance of exchange debts. The question which arose for the moment was apparently far more important, and perhaps the Italian delegation might substitute for this recommendation another asking the International Institute of Private Law at Rome to examine the question of the suspension and interruption of limitation of actions (*prescription*) and extinctive prescription.

That seemed far more important.

The President announced that the Secretary of the Conference suggested that he should propose the introduction into the Convention of a provision entitling two, three or four contracting countries to request the Council of the League to convene a new conference for the purpose of making changes or improvements in the Regulation adopted. There was a precedent for this. The Convention for the Protection of Industrial Property contained a similar clause. That perhaps might meet the wishes of the Italian delegation.

M. GIANNINI (Italy) pointed out that he had begun by saying that his remarks concerned the history of the question. He could not be criticised for having shown scepticism, since he had admitted that in politics one must be content with what could be achieved immediately. He had also said that he was glad that it had been possible on this occasion to come to a conclusion, even if the solution was not entirely satisfactory.

Having said this in order to explain the spirit in which it had made its proposal, the Italian delegation wished to draw the Conference's attention to the fact that the chapter in question was rapidly becoming obsolete. The Italian delegation thought that it was chiefly on account of this chapter that the Convention would require early revision.

It being impossible to contemplate a radical solution of certain problems, the Italian delegation had accordingly wondered whether something should not be done at any rate to prevent the Convention from giving the appearance of being already obsolete. Such was the purpose of the more general proposal which M. Giannini had made, and which had been taken up again by M. Archangeli in more concrete terms. Both had held that these two proposals were calculated to effect an immediate advance in the solution of a problem. If, however, the Conference considered that it could not take up these proposals, either the wider or the more restricted one, the Italian delegation would acquiesce and would be satisfied with what was possible immediately. But M. Giannini wished to make it clear that, instead of making a progressive convention, the Conference would be taking a retrograde step if it adopted rules which tended to reduce the time-limit for limitation of actions (*prescription*). It was for that reason that the Italian delegation would vote against any reduction of the time-limit.

The President had suggested that the Italian delegation should withdraw its recommendation on the question of guarantees and submit another. M. Giannini did not agree with that suggestion. The problem contained in the Italian recommendation for examination by the Conference would require long and exhaustive studies, which might be entrusted to the International Institute of Private Law. The matter was one which would require minute investigation.

The question at issue could not be examined in the same way as a simple recommendation. In actual fact, it would have the effect of urging the States to apply for revision as soon as possible. It was for that reason that, when the general rules of the Convention were considered, it would be feasible to adopt a provision similar to that passed at the Hague Conference, where it was laid down that after a certain time-limit, which had been fixed at January 1st, 1936, the Members of the League or the States non-Members could make application to the Secretary-General with a view to the revision of the Convention.

M. Giannini did not think that it was possible to put the problem contemplated in the Italian delegation's recommendation and that of extinctive prescription on the same footing. He repeated that the inclusion of this chapter made the Convention obsolete before it was born. Nevertheless, the Italian delegation would acquiesce in the decision of the Conference.

In conclusion, he pointed out that no criticism had been offered on the substance of the Italian proposal. The only question raised had been that of expediency. Nothing could be done in that respect, and it was for a psychological reason that the Italian delegation would acquiesce.

The Italian delegation accordingly would abide by the decision of the Conference, but they drew its attention to the fact that the problem was an immediate one, and one which would in the near future determine the revision of the Convention.

M. VAN NIEROP (Netherlands) observed that the Italian delegation were proposing the substitution of extinctive prescription for the limitation of the right of action (*prescription*). It appeared to the Netherlands delegate that extinctive prescription was at variance with the spirit of the law in exchange matters. A bill of exchange was an instrument of credit. It was the holder who, by purchasing the bill from the drawer or any other holder, afforded credit. It appeared

accordingly that the holder always had a right of recourse, and that the right of recourse would not be restricted by a certain time-limit. Generally speaking, the holder must have the right to recover payment from the person to whom he had furnished credit.

The idea of extinctive prescription was accordingly at variance with the principle that the bill of exchange was an instrument of credit. For this reason, M. van Nierop urged the Conference to vote against the Italian proposal. It could not be denied that the limitation of actions raised difficulties in practice, but those difficulties were not important. M. van Nierop based himself in this matter on the experience of the Dutch banks, which had never had any serious difficulties.

The PRESIDENT considered that it was not desirable for the moment to take a decision on the proposals submitted by the Italian delegation. The Conference might note that there was an omission, but it would be prejudicial to vote immediately on the Italian suggestion. The rejection of their proposals might have an unfavourable influence on the future.

M. GIANNINI (Italy) did not desire to reply to M. van Nierop, for he was of opinion that the problem was not ripe for discussion. He simply wished to point out that some of the arguments advanced by the delegate of the Netherlands were somewhat weak from the legal point of view. Thus, it seemed that M. van Nierop had not sufficiently considered the effects of extinctive prescription.

The Italian delegation, on the other hand, had made a definite proposal but it was prepared to bow before certain arguments of expediency, to the reason that it was very difficult to discuss this subject ; and it recognised that it was not desirable to proceed to a vote.

The PRESIDENT stated that the Conference should take a decision on the Czechoslovak amendment to reduce the period of one year to six months (paragraph 2).

The Czechoslovak amendment was rejected.

M. PERCEROU (France) said that it was well understood that the reservation in connection with extinctive prescription (*déchéance*) referred also to the limitation of actions (*prescription*). He pointed out that Article 13 of the Hague Convention stipulated that :

“ Every Contracting State is free to decide that in the case of loss of right of recourse, *or of prescription*, there shall lie within its territory an action against the drawer who has not provided cover. . . . ”

M. VISCHER (Switzerland) asked whether an article should be included in the sense of Article 16 of the Hague Convention, which stipulated that :

“ The legislation of each State shall determine the causes of interruption or suspension of the limitation of actions (*prescription*) in the case of actions on bills of exchange which come within the competence of the courts of justice.

“ The other States are empowered to determine the conditions under which they will recognise similar causes. The same rule applies to the effect of an action in making the time of limitation of actions (*prescription*) run in the case specified by Article 70, paragraph 3, of the Regulation.”

If the Conference was unable to accept the proposals of the Italian delegation, it would be essential to provide for a reservation in that sense.

The PRESIDENT recognised that since the draft Convention drawn up by the experts did not deal with limitation of actions (*prescription*) and the loss of right of recourse, it would be necessary to consider the insertion of the articles quoted by M. Percerou and M. Vischer. The Conference could do so when it discussed the draft Convention.

Article 70 as a whole was approved at a first reading.

ARTICLE 71.

Article 71 was approved at a first reading.

CHAPTER XII. — GENERAL PROVISIONS.

ARTICLE 72.

The PRESIDENT referred to the Japanese amendment to add to paragraph 1 between the words “ legal ” and “ holiday ” the words “ or customary ”.

M. SHIMADA (Japan) said that the Japanese delegation would not insist on its proposal if the Conference agreed to interpret the term “ legal holiday ” in a wide sense — that was to say, to include holidays fixed by law and holidays allowed by law.

M. PERCEROU (France) pointed out that his delegation had submitted a request for a reservation which it had for the moment withdrawn. It might be able to obtain satisfaction without the insertion of that reservation.

In France, apart from the legal holidays on which a bill of exchange could not be presented and protest could not be made, there were what were known as days assimilated to legal holidays. For instance, when a legal holiday fell on a Friday, the law stated (Law of July 13th, 1905) that

transactions relating to bills of exchange, presentment or protest, could not be carried out on the Saturday. Such a day was called a " jour de pont ". It was not a legal holiday in the sense that the courts and the public authorities were not on a holiday. It was simply a day during which transactions relating to commercial bills could not be carried out.

The French delegation thought it necessary to maintain those assimilated days from the point of view of exchange formalities, and M. Percerou asked whether the Conference would be able to agree, in order to avoid a reservation, to the insertion in Article 72 of a formula which might be drawn up as follows :

" The payment of a bill of exchange which falls due on a legal holiday, or on a day assimilated to a legal holiday by the particular legislation of any State from the point of view of the carrying out of transactions relating to bills of exchange, cannot be demanded until the next business day."

M. Percerou asked the Conference whether it could accept that text or whether it would prefer the French delegation to make a reservation.

M. GIANNINI (Italy) noted that M. Percerou's proposal amounted to reverting to Article 17 of the Hague Convention. He did not imagine a rule such as that suggested by M. Percerou should form the subject of an article in the Uniform Regulation, and if the Conference accepted the principle, it should revert to Article 17 of the Hague for the purpose of assimilating certain business days to legal holidays.

M. VAN NIEROP (Netherlands) was of opinion that this was a practical question and that the Conference could not accept the proposal of the Japanese delegation. He explained his reasons. In the Netherlands, the custom of bank holidays, which came from England, was followed. Were those days, on which the banks were closed, customary holidays or not? On Good Friday, for instance, all the Dutch banks were closed; nevertheless, it was not a customary holiday because the public, in general, worked. The same was the case in regard to certain Saturdays which were " bridged " by the banks. It would be dangerous to speak of customary holidays, for to do so would raise a great many difficulties in practice. If it were desired, in accordance with the advice of the President, to avoid a reservation, the Japanese proposal should not be accepted.

The PRESIDENT believed that the Japanese delegation had to some extent already taken into account the point of view explained by M. van Nierop. It had just said that it would not insist on the adoption of the word " customary ". It had in view only the days assimilated by law to holidays. That was the idea of M. Percerou. The President wondered whether it was necessary to maintain Article 17 of the Hague Convention and whether it would not be sufficient to insert Article 72 in the Uniform Regulation, modified as follows :

" Payment of a bill of exchange which falls due on a legal holiday or on a day assimilated to a legal holiday by law cannot be demanded. . . ."

Mr. GUTTERIDGE (Great Britain) informed the Conference that in England the Bills of Exchange Act and the Bank Holiday Act definitely fixed certain holidays. These were divided into two categories : common law holidays, such as Christmas Day, Good Friday and any day appointed under Royal Proclamation as a day of fasting or rejoicing, and statutory holidays, which were known as bank holidays. The provisions referring to both types were combined in Section 14 of the Bills of Exchange Act of 1882.

It was therefore correct to say that for the purpose of the law relating to bills of exchange all holidays were definitely fixed by Act of Parliament.

M. GIANNINI (Italy) believed that it would be difficult to adopt the proposed formula in regard to the assimilation of holidays. According to the Italian national law there was no assimilation. It existed in certain countries only.

M. SOKAL (Austria) said that in his country and also, he believed, in Germany, a cashier's desk remained open on bank holidays for a few hours in the morning for the payment of bills of exchange.

M. PERCEROU (France) recognised with M. Giannini that special days on which the formalities connected with commercial instruments could not be accomplished were not entirely assimilated to holidays. That was why he had considered it necessary to say in the text of the article : " From the point of view of the accomplishment of formalities relating to bills of exchange ", which indicated that from other points of view the day in question was not a holiday.

In conclusion, M. Percerou believed that, taking everything into consideration, the reservation was more clear and would be preferable. It avoided overburdening the text of the Uniform Regulation.

M. VISCHER (Switzerland) entirely supported the proposal of the President according to which Article 17 of the Hague Convention would be deleted. On the other hand, however, he considered it necessary to adopt a provision in the sense of Article 24, paragraph 3, of the Hague Convention, which stipulated :

" The States also will give to the said Government a list of the legal holidays and other days when payment cannot be demanded in their respective countries."

Such a provision would indirectly impose on the contracting States the obligation to fix the holidays which should be taken into account, and all the difficulties which had been raised would be avoided.

In Switzerland, there were no Federal holidays with the sole exception of the "Jeune Fédéral". Holidays were prescribed by the cantons. At Bâle-Ville, May 1st was considered as a holiday, whilst in other cantons it was a working day. The Swiss Confederation would have to draw up a list indicating the holidays of each canton.

The PRESIDENT noted that nothing remained for the Conference but to revert to Article 17 of the Hague Convention. It went without saying, however, that the stipulation mentioned by M. Vischer would also be included.

Agreed.

Mr. KENNEDY (United States of America) read the general provisions contained in the report of the Inter-American High Commission, Article 72 of which was as follows :

" This coincides with the legislation of Brazil, Costa Rica, Ecuador, Peru and the United States. In El Salvador, the Code prescribes that a draft falls due on the date indicated without any exception whatsoever. In other countries of Latin America, a bill maturing on a holiday is payable on the preceding business day, and the same is true with regard to the protesting of drafts with the exception of Chile, where protest should be made on the day following the holiday. Article 17 of the Convention provides that contracting States may assimilate certain working days to legal holidays for the purposes of this Act. This provision covers the presentation of bills on Saturdays, which, under the United States law, may be postponed to the next business day, excepting that demand bills may, at the holder's option, be presented on Saturday before noon.

" Although it may be urged that it is quite as sound in principle to require presentation of a bill maturing on a holiday on the preceding day rather than on the day following for the sake of uniform practice, it would be desirable to abide by the provisions of the Uniform Law and Convention, in conformity with the recommendations made at Buenos Aires."

Article 72 as a whole was approved at a first reading.

ARTICLES 73 AND 73(a).

Articles 73 and 73(a) were approved at a first reading.

PROMISSORY NOTES PAYABLE TO ORDER.

ARTICLE 74.

The PRESIDENT pointed out that there was a Czechoslovak amendment to sub-paragraph No. 1 which said :

" In conformity with the text of Article 1 (No. 1) adopted by the Conference the text of sub-paragraph No. 1 should run as follows :

" " The denomination of the instrument inserted in the body of it and expressed in the language employed for expressing the " promise to pay " ."

M. GIANNINI (Italy) considered that there was no longer any reason for this amendment. The Czechoslovak delegation had concurred in the formula of the experts for Article 1, No. 1, on condition that explanations were given in the report.

M. HERMANN-OTAVSKY (Czechoslovakia) withdrew his amendment.

M. MOLENGRAAFF (Netherlands) stated that during the discussions on Article 1, No. 1, of the Uniform Regulation the Netherlands delegation had asked for a reservation in the sense of Article 2 of the 1912 Hague Convention. That reservation had not been allowed. Nevertheless, the Netherlands delegation hoped that the Conference would reverse its decision now that so many States had asked for reservations in connection with so many provisions. If that reservation were refused, it would be extremely difficult for the Netherlands to accede to the Convention in so far as it concerned bills of exchange, but it would be still more difficult in so far as promissory notes were concerned if the Conference did not allow a reservation in connection with Article 74, paragraph 1, in the sense of Article 21, combined with Article 2 of the 1912 Hague Convention.

That Convention provided that any Contracting State could prescribe that promissory notes created on its territory which did not contain the denomination " promissory note " were valid, provided that they contained the express specification that they were to order. That reservation was even more necessary than a similar reservation concerning bills of exchange, because promissory notes played an important rôle in everyday life. They were issued by private persons more frequently than were bills of exchange, and they hardly ever contained the denomination " promissory note ". Those instruments, moreover, circulated generally in the interior of the country. They were simply drawn up as follows :

" I agree to pay (or I will pay) to X or to his order 100 florins."

It could not be hoped that the Netherlands Parliament would agree that any such denomination on those instruments should be required.

The Netherlands delegation was of opinion that the Conference could not refuse to allow the Netherlands to make such reservations in regard to both bills of exchange and promissory notes, for that would make it possible for the Netherlands to accede to the Convention. Moreover, there was agreement in 1912 in regard to those reservations.

M. Deoclecio DE CAMPOS (Brazil) said that everyone was aware of the influence of legal terminology when the unification of a law was in question, and in particular such unification as that with which the Conference was occupied. In regard to the denomination "promissory note" he pointed out that the denomination of this exchange instrument was not the same in the Brazilian and Portuguese legislations, although the language might be the same.

The promissory note corresponded to the *nota promissoria* in Brazil, whereas in Portugal this term had, under the most recent law, been lately replaced by the word *livrança*.

At the 1910 Conference, the Brazilian delegate plenipotentiary, M. Rodrigo Octavio, had proposed to the Portuguese delegation the adoption of the term used in Brazilian exchange law, because it was better known. That would have removed certain difficulties in business between these two Portuguese-speaking countries.

The Brazilian delegation had been unable at that time to make any definite proposal. It had, however, succeeded in securing the insertion in the Preliminary draft Convention (Article 21, paragraph 2) of a clause stipulating that the countries would inform the Netherlands Government of the term which, in the language recognised in their territory, corresponded to the terms "bill of exchange" and "promissory note", and also that when the language was the same — and that was the case with Brazil — the countries concerned would agree as far as possible on the choice of one and the same term.

M. de Campos, basing himself on the spirit underlying the above-mentioned clause in the Hague Convention and on the desires of jurists and business men in Brazil, wished to make a friendly appeal to the distinguished Portuguese delegate, M. Caeiro da Matta. He was sure that for the sake of uniformity in exchange law, the latter would extend a sympathetic welcome to his suggestion. He was sure that the Portuguese legislature would have no difficulty in accepting a suggestion coming from their delegate for the use of the term *nota promissoria* in Portuguese bills of exchange law, since that would greatly facilitate the exchange of the instruments in question between the two countries. This same provision had been adopted at The Hague and incorporated in the 1912 Convention, Article 24, paragraph 2.

M. VISCHER (Switzerland) thought that, in the matter of the Czechoslovak amendment, the Conference had taken a formal decision and had adopted it. The Drafting Committee appeared to be proposing that this text, which had been adopted, should now be given up. M. Vischer would reserve his right to return to this question at the second reading, for the matter was one to be decided by the Conference.

M. DUZMANS (Latvia) desired to speak, not on Article 74, but on the whole question of promissory notes. He wished to set forth the following considerations in connection with his Government's attitude :

The draft Regulation adopted by the Conference at the first reading would represent a general law on bills of exchange, with an addition concerning promissory notes in the second part of the last chapter (XII) of the Regulation, the provisions of which (Article 76) referred to the articles on bills of exchange subject only to the modifications resulting from Articles 74, 75 and 77, which were expressly concerned with promissory notes.

This arrangement corresponded to the fact that in the vast majority of countries throughout the world the national legislation on negotiable instruments had been built up on the basis of the bill of exchange and not on that of the promissory note and that in those countries the circulation of bills of exchange was internally more important than that of promissory notes.

That, however, was not the case in Latvia.

In their reply of January 18th, 1929, to the circular letter from the Secretary-General of the League dated July 19th, 1928, the Latvian Government had drawn attention to the fact that the law of Latvia on negotiable instruments differed from those of the Western European countries in that it dealt primarily with promissory notes, though providing at the same time for bills of exchange in the proper meaning of the term. The bill of exchange was dealt with in the second part of the law and, it should be noted, in two ways — viz. ; by reference to the general law and stipulations governing promissory notes and by express and special provisions which were, however, fairly circumstantial and detailed.

The order, therefore was the reverse of that established in the Uniform Regulation under discussion by the present Conference.

This system of law on negotiable instruments in force in Latvia was based on the economic relations existing in that country and on its commercial traditions in the matter of exchanges within the country, where the promissory note had, since the earliest times, been used as a very simple means of payment and credit.

Commerce and finance in Latvia had been governed by this law at the time when the country still formed part of Imperial Russia, for Latvia had adopted almost unaltered the law of the Russian Empire on negotiable instruments — which had been one of the best laws of that Empire.

As regarded Latvia's participation — or the participation of any other country having the same legal exchange system, for Latvia was not the only country in that position — in the exchange Regulation drawn up by the present Conference, the considerations and observations put forward above led to the following consequences and conclusions.

There were two possible contractual situations in this connection ; there was that laid down in paragraph 2 of Article 22 of the Hague Convention of 1912, while the other was laid down in paragraph 1 of the same Article 22.

The first situation was as follows : It was allowed and expressed in the following terms in Article 22, paragraph 2, of the Hague 1912 Convention :

“ Each (Contracting) State reserves to itself the power to make provisions concerning promissory notes by special regulation which shall be in conformity with the provisions of Title II of the Uniform Regulation, and which will reproduce rules concerning bills of exchange to which reference is made, with only the modifications resulting from Articles 77, 78, 79 and 80 of the (Uniform) Regulation and of Article 21 of the present Convention.”

The situation here, accordingly, was that in which a country whose exchange law was based on the promissory note and not on the bill of exchange undertook by treaty to introduce into its national legislation the whole of the Uniform Regulation integrally ; that was to say, the provisions of the Regulation concerning bills of exchange and those covering promissory notes likewise.

M. Duzmans would emphasise the phrase “ to introduce ”, while leaving on one side and reserving the choice of the constitutional method which would yet have to be adopted as to the method of presenting the acts of the Conference to the national legislative power with a view to their incorporation in national law.

In the case of the first contractual situation, the system of a single description of the stipulations concerning bills of exchange and promissory notes, a system which would have made it easiest for the general public to understand their essential character and their differences, was excluded at the outset. The system of a uniform regulation adopted by the Conference made such a course impossible.

There were accordingly the two following methods of incorporating the whole Regulation integrally in national law :

1. The regulations as it stood could be adopted *en bloc* by legislative act subject to any modifications that might be required, and passing over the constitutional method to which M. Duzmans had just alluded and which still had to be chosen.

2. The countries which regarded the latter half of Chapter XII of the Regulation, that concerning promissory notes, as inadequate and as too involved for a clear and rapid understanding of all the provisions concerning promissory notes might be authorised to draw up a separate law on promissory notes ; that was to say, they would be allowed to publish separately all the various provisions on promissory notes devolving from the general law embodied in the Uniform Regulation, thus making it possible for anyone who wished to issue or might have in his possession a bill of exchange or a promissory note to conform, in the former case to the general law on bills of exchange — *i.e.*, to the terms of the Uniform Regulation, and in the second case to the special law on promissory notes.

It was the second method which had been authorised by paragraph 2 of Article 22 of the Hague 1912 Convention, but to which no reference at all was made in the draft Regulation drawn up by the experts of the League and submitted to the Conference.

This omission might be interpreted in two ways ; either the Committee of Experts had not thought fit to allow this power to the contracting countries or it had considered that this power was to be presumed in all cases and that it was reserved to each contracting party, even though not mentioned expressly.

The Latvian delegation thought it obvious that, in the event of Latvia adopting the Regulation integrally, she would, like any other contracting party, be entitled to promulgate a separate law on promissory notes of the kind he had described, but based on the Regulation, and consequently entitled to preserve her existing legal provisions in the matter, amended in conformity with the innovations contained in the Uniform Regulation, even though no express reference to that right were contained in the Convention.

Nevertheless, the Latvian delegation held that an express reference would none the less be of considerable practical importance for two reasons : first of all, for the sake of clearness, since there might be divergent interpretations, and in order to exclude any misunderstanding ; and, secondly, for the purpose of facilitating subsequent adherence to the acts of the Conference, especially in cases where countries which wished to adhere had internal laws based on the promissory note.

M. Duzmans then passed to the examination of the second treaty situation which might exist in this connection. That situation was allowed under paragraph 1 of Article 22 of the Hague 1912 Convention, where it was expressed in the following terms :

“ Every Contracting State reserves to itself the power to restrict the obligation mentioned in Article 1 (of the Convention) to provisions concerning bills of exchange, and not to introduce into its territory the provisions concerning promissory notes contained in Title II of the (Uniform) Regulation. In this case, the State which has made use of this reservation shall only be considered as a Contracting State so far as regards bills of exchange.”

It was with that reservation that the Government of Latvia intended to assume undertakings at the present Conference in regard to her participation in the Uniform Regulation on bills of exchange and promissory notes and in the Convention to be signed.

The Latvian delegation was convinced that the participation of its country with the reservation to which it had just referred would put no obstacle in the way of the international circulation of the exchange instruments covered by the Regulation. The reservation would only have practical effect in so far as the circulation of such instruments within the boundaries of Latvia was concerned. Their circulation therefore would remain, owing to the practical effects of this reservation, outside the needs of international unification and would not be concerned with any international regulations laid down on the subject.

Latvian bills of exchange, as well as those of other nations, would circulate on the international market, and Latvia, just like any other country, certainly needed exchange credit.

It was only by means of bills of exchange and not by promissory notes that commercial relations between Latvia and foreign countries were maintained and developed from the point of view of exchange instruments. Promissory notes were only in circulation in Latvia.

This situation would be fully assured by the undertaking assumed by Latvia to take part in the Uniform Regulation with the reservation already announced, by the terms of which Latvia would only assume undertakings in respect of bills of exchange and not in respect of promissory notes.

The requirements of the circulation of negotiable instruments did not compel Latvia to amend her existing legislation on promissory notes.

For all these reasons, international trade was not and could not be in practice affected by the application of any system upon which the provisions of the Latvian national law in regard to promissory notes might be based.

In those circumstances, there was no reason why Latvia should abandon a series of her national regulations in regard to promissory notes because they differed from the corresponding provisions inserted in the Uniform Regulation and which, for reasons set out in general at the beginning of the present statement, it was difficult for Latvia to accept.

As an example, the representative of Latvia summarised the main points on which his country could not accept the provisions of the Uniform Regulation concerning promissory notes: actual payment in foreign currency (Article 40, paragraph 1, of the Regulation); the provisions of Article 53 in regard to *vis major*; the clause freeing the holder of the bill from the necessity of drawing up the protest (Article 45 of the Regulation concerning promissory notes); recourse before the maturity of a promissory note (Article 42); clause concerning interest (Article 5); intervention in favour of a guarantor (Article 54); endorsement on a promissory note including the phrase: "value in security" and "value in pledge" (Article 18); "aval" by separate act (Article 31); question of copies (Articles 66 and 67), and a certain number of other points.

In so far as the promissory note only was concerned, the provision of Article 1 of the draft Convention drawn up by the experts (Article 19 of the Hague 1912) Convention whereby the validity of a bill of exchange or promissory note should not be subordinated to the observance of the provisions concerning the stamp would cause dangerous confusion in the custom regulating the traffic in promissory notes within the country.

The provisions in Latvia concerning conflicts of law in connection with promissory notes must also be maintained.

On the other hand, in regard to the bill of exchange leaving Latvia for a foreign country, the Latvian delegation was prepared to accept all the points set out, although they amounted to a considerable innovation which would constitute a serious exception to the established law in Latvia concerning exchange.

It was in this manner that the Latvian delegation thought itself able effectively to co-operate in the work of international unification by confining itself to making only those sacrifices which were not unreasonable in the case of Latvia and which might prove useful to other countries.

For all these reasons, the Latvian delegation would propose the re-establishment in the draft Convention to be adopted of the reservation set out in Article 22 of the Hague Convention of 1912.

M. SHIMADA (Japan), on behalf of his delegation, recalled the observations which he had made during the discussion of Article 1, paragraph 8, concerning the use of a seal instead of a signature on the bill of exchange. This observation also applied to the signature on a promissory note. Reference to this should be made in the report.

Article 74 was approved at a first reading with the reservations made by a number of delegations.

ARTICLE 75.

M. DA MATTA (Portugal) thanked M. Deoclecio de Campos for the suggestion which he had made to the effect that Brazilian and Portuguese legislation should be unified in so far as the expression *nota promissoria* was concerned. He was all the more willing to accept this suggestion in view of the fact that Portuguese legal tradition from the beginning of the old laws up to the publication of the Portuguese Commercial Code in 1888, and even current commercial practice, were in favour of the adoption of the phrase proposed by M. Deoclecio de Campos.

Article 75 was approved at a first reading.

ARTICLE 76.

M. WEILLER (Italy) thought that the decision taken by the Conference in regard to bills of exchange in blank would also naturally apply to promissory notes. This should therefore be explicitly stated. M. Weiller proposed that the Drafting Committee should be instructed to make the necessary addition to Article 76.

The PRESIDENT replied that this provision had been inserted in the list of the articles.

The Japanese delegation had submitted an amendment to the effect that the Article 31bis should be added to the list of articles. Since Article 31bis had been deleted, however, it was obvious that the Japanese amendment no longer applied.

Article 76 was approved at a first reading.

ARTICLE 77.

Article 77 was approved at a first reading.

TWENTY-THIRD MEETING.

Held on May 27th, 1930, at 3 p.m.

President: M. J. LIMBURG.

29. Revision of the Uniform Uniform Regulation.

The PRESIDENT asked the Conference whether it was clearly understood that it approved the insertion in the Convention of an article stipulating that on application by four or five States the Council of the League could convene a fresh conference for the revision, if necessary, of the Uniform Regulation. A similar clause had recently been adopted, in the Convention on Nationality, by the Conference for the Codification of International Law at The Hague.

The Conference approved the insertion of this article.

30. Consideration of the Reservation to the Draft Uniform Regulation.

RESERVATIONS TO ARTICLE 74.

M. GIANNINI (Italy) said that at the previous meeting he had listened with great interest to M. Duzmans' very lucid statement. The question which M. Duzmans had raised was one of the most important of those involved, but it was essential to agree on its practical bearing. In all countries, the promissory note was the most important of all internal commercial instruments and in certain countries bills of exchange virtually did not exist internally. A very clear distinction was drawn between a promissory note, which was an internal document, and a bill of exchange, which was an external document. That had been the position in Russia at the time when she attended the last Conference at The Hague, and it was still that of the U.S.S.R. and the Baltic countries.

M. Giannini considered that a certain elasticity should be allowed in regard to promissory notes, which were of special importance in business circles in Latvia.

He drew the Conference's attention to the following fact: A perusal of Articles 21 and 22 of the Hague 1912 Convention showed that three systems or, to be more exact, three possibilities had been contemplated. In the first place, the countries were empowered to have a uniform regulation to cover both bills of exchange and promissory notes. This fact emerged from Article 21, under which the same possibilities in regard to reservations and the same reservations as those adopted for bills of exchange were allowed in the Uniform Regulation on promissory notes. In this case, there was complete concordance between the two systems.

Article 22 allowed two possibilities: first, each contracting country reserved to itself the power to restrict the application mentioned in Article 1 to provisions concerning bills of exchange, and not to introduce into its territory the provisions concerning promissory notes contained in Title II of the Regulation. The State which had made use of this reservation was only to be considered as a contracting State in so far as regarded bills of exchange.

That system was diametrically opposed to the system mentioned in Article 21. Article 21 laid down that promissory notes were subject to the same provisions as bills of exchange, whereas Article 22 allowed them to be kept entirely distinct. From the practical point of view, the countries which wished to make use of this reservation entered into no international undertaking in regard to promissory notes. They held that the promissory note presented advantages so distinctly national in character and importance that it was difficult for them to conform to the Uniform Regulation. In substance, the problem was still strictly an economic one.

Lastly, the second paragraph of Article 22 contained what might be regarded as a compromise system. It stipulated that each State reserved to itself the power to make provisions concerning promissory notes by a special regulation which would be in conformity with the provisions of Title II of the Regulation and which would reproduce rules concerning bills of exchange to which reference was made, with only the modifications resulting from Articles 77, 78, 79 and 80 of the Regulations and of Article 21 of the Convention.

Supposing this mixed system was adopted, M. Giannini asked whether it was to-day still necessary to have a separate regulation for promissory notes. The answer was undoubtedly in the affirmative. Not only those countries which had adhered to the Russian law, but other countries as well demanded it. It should be noted in passing that this Russian law had been modified in the U.S.S.R. The countries concerned were obliged to insist on a certain elasticity in the international provisions concerning promissory notes, and they wished to keep these three possibilities.

It was accordingly very difficult to adopt any other system than that contained in the Hague Convention and to refuse to retain the three systems; that amounted to saying that the Conference should not suppress Article 21, subject, of course, to the adjustment of the articles mentioned therein. It should also keep to the systems laid down in paragraphs 1 and 2 of Article 22.

In this connection, however, M. Giannini had understood from M. Duzmans' statement that the latter was asking for something more than the provisions contemplated in the second paragraph of Article 22, and he requested M. Duzmans to enlighten him on this point.

M. DUZMANS (Latvia) replied that he desired nothing but what was laid down in the article in question.

M. GIANNINI (Italy) observed that, this being so, the two articles must necessarily be adopted in the Regulation on promissory notes.

The discussion to which this question had given rise led the Italian delegation to consider afresh the question of introducing Article 1 of the Hague Convention. The Dutch delegation had sent the Drafting Committee in connection with this article a letter in which it observed that it found it difficult to accept the Convention without the reservation contained in that article.

As it was shown by the recent discussion on promissory notes that it was almost essential to keep this rule, which was part of the Hague Convention, M. Giannini requested the Conference to decide on the problem as a whole. He admitted that quite recently he had been opposed to the adoption of that article, but after having carefully examined the question of promissory notes and heard the explanations of M. Duzmans and M. Molengraaff he felt certain doubts.

The Conference was now at the end of the first reading. It could view the problem as a whole. It saw what was the real position and what were the difficulties to be overcome if the agreements were to be not only signed but ratified as well. It was in this spirit that M. Giannini urged the Conference to look at the problem.

He would repeat what he had said at the previous meeting. In certain cases, it was necessary to be satisfied with what was possible, especially when that involved no tragic consequences. He was therefore prepared to adopt Article 2 and Article 22 of the Convention, but urged the Conference, after settling this question, to find somewhat more precise limits for the reservations that had been adopted, so as to be quite clear in coming to a decision on the other reservations now put forward. M. Giannini therefore proposed to ask leave to address the Conference as soon as the discussion on the articles in question had been concluded and to request the other delegations which wished to propose reservations carefully to consider whether they could not dispense with them.

In connection with the reservations, it had been proposed that the Conference should reconsider certain articles which had already been approved. That, of course, was always possible until the moment of signature, but if that procedure was adopted, it would be difficult to distinguish clearly between the results at present achieved and the form which the Convention would take to-morrow.

M. PERCEROU (France) pointed out that the Conference had before it two main requests for reservations in connection with promissory notes, one from the Latvian delegation and the other from the Netherlands delegation. Both appeared to be prompted by the consideration that promissory notes were employed much less frequently than bills of exchange as instruments of international commerce, that they were employed by countries mainly within their own frontiers, and that in consequence uniformity was of less importance than in the case of bills of exchange.

It was a fact that, in regard to promissory notes, more respect could be had for national peculiarities. For that reason M. Percerou would readily support the Latvian request for a reservation and would propose an intermediary solution for the Netherlands request.

The Netherlands reservation was designed to allow the contracting States to omit from bills of exchange and promissory notes respectively the words "bill of exchange" and "promissory note".

It would be very regrettable, from the point of view of the uniformity of the international law on negotiable instruments, if the words "bill of exchange" were omitted from bills of exchange which were essential instruments of international commerce. It was precisely in order to ensure the most complete uniformity that France, which was at present in the same position as the Netherlands, had renounced that reservation in the case of bills of exchange.

On the contrary, the French delegation saw no objection to respecting the freedom of States in regard to promissory notes and permitting those States which did not at present inscribe on them the words "promissory note" to retain that liberty.

If a difference in legislation resulted, there would not be the same objections as in the case of bills of exchange, since promissory notes circulated mainly within the national frontiers.

There would, moreover, be useless repetition, at any rate for French-speaking countries, in requiring the reference in question on promissory notes, for the nature of a note resulted from the way it was drawn up. The promissory note was worded: "I will pay, at such a date, the sum of . . . to the order of Mr. X." The note which did not contain the "to order" clause would not be a promissory note. In consequence, it would be strange to put "promissory note" and to continue: "I will pay to the order of." That would be useless repetition.

M. Percerou asked the Netherlands delegation whether it would not be content to confine its reservation to promissory notes, in order to maintain uniformity in the wording of bills of exchange, which were primarily bills of international commerce. The Hague reservation, which referred both to bills of exchange and to promissory notes, would be limited to promissory notes if there were no obligatory term which must be used. Would the Netherlands delegation accept that suggestion?

M. VISCHER (Switzerland) pointed out that Article 74 was drawn up as follows:

"A promissory note contains:

"1. The denomination of the instrument inserted in the body of it. . ."

M. Percerou had just explained that, in his opinion, it was necessary to include in a promissory note the words "promissory note", whereas it appeared that in the minds of the delegates who met at The Hague Article 74 did not have that meaning.

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The Conference was now at the end of the first reading. It could view the problem as a whole. It saw what was the real position and what were the difficulties to be overcome if the agreements were to be not only signed but ratified as well. It was in this spirit that M. Giannini urged the Conference to look at the problem.

He would repeat what he had said at the previous meeting. In certain cases, it was necessary to be satisfied with what was possible, especially when that involved no tragic consequences. He was therefore prepared to adopt Article 2 and Article 22 of the Convention, but urged the Conference, after settling this question, to find somewhat more precise limits for the reservations that had been adopted, so as to be quite clear in coming to a decision on the other reservations now put forward. M. Giannini therefore proposed to ask leave to address the Conference as soon as the discussion on the articles in question had been concluded and to request the other delegations which wished to propose reservations carefully to consider whether they could not dispense with them.

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On the contrary, the French delegation saw no objection to respecting the freedom of States in regard to promissory notes and permitting those States which did not at present inscribe on them the words "promissory note" to retain that liberty.

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There would, moreover, be useless repetition, at any rate for French-speaking countries, in requiring the reference in question on promissory notes, for the nature of a note resulted from the way it was drawn up. The promissory note was worded: "I will pay, at such a date, the sum of . . . to the order of Mr. X." The note which did not contain the "to order" clause would not be a promissory note. In consequence, it would be strange to put "promissory note" and to continue: "I will pay to the order of." That would be useless repetition.

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M. VISCHER (Switzerland) pointed out that Article 74 was drawn up as follows:

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M. Percerou had just explained that, in his opinion, it was necessary to include in a promissory note the words "promissory note", whereas it appeared that in the minds of the delegates who met at The Hague Article 74 did not have that meaning.

In the opinion of the Swiss delegates, it would be sufficient, for promissory notes, to use the word "exchange" to make it clear that they were instruments "to order". It was for that reason that in the German text drawn up by German, Austrian and Swiss experts the promissory

note was called "die Bezeichnung als Wechsel". If the thesis of M. Percerou were adopted, it would be necessary to say "die Bezeichnung als eigener Wechsel".

The German, Austrian and Swiss experts were thus of opinion that it was not necessary to say in the body of the instrument that it was a promissory note, because it followed from the text of an instrument which contained all the other essential statements that it was a promissory note.

In Switzerland, the official term sanctioned by the national legislation was "billet de change". That term had to appear expressly on the instrument, with the word "Wechsel" or "cambiale" in brackets (Article 825 of the "Code des obligations").

The Swiss delegation was therefore of opinion that it sufficed for a promissory note to contain the word "exchange". If it had to be considered that according to the Uniform Regulation a promissory note must bear the words "promissory note", the Swiss delegation would be obliged to reserve the possibility of being content with the word "exchange".

M. QUASSOWSKI (Germany) would regret a reservation in regard to Article 2 of the Hague Convention concerning bills of exchange. On that main point, it was important to reach complete uniformity.

In regard to the difficulty resulting from the words "denomination of the instrument" which appeared in Article 74, M. Quassowski approved the observations of M. Vischer. The German-speaking delegates who had taken part in the Hague Conference had understood that the expression "Wechsel" would be allowed and that it would not be necessary in every case to mention the words "eigener Wechsel" on the instrument. The same question would arise in future. Any doubt on the subject should be removed either by a modification of the text or by a reservation.

M. PERCEROU (France) made an observation with regard to the interpretation which it would be desirable to give to sub-paragraph 1 of Article 74. The denomination of the instrument which had to appear on the promissory note was a question of custom in each country. In French-speaking countries, the term to be used in the promissory note was "billet à ordre". What was the term in German-speaking countries? Was it "Wechsel" or "eigener Wechsel"? It was a question of custom. The Convention and the Regulation did not enter into those details.

In order to avoid any confusion, the PRESIDENT drew attention to the text of Article 2 of the Hague Convention, which was as follows :

"In derogation of Article 1 (1) of the Regulation, every Contracting State may provide that bills of exchange issued in its own territory which do not contain the expression 'bill of exchange' shall be valid, provided that they contain an express statement that they are payable 'to order'."

That text concerned bills of exchange.

The same Hague Convention also contained an Article 21, which was drawn up as follows :

"The provisions of Article 2 to 13 and 15 to 20 concerning bills of exchange apply equally to promissory notes."

The Latvian delegation had put forward a reservation concerning paragraph 2 of Article 22 at the last meeting.

M. DUZMANS (Latvia) explained that the reservation of the Latvian delegation referred to the whole article.

The PRESIDENT had understood that Latvia reserved the right, if Article 22 of the Hague Convention were maintained, to apply only the second paragraph of that article, which stated :

"Each State reserves to itself the power to make provisions concerning promissory notes by a special regulation which shall be in conformity with the provisions of Title II of the Uniform Regulation, and which will reproduce rules concerning bills of exchange. . ."

M. DUZMANS (Latvia) said that what interested the Latvian delegation was the first paragraph, which dealt with the power to restrict the obligation mentioned in Article 1.

The PRESIDENT then understood that Article 22 of the Hague Convention was adopted and that Latvia would apply paragraph 1.

M. DUZMANS (Latvia) replied in the affirmative.

The PRESIDENT thought that, in order to give satisfaction to the Latvian delegation, it would suffice to keep Article 21, which was of a more general character, and the first paragraph of Article 22 ; the second paragraph of Article 22 might disappear.

M. DUZMANS (Latvia) agreed that the President's observations were correct. Latvia had an immediate interest in the application of Article 22, paragraph 1, of the Hague Convention, under which each State reserved to itself the power to restrict the obligation mentioned in Article 1. M. Duzmans, however, did not have in mind merely the immediate interest of his own country, but was also thinking of the general interest. It was for that reason that he urged the adoption of paragraph 2 as well. Suppose Latvia decided at some future time to assume the full obligation. In that case, paragraph 2 of Article 22 would be necessary. Further, those countries which had the same system as Latvia and which were not represented at the Conference would be able, at one time or another, to adhere to the acts of the Conference. The adoption of paragraph 2 would facilitate their adhesion.

To sum up, M. Duzmans made his proposal in the immediate interests of his own country and in the general interests as well.

He thanked M. Giannini for having amplified the Latvian proposal by suggesting the adoption of Article 21 as well. No delegation had made a formal proposal in regard to Article 21, but M. Duzmans thought that the Latvian proposal might be completed by M. Giannini's suggestion.

The PRESIDENT thanked M. Duzmans for his explanations and proposed that the Conference should take a decision on the Latvian proposal for the inclusion of Article 22 of the Hague Convention in the draft Convention.

The proposal was adopted.

M. VISCHER (Switzerland) said that, if the Conference adopted M. Percerou's interpretation, he would have to ask for a change in Article 2 of the Hague Convention, which he proposed should be drafted as follows :

“ In derogation of Article 74 of the Regulation, every Contracting State may provide that bills of exchange issued in its own territory which do not contain the expression ‘ to order ’ shall be valid, provided that they contain an express mention of the words ‘ of exchange ’.”

In Switzerland, every instrument containing the words “ de change ” was held to be an instrument payable to order. M. Vischer thought that Article 74 should be interpreted in the way which he had mentioned, for he saw no necessity to specify in the promissory note that it was a promissory note. If the instrument contained a pure and simple promise of the payment of a specific sum, it followed that it was a promissory note and not a draft. It was for that reason that he did not think it necessary expressly to use the words “ billet à ordre ”.

The PRESIDENT hoped that M. Vischer would withdraw his proposal, which might, in his opinion, lead to confusion. The question appeared perfectly clear. No change had been made since the 1910 and 1912 Conferences and what was now known in regard to the denomination of promissory notes and bills of exchange in the various countries had been known to the members of those two Conferences likewise.

Article 74 said :

“ A promissory note contains :

“ 1. The denomination of the instrument. . . ”

That amounted to saying that if in any country the denomination of a promissory note was “ promissory note ”, the fact should be stated in the body of the instrument ; again, if in another country the denomination was “ eigener Wechsel ”, the term “ eigener Wechsel ” should be inserted in the instrument. If in a third country the denomination was “ Wechsel ”, that term should be used.

Article 2 of the Hague Convention, dealing with bills of exchange, and Article 21, dealing with promissory notes, stipulated that there was no need of this denomination provided that the words “ to order ” appeared in the instrument.

The question was therefore quite simple and had nothing to do with the various denominations of the promissory note. In order, however, to satisfy everybody, the Convention, or a protocol, might include a provision stating that promissory notes were denominated as follows in the different countries : in Germany “ eigener Wechsel ”, in England “ promissory note ”, and so on.

In this way, everyone would immediately know what were the various denominations of a promissory note. From the legal point of view, however, the matter was clear.

M. GIANNINI (Italy) thought that the first thing to do was to come to a decision on a general question — namely, whether the reservation as formulated in Article 2 and referred to in Article 21 should be accepted. In Article 2, the reservation was formulated only in regard to bills of exchange but it was repeated in Article 22 as if the idea in that article were the same.

If this system, which seemed to be that of the Dutch delegation, were abandoned, there remained the other system — namely, the possibility of a reservation restricted to promissory notes.

Though the first kind of reservation might be sacrificed, the second was absolutely essential, for certain very simple and practical reasons. In some countries there was not merely a general determination, but often local determinations as well, which it would be very difficult to uproot.

Suppose that after the present Conference a return were made to the results that had been achieved before the world conflict and an agreement were secured between the German-speaking countries, including Switzerland, upon a single translation and a uniform regulation ; it was nevertheless known that negotiations had been entered into between Switzerland and Italy with the same object. In Italy, the term used was sometimes “ cambiale ”, sometimes “ paghere ” and sometimes “ vaglia cambiario ”, while in Southern Italy, in particular, there was an instrument which was in very common use and bore the term “ fede di credito ”. That proved that if the general reservation were abandoned, the reservation referring to promissory notes would have to be adopted, for it was extremely difficult, if not impossible, to have a single term. The French term “ billet à ordre ” would yield a translation which would be understood by no one in Italy.

M. Giannini urged the Conference to decide whether the question should be contemplated in its widest aspect. If that idea were abandoned, it would be necessary to achieve a simpler and also a clearer formula in Article 2, since he could not understand that proposed by M. Vischer.

M. PERCEROU (France) would first confirm what the President had said. Article 24 of the Hague Convention said :

“ Also the States will communicate to the afore said Government (the Government of the Netherlands) the terms which, in the language recognised in their territory, correspond with the expressions ‘ lettre de change ’ and ‘ billet à ordre ’.”

That proved that it had been left to each State to intimate the term corresponding to “ billet à ordre ”.

M. Percerou thought that there was perhaps a difference between German practice and legal terminology. In German law and in Swiss law the “ billet à ordre ” was termed “ eigener Wechsel ”, whereas in practice it was known as “ Wechsel ”.

That was a somewhat inconsistent position and one which should be done away with.

For the reasons which he had already indicated and likewise for those suggested by M. Giannini, M. Percerou thought that there should be greater elasticity in regard to the form of the promissory note and that the reservation asked for by the Dutch delegation on this point should be allowed. If that reservation were admitted in regard to bills of exchange — and to do so would be a useless and unjustified step backward — the result would be to destroy the uniformity of the bill of exchange as an international instrument ; but, as he had already said, the situation was different in the case of promissory notes.

M. VISCHER (Switzerland) put a question to the Conference. In Switzerland, French was one of the national languages and, accordingly, the French text of the Uniform Regulation would have to be allowed as proposed. While M. Vischer did not feel competent to discuss with M. Percerou questions relating to French, he was obliged to observe that his confederates who used that language flattered themselves that they spoke fairly good French. The expression used in Switzerland was “ billet de change ”, and the term “ billet à ordre ” was not sanctioned by law.

Would it be possible for Switzerland to insert in her Uniform Regulation the expression “ billet de change ” instead of “ billet à ordre ”?

The PRESIDENT replied in the affirmative.

He had intended to put the Dutch delegation's proposal to the vote only in so far as concerned promissory notes, but M. Giannini wished the Conference to vote first on the question of denomination, not only in regard to promissory notes, but also in regard to bills of exchange. In that case, it would be necessary to take a decision first on Article 2 of the Hague Convention. If that article were accepted, it followed that Article 21 relating to promissory notes would also be accepted.

M. PERCEROU (France) asked whether, if the general reservation was not allowed, the question would be put separately in regard to promissory notes.

The PRESIDENT replied in the affirmative.

M. GIANNINI (Italy) said that, as Chairman of the Drafting Committee, he had received a formal letter from the Dutch delegation asking that the reservation might be formulated in accordance with Article 2 of the Convention. It was for that reason that he had asked that the question might be put.

The PRESIDENT thought that the Conference might also vote at once on the reservation covering promissory notes and postpone the question of bills of exchange until the second reading.

M. GIANNINI (Italy) pointed out that in that case the entire work would remain in suspense.

The PRESIDENT decided accordingly to put the two reservations to the vote.

Article 2 of the Convention was rejected.

The principle of Article 2 restricted to promissory notes was adopted by 17 votes to 2.

Mr. GUTTERIDGE (Great Britain) asked that note might be taken of the fact that he had abstained from voting.

M. GIANNINI (Italy) drew the Conference's attention to the fact that with the system adopted at The Hague it had been necessary to refer to Article 22 to Article 2 in order to do away with any doubt as to the interpretation of Article 74. In view, however, of the decision which had just been taken and in order to avoid any doubt in the matter, M. Giannini hoped it might not be possible to find a proper formula for insertion in Article 74. In the affirmative, any reference to Article 74 in Article 22 would be deleted.

The PRESIDENT replied that the word “ denomination ” used in Article 74 appeared to be the equivalent of the term “ promissory note ” in the case of countries which did not use that term. He would leave it to the Drafting Committee to find the proper expression. It was obvious that the present wording of Article 21 could not be kept. The Drafting Committee would have to revise it.

The President recalled that, before examining the other reservations made by the Yugoslav and Polish delegations, M. Giannini had wished to outline the reservations which the Conference had already adopted. With that object, the President called on M. Giannini, as Chairman of the Drafting Committee, to explain these reservations.

RESERVATIONS TO THE OTHER ARTICLES.

M. GIANNINI (Chairman of the Drafting Committee) said that the reservations approved by the Conference amounted to fourteen, and were to the following effect :

A reservation of a passing nature asked for by the French delegation in regard to Article 1 ;
A reservation to Article 3 of the Hague Convention which the Conference had decided to reinsert ;

A reservation to Article 10 of the Uniform Regulation asked for by the French delegation ;
A reservation in regard to Article 31, paragraph 1, asked for by the French delegation ;
A reservation to Article 38 of the Uniform Regulation, reproducing that made to Article 7 of the Hague Convention ;

A reservation regarding the last paragraph of Article 38 ;
A reservation in regard to paragraphs 2 and 3 of Article 43 ;
A reservation in regard to Article 43 in general, and a second concerning paragraph 2 of that article asked for by the German delegation ;
A reservation in regard to Article 45, paragraph 1 ;
A reservation in regard to Article 48.

The Conference had finally reinserted, at its meeting on Saturday, Articles 13 and 14 of the Hague Convention.

The Conference had now approved the reinsertion of the reservation contained in Article 16 of the Hague Convention.

The Yugoslav delegation asked for permission to reinsert the reservation to Article 3 of the Hague Convention which had already been adopted, the reservation to Article 43, paragraph 1, of the Regulation already adopted, and it also wished to reinsert Article 15 of the Hague Convention and Article 16 of the present Convention.

The Yugoslav delegation also asked for a number of amendments to Article 8 of the Convention which would necessitate a fresh discussion regarding the reservation already adopted. It proposed an addition to Article 4 which amounted to a reservation.

Finally, the Polish delegation had submitted a request to make a reservation to Article 40.

M. Giannini asked the Conference, in the first place, to examine with the greatest prudence at the moment the reservations submitted by certain delegations and to consider, during the second reading, when the text of the Convention would be complete, whether it would not be possible to abandon a number of these reservations.

In order to hasten the work and do away with the necessity of not making too many changes at the final reading of the established text, would not the Conference be ready to read the Convention a third time? As soon as the Drafting Committee was ready to submit its text, the Conference could take its decision, since all the reservations would be before it.

M. Giannini asked it to agree to this small change, for when delegates had all the reservations before them they could in full freedom of conscience state whether they really thought that this progressive diminution of the effect of the Uniform Regulation should be confirmed.

The PRESIDENT noted that the Conference had reached a stage at which it was necessary to avoid all confusion. It had before it : (1) the reservations which had already been adopted ; (2) the reservations which had been put forward but which had not been expressly adopted ; (3) the reservations which had been formally rejected.

There were also a number of articles in the Convention drawn up by the experts concerning conflicts of law which were not a solution of these conflicts but which, in actual fact, amounted to reservations. This was another point on which it would be necessary to take a decision.

A number of these reservations had been submitted to the Drafting Committee. When that Committee had dealt with them, the Conference would be called upon to take a decision. There were, however, three reservations proposed by the Yugoslav, Polish and Greek delegations. The Yugoslav delegation asked that the following provision should be inserted in the Convention :

“ Every Contracting State has, so far as regards bill of exchange obligations, undertaken in its own territory the power to determine in what manner there may be substitutes for signature, provided that a formal declaration inscribed on the bill verifies the intention of the person who ought to have signed.”

This proposal meant the re-establishment of Article 3 of the Hague Convention of 1912.

M. EISNER (Yugoslavia) said that this reservation was necessary in countries where there were persons unable to read or write.

The PRESIDENT put this proposal to the vote.

The proposal was adopted by 18 votes to 2.

The PRESIDENT said that the Yugoslav delegation had put forward as a reservation another proposal to the effect that the following provision should be inserted in the Convention :

“ By derogation from Article 43, paragraph 1, of the Regulation, each Contracting State has the right to prescribe that in the case of bills of exchange for small amounts the notice of non-payment laid down in Article 44 shall replace the protest for non-payment provided that this notice is given by the public officer responsible for drawing up the protest.”

M. EISNER (Yugoslavia) said that, in applying paragraph 77 of the Yugoslav Law on Bills of Exchange, the Minister of Justice could, in the case of bills of exchange of which the amount did not exceed 500 dinars, prescribe that the public officer responsible for drawing up the protest should forward, at the request of the holder of the bill and to each one of the persons liable, in a registered letter, a copy of the bill of exchange together with a statement that the bill had been presented. This would take the place of the formal protest and notice provided for in Article 44 of the Regulation.

The Yugoslav Minister of Justice had already formulated a decree in which it was laid down that the notice in question must be registered. The Yugoslav delegation thought that such a provision was very useful, not only because it reduced the cost of the protest, which was of great importance in connection with bills of exchange for a small amount, but also because it allowed holders in a small way of business who in most cases were not very well educated, more easily to fulfil the necessary formalities connected with the exercise or guarantee of their rights.

The reservation proposed by the Yugoslav delegation was of importance, not only in regard to Yugoslav legislation, which would thus maintain its present practice, but also in regard to the legislation of other States, for it would permit them to introduce a similar provision.

For these reasons, the Yugoslav delegation asked the Conference to accept its proposal.

M. DE LA VALLÉE POUSSIN (Belgium) thought it would be useless to insert a reservation in the Convention in order to make a more economical procedure possible in so far as the bill of exchange was concerned. The draft Convention reproduced a provision of the Hague Convention, which would allow the Yugoslav Government to take action in this matter in whatever way it thought good without reading the authorisation of a reservation. This article, which was Article 8 of the draft Convention, stipulated that :

“ The form of and the limits of time for protest, as well as the form of other proceedings necessary for the exercise or preservation of rights concerning bills of exchange or promissory notes, are regulated by the laws of the State within whose territory the protest must be drawn up or the proceedings in question taken.”

In view of this article, the insertion of a reservation seemed to M. de la Vallée Poussin to be quite useless.

The PRESIDENT also thought that the Yugoslav proposal was neither useful nor practical, in view of the fact that the Conference had adopted, in connection with Article 43, the reservation submitted by the Dutch delegation to the following effect :

“ Every Contracting State may provide that protests to be drawn up in its territory may be replaced by a declaration dated and written on the bill itself signed by the drawee, except in cases where the holder demands the inclusion of a protest by deed in due and proper form in the text of the bill of exchange.”

He thought that this would entirely satisfy the Yugoslav delegation.

M. EISNER (Yugoslavia) said that if Article 8 of the draft Convention covered the reservations he had made he would withdraw it.

The PRESIDENT explained that this was the opinion of M. de la Vallée Poussin, but he was not entirely of this view. He thought that the Yugoslav delegation could be satisfied with the reservation adopted in Article 43.

M. EISNER (Yugoslavia) thought that this was another question. By his reservation, he asked that notice could replace protest. In those circumstances, he must maintain his reservation.

M. SOKAL (Austria) thought that Article 9 of the Hague Convention, which was drafted in that manner, could entirely satisfy the Yugoslav delegation.

M. EISNER (Yugoslavia) could not agree with M. Sokal. Article 9, in his view, concerned another question.

The Yugoslav reservation was rejected.

The PRESIDENT said that the Yugoslav delegation had submitted another reservation concerning the insertion of Article 15 of the Hague Convention.

M. EISNER (Yugoslavia) withdrew this reservation.

The PRESIDENT noted that the Yugoslav delegation asked that Article 16 of the Hague Convention should be inserted as a reservation.

In that connection, the President recalled that the Convention had previously accepted the principle of this reservation at a previous meeting, but that it had instructed the Drafting Committee to ascertain whether or not the insertion of Article 16 was necessary.

This question was therefore settled.

The Polish delegation had also submitted a reservation in the following terms :

“ Each State retains the right to issue, by derogation from Article 40 of the Uniform Law, provisions concerning the creation and payment of bills of exchange in a foreign currency.”

M. SULKOWSKI (Poland) stated that Article 40 established the principle that bills of exchange could be created in foreign currency. In addition, it established the principle that if a bill of exchange created in foreign currency contained the effective payment clause, it must then be paid effectively in foreign currency. M. Sulkowski observed that if the article were adopted as it stood without reservation, the result would be to limit the legislative power of States in the sense that they would not be able to prescribe that bills of exchange created on their territory could only be expressed in the currency of the country. In the same way, they would be unable to state that bills of exchange created abroad in foreign currency must be paid in the currency of the country, even if those bills contained the effective payment clause. Situations might, however, arise in which a State would be forced to introduce such provisions. That would be the case, for instance, during a financial crisis.

For that reason, M. Sulkowski asked the Conference to adopt the reservation in order that the legislative freedom of States should not be limited.

In addition, M. Sulkowski observed that the reservation was intimately connected with the formula which would have to be inserted in the Convention in order to determine its effects. If the Conference adopted the point of view of the French delegation, according to which each State was simply under an obligation to submit the Convention to the legislative authorities for ratification, after which, once it was ratified, changes could be introduced, it would be obvious that such a reservation as that submitted by M. Sulkowski would be unnecessary. In the same way, it would not be necessary to make a reservation if the Conference adopted the principle according to which each State could denounce the Convention in urgent cases. If, however, any other principle were adopted, it would be essential to make a reservation.

Since the question of principle had not yet been settled by the Conference, the representative of Poland believed that it would not for the moment be possible to take a decision in regard to whether or not it would be expedient to insert a reservation.

The PRESIDENT believed that the question had already been discussed.

M. SULKOWSKI (Poland) pointed out that he had already drawn the attention of the Conference to the point, but had not made any concrete proposal.

M. GIANNINI (Italy) drew the attention of the Conference to the fact that it was a bad method to make a reservation to Article 40 when the Conference no longer had it in mind. He pointed out that the article was intended to give security to States which accepted the Uniform Regulation. The State signatory would be certain that there was a system, good or bad — and one must say good, since it would have been accepted — but if each State could, on the basis of the proposed reservation, make regulations in regard to creation and payment in foreign currency, Article 40 would serve no purpose.

The problem was important, and he felt obliged to observe that though the Conference had started by manifesting a certain hatred for reservations, it now appeared to have an unrestrained liking for them. Possibly there had been some exaggeration at the beginning, but there was probably still more exaggeration at the moment.

MUNIR Bey (Turkey) asked what would be the effect of the obligations undertaken by States and what power Parliaments would have to make modifications. Those questions were not yet settled, and they were essential. While awaiting their solution, the Turkish delegation believed it should support the proposal of the Polish delegation. The question was intimately connected with the currency aspect of trade. A Government might be led to take measures in derogation of Article 40.

M. BARBOZA-CARNEIRO (Economic Committee) asked the delegate of Poland to postpone the presentation of his reservation until the second reading of Article 40. Perhaps between now and then it would be possible to find a formula which would give satisfaction. Thus the insertion of a new reservation would be avoided.

M. SULKOWSKI (Poland) readily accepted that suggestion. He had himself observed that the question should be left in suspense until the adoption of a final formula in regard to the effects of the Convention.

M. Sulkowski added that he was unable to approve the observations of M. Giannini. It was said in Article 40, for instance, that if a bill of exchange contained an effective payment clause, it must always be paid in foreign currency. If, however, a State found itself in a critical financial situation, it might be obliged to take decisions suppressing the effective payment clause. That would be a violation of an international treaty. It would be better to make the situation clear and it was for that reason that he had raised the question. He considered that it was essential to settle it, and was certain that the provision should not attack the sovereignty of any State.

M. GIANNINI (Italy) agreed that there were certain problems which greatly affected the life of States and in regard to which it was very difficult to take decisions, particularly in a special Convention which did not deal with the substance of those problems. Problems affecting the financial and economic policy of States could not be settled at the present Conference.

M. Giannini drew attention, however, to the fact that the drawer of a bill of exchange should know how it would be paid. A State could prevent its nationals from creating bills of exchange if it was in the position indicated by M. Sulkowski. It would be possible to understand a reservation referring to the creation of a bill of exchange, but not to its payment. The sole advantages of the uniform rule was that it made it possible to know how a bill would be paid, and it could only be dangerous to delete it.

M. SULKOWSKI (Poland) stated that the question concerned the payment of a bill of exchange. He had already given an example of a State which enacted a provision suppressing the effective payment clause. If the reservation were not adopted, that State would have violated an international treaty. Such a measure might, however, be absolutely necessary.

M. GIANNINI (Italy) believed that the reservation could be limited to the last paragraph. The text proposed by M. Sulkowski referred to the "provisions concerning the creation and payment of bills". Everything was included in that and half the value of the Uniform Regulation would be lost.

The PRESIDENT proposed to postpone the discussion of the reservation until the second reading of Article 40.

Agreed.

Communication from the Greek Government.

The PRESIDENT pointed out that the Conference had had before it, under date of May 13th, a communication from the Greek Government to the following effect :

"The Greek Government . . . duly communicated the drafts prepared by the legal experts to the special Committee entrusted with the preparation of a draft code on bills of exchange, promissory notes and cheques. As the work of this Committee was very largely based on the results obtained at Geneva, its draft is in essential agreement therewith. There are, however, certain differences of detail which constitute the Greek Government's reservations with regard to the Geneva drafts :

"1. Whereas the latter make protest for non-acceptance or non-payment obligatory, the draft code does not oblige the holder to make such protest save in the case of a stipulation "*avec protêt*", and the Greek Government desires to retain this rule for securities issued and payable in Greece.

"2. In the opinion of the Greek Government, the wording of those provisions of the drafts relating to securities bearing the stipulation "*retour sans frais*" ought to be more precise.

"3. Finally, the Greek Government desires to reserve complete liberty of action in respect of securities issued and payable in Greece."

M. RAPHAEL (Greece) said that the Greek delegation did not insist on points 2 and 3 of this communication, but, on the other hand, it maintained the observation concerning protest, since the Greek Government considered that it should maintain its freedom in that sphere. M. Raphael had not formulated the reservation in precise terms, as he desired first to know to what extent the Conference would be able to take account of it. He asked the President to be good enough to consult the Conference on that point.

The PRESIDENT replied to the representative of Greece that Greek nationals could adopt the custom of indicating in every bill of exchange what was laid down in the *sans frais* regulation. In Greece, protest was an exception, while it was the rule in other countries. At the same time, in spite of that somewhat special situation, the drawer and even the endorser of the bill of exchange would encounter no difficulty in making use of the *sans frais* stipulation.

The President noted that the Conference had concluded the consideration of the reservations which could be presented in the present state of its work.

TWENTY-FOURTH MEETING.

Held on May 28th, 1930, at 10 a.m.

President: M. J. LIMBURG.

31. Examination of the Draft Articles of a Convention regarding Stamp Laws and Conflicts of Laws¹.

M. SCHMIDT (International Chamber of Commerce) pointed out that at the end of the last meeting the reservations which had been made to the uniform law on bills of exchange had been enumerated and that others had been announced. If all those reservations were definitely adopted, there would in the end be more reservations than in 1910 and 1912 at The Hague. That prospect compelled M. Schmidt to make a statement in the name of the traders and bankers who were members of the International Chamber of Commerce and in his own name.

He was an enthusiastic partisan of the unification of the law on bills of exchange and was convinced that real unification would be very valuable for commerce throughout the world. Its value would, however, decrease in proportion to the increase in the number of reservations. When he was concerned with international transactions, the trader who made use of bills of exchange desired above all that the laws should be clear, simple and uniform. He was prepared to sacrifice certain customs if, on the other hand, he was spared difficulties.

¹ For the text of the Draft Convention see Preparatory Documents C234 M83, 1930, p. 70.

From that point of view, the greatest efforts should be made to reduce to the strictest minimum possible the reservations already made and those which had been announced. M. Schmidt wondered whether that result could not be reached by means of an agreement between the delegates who had announced reservations. They might form a small committee to discuss the matter once again in order to achieve mutual concessions.

PREAMBLE.

The PRESIDENT said that it was unnecessary to consider the preamble to the Convention, which would be drafted in another form.

ARTICLE I.

The PRESIDENT said that Article I referred to the penalties for the non-observance of stamp laws. The British delegation had proposed that there should be a separate convention on that subject. Doubtless that principle would receive unanimous support.

M. GIANNINI (Italy) was entirely in agreement with the proposal, but did not desire the Conference to take a decision for the moment. To his mind it was not the moment to take the whole of the British proposal into consideration. If the question of the stamp on promissory notes and bills of exchange had to be settled, it would also be necessary to settle it in regard to cheques.

The PRESIDENT replied that it was only a question of taking a decision in regard to whether the stamp laws should be the object of a separate convention, the contents of which would not now be discussed.

M. SULKOWSKI (Poland) said that the articles concerning the conflict of laws had appeared in the Hague Regulation, but the experts had put these provisions in the draft Convention because they considered that it would perhaps be possible for States which did not ratify the Regulation to accede to the Convention on the Conflict of Laws. Did that possibility exist? If not, it would be possible to revert to the inclusion of the provisions in the Regulation itself. An attempt should be made to avoid increasing the number of conventions.

The PRESIDENT asked why the possibility of the accession to the convention on the Conflict of Laws of States which did not wish to ratify the Uniform Regulation should be excluded in advance. M. Sulkowski was a member of the Committee of Experts who had taken that decision.

M. SULKOWSKI (Poland) replied that the experts had proposed the formula because they had hoped that Great Britain would be able to accede to the Convention.

The PRESIDENT considered that that hope was not excluded. Personally, he thought that, even if any State not acceding to the Regulation wished to accede to the Convention on the Conflict of Laws, the place for the conflict of laws was not in the Regulation.

M. OHNO (Japan) pointed out that the Japanese delegation approved the British proposal in principle, on condition that a clause of ratification was inserted in the separate convention.

In addition, the Japanese delegation proposed that the provisions concerning the rules regarding the conflict of laws in the matter of bills of exchange and promissory notes should be put in another convention, distinct from the Uniform Regulation and its reservations.

Mr. GUTTERIDGE (Great Britain) informed the Conference that the British Government fully realised the importance of that particular question, and he would be very glad if he might be allowed to make a brief statement on the subject of the draft Convention in so far as it related to the conflict of laws.

It was, of course, obvious that the question was one of peculiar importance, because, should it happen that there were a number of States which felt themselves unable to assent to the Regulations drawn up, but which nevertheless might be able to assent to a convention dealing with the conflict of laws, a step forward would have been taken in crossing the gulf that at present divided the various countries of the world on this question. It was his duty to inform the delegates that he had received further instructions from his Government in the matter, and that it was not possible for Great Britain to become a party to a convention on the question of conflict of laws during the life of the present Conference. The British Government felt that the present circumstances would not justify them in taking such a step, for, as he had already pointed out at the beginning of the Conference, it was obviously the duty of Great Britain to refrain from any action which might imperil that degree of uniformity of law which existed at the present moment between the Anglo-Saxon countries.

He would like to give a very brief outline of the law of England as it related to the matter. Most of it would be found in the Bills of Exchange Act, 1882, Section 72, but not the whole of it, for the reason that the Bills of Exchange Act did not deal with the question of capacity, which was left to the common law.

The English law might be briefly summarised as follows: First of all, as regards the question of capacity to enter into contracts, there was some slight doubt. English legal doctrine was not absolutely unanimous on the point, but he thought he might say with some confidence that the

general and the better opinion was that capacity in all commercial matters (not in other matters) was governed by the *lex loci contractus*. English law drew a distinction between commercial matters and other matters, and did not apply the theory of domicile to commercial matters.

Secondly, as regards the form of bills of exchange and other negotiable instruments, the form of a bill itself was determined by the law of the place where the bill was issued. As regards the form of an acceptance, including an acceptance for honour *supra* protest and endorsements, these were governed by the law of the place where such acceptance or endorsement took place. As regards obligations which arose out of the signature of bills of exchange and other negotiable instruments, these were governed by the law of the place where drawing, acceptance or endorsement, took place. As regards the duties of a holder with reference to presentment for payment, protest and so on, these were governed by the legal maxim *locus regit actum*.

He did not pretend that this was a complete statement ; there were, of course, other matters which would have to be considered in order to deal fully with the subject ; but he made this statement to draw the attention of the Conference to the fact that English law on the matter did not make any mention either of the law of nationality or of the law of domicile or of the doctrine of "renvoi".

He desired to add — and on this point he was speaking purely for himself and must not be taken as committing his Government in any way — that amongst lawyers (he was not referring to business men) the view was very generally held in England that the rules were not entirely satisfactory.

Subject to what Mr. Kennedy might have to say, these rules, besides applying to the British Empire as a whole, applied in substance to the United States of America, but the American Law Institute, a very important body in the United States of America, had been engaged recently in revising the doctrines of private international law as administered by the courts of the United States. It had drawn up a somewhat elaborate report on the question. He did not know whether that report would be followed by legislation or not but he mentioned the matter to show that in the English-speaking world the whole question of private international law was in a state of flux : he had almost said that private international law throughout the world as a whole was in a deplorable state.

In those circumstances, the British Government felt that the only prudent course was for them to refrain from any action at present ; but he was authorised to state that they were alive to the importance of the question, and that the decisions arrived at by the Conference would be examined with very great care for the purpose of ascertaining whether those decisions were such as would form a basis upon which further action could be taken hereafter to secure worldwide uniformity in the matter of the conflict of laws.

The difficulties in the case appeared to him to be largely juridical and to emanate from the state of confusion in which private international law found itself at the moment. If the Continental nations were able to agree amongst themselves on this very difficult question, a change would come over the situation, which he thought, again speaking as an individual, was bound to have a marked effect on the settlement of what was manifestly a worldwide problem of the very highest importance.

ARTICLE 2.

The PRESIDENT said that Article 2 of the Convention would probably take the form of a clause in the Preamble and that there was no need to discuss it.

CAPACITY.

ARTICLE 3, PARAGRAPH I.

The PRESIDENT observed that the Italian delegation had submitted an amendment for the addition of the words " and a promissory note " after the words " by a bill of exchange ".

The Japanese delegation had submitted a similar amendment to the third paragraph.

M. DIENA (Italy) said that the Italian proposal was not in point of fact an amendment. Its object was simply to repair an omission which was the result of an oversight. That omission, however, must be made good, since otherwise those who came to interpret the Convention later might think, in accordance with the ancient dictum, that the legislator *ubi voluit, dixit, ubi noluit, tacuit*, that the rules laid down related only to bills of exchange and not to promissory notes, especially since the double formula " bill of exchange and promissory note " occurred in all the articles of the Convention except Article 3, which spoke only of bills of exchange.

The objection might be made that it had been proposed that the contracting States should have the power to make a reservation in regard to promissory notes. If that were the case, it was yet another reason for making good this omission, since the rules for the settlements of conflicts of laws might be looked on as a safety valve or even as a form of insurance against accidents which might arise in connection with reservations or ratifications that had been postponed or refused.

It was for that reason that these rules might have a practical application even in regard to promissory notes.

Further, the formula in Article 3 said : " The capacity of a person to bind himself by a bill of exchange shall be determined by his national law. If this national law provides that the law of another State is competent to deal with the question, this latter law shall be applied ". The

question here was therefore that of the “renvoi”, a matter which had caused much discussion and everyone was aware that the system of the “renvoi” had many adversaries. M. Diena, however, although himself an opponent of the system, thought that the way in which the regulation was applied in this case was entirely to be recommended, and he thought that even those who were in principle opposed to the system of the “renvoi” might vote for this first paragraph.

In order to explain what he had in mind, he would venture to quote an Italian writer who had enjoyed a great reputation as a distinguished specialist who was not accustomed to jest when dealing with scientific matters. He had once drawn a comparison between the doctrine of the “renvoi” considered in a general manner and the game of lawn tennis. He had said that the “renvoi” system was the lawn tennis of international private law. M. Diena added that it would be a game of law tennis played by two first-class opponents who succeeded in keeping the ball going for an indefinite time.

In this particular case, the “renvoi”, as governed by this rule, would constitute what he might call a tame set of lawn tennis, for in this case there would be no indefinite “renvoi”, that being the principal fault of the system. It would be rather a game which would be of very little interest from the point of view of sport, since the set would be finished as soon as it was begun. There would be no more than two “renvois” at the outside. Recourse would be had first to national law and then, according to each case, to the law designated by the national law.

These explanations proved, M. Diena thought, that there was no danger in adopting what the Germans described as “*Weiterverweisung*”, so that the solution adopted in this article might be very helpful and practical. It had one very great advantage, that it might secure the acceptance of the countries where capacity was governed by a law other than the national law for instance, by the law of domicile or the *lex loci contractus*.

If the Conference adopted that system, it would be tilling the ground and sowing the seed for a future harvest. The British delegate had that day said that his country could not sign the Uniform Regulation. He had added that, for the moment, it was improbable that Great Britain would adhere to the articles on conflicts of law. He had not, however, squashed all hope that in a not too distant future Great Britain might be able to accede to the articles on conflicts of law. M. Diena believed that the rule on the “renvoi” as laid down in the article under discussion might, in this connection, be of great value for the future. He was aware that the first paragraph contained a phrase which might be objectionable to Anglo-American ideas. He referred to the formula stipulating that the national law must apply. He did not forget that in England there was no national act from the point of view of private law. Nevertheless, if there was no national act, M. Diena was inclined to think that in the British Empire — that great community for which no definition or legal epithet could be found in accordance with the traditional rules of public law — there did exist a British law; that was to say, a law composed of a number of local acts. Furthermore, British law contained certain rules of practice on conflicts of law, which worked equally as internal rules for the distribution of legislative competence as between the various parts of the Empire.

As this system of the “renvoi” might operate in international relations as well as in internal relations, there was ground for hoping that it would constitute a system which in the comparatively near future would make it possible to dig the Channel tunnel, which had been so long awaited, at any rate in the matter of exchange law or of conflicts of law connected with exchange law.

In conclusion, M. Diena said that his remarks concerning the British Empire applied equally to the great community of forty-eight States composing the North American Republic.

M. ASSER (Netherlands) thought that, when they had stipulated that “the capacity of a person to bind himself by a bill of exchange shall be determined by his national law”, the framers of the first paragraph of Article 3 had had in mind mainly physical persons. If that was so, it was self-evident that the application of the principle that personal status was governed by the national law could give rise to no serious objection. In the field of bills of exchange, however, it must not be forgotten that in many cases, and possibly in the majority of cases, obligations having a certain importance were subscribed not by physical persons but by moral persons. In commercial law, joint-stock companies and, under French and Belgian law, “general partnership” companies (*sociétés en nom collectif*) and “limited partnership” companies (*sociétés en commandite*) possessed legal personality. The use of the phrase “his national law” might occasion difficulties in the case of legal persons, joint-stock companies and trading corporations.

The consideration of the question from this aspect would necessarily involve the taking up of a very controversial problem — namely, whether companies which possessed legal personality, joint-stock companies and general partnership companies (*sociétés en nom collectif*), possessed a nationality and, if so, what was that nationality?

Some held that the said joint-stock companies possessed a nationality which was determined by the nationality of the majority of the shareholders; that was what was called the doctrine of control. Others maintained that nationality was determined by the statutory head-office (*siège*) or by the place in which the centre of management (*centre d'exploitation*) was situated or, again, by the nationality of the majority of the directors (*administrateurs*).

The question, therefore, which arose was whether the words “national law” should be kept in Article 3 and whether the article should not specify whether only physical persons were meant or moral persons as well.

M. Asser submitted these observations in his personal capacity, because he wished to draw the Conference's attention to the matter. The Drafting Committee, acting in consultation with the delegations, might perhaps be able to find a solution. He thought that everyone agreed that not only the question of the capacities of physical persons must be solved, but that of the capacities of moral persons, that of joint-stock companies for instance, as well.

The PRESIDENT felt that it would be very difficult for the Drafting Committee to decide this theoretical question, but he wondered — and he put this question also to M. Asser — whether it was really necessary to solve the problem in the present connection. Either moral persons had a nationality and, in that case, their capacity was determined by the national law — there might be perhaps a dispute as to which was the determining national law, but it was not for the Conference to decide that matter — or they had no nationality and, in that case, they became comparable to persons of no nationality.

M. GIANNINI (Italy) wished to point out that if the Conference took up *à propos* of each line in the articles concerning conflicts of law all the various international questions that might arise, an infinite number of supplementary conventions would inevitably have to be anticipated. The German delegation wished to have a provision covering persons of no nationality. M. Asser had raised the question of the nationality of trading companies. The Netherlands Government had already prepared a questionnaire concerning the situation of such companies. That problem would perhaps be discussed at the next Hague Conference on private international law. Was it really proposed that it should be solved at the present Conference? M. Giannini thought that the present was not the right time. The Conference should confine itself to adopting certain cautious rules which could be accepted by all delegations and which should in application relate strictly to conflicts of law in the matter of bills of exchange. It should not, in connection with each question, take up problems relating to private international law; nor, lastly, should it think of settling certain problems of substance connected with bills of exchange. In any case, M. Giannini could not, in respect of certain questions relating to trading companies, take any decision which might prejudice his attitude at the Hague Conference. The Conference should not anticipate the consideration of these problems, and if it did so it could only consider them in part.

For these reasons, he urged the Conference to disregard any special proposal of this kind.

M. ASSER (Netherlands) said that M. Giannini had pointed out that attempts were at present being made to reach some kind of agreement on the question of the personal status of joint-stock companies. In establishing the rules relative to conflicts of law, the Conference should not take into account any tentative proposals that might be going about and which might possibly come to nothing. It should take into account the existing situation. At the present moment, the previous question whether a joint-stock company could have a nationality was the subject of violent controversy. It was inaccurate to compare them with persons of no nationality. The latter were physical persons and physical persons could have a nationality. They could also, as a result of certain mischances, lose their nationality. The question to be determined was whether a joint-stock company — that was to say, a moral person — could have a nationality or not. It was difficult to speak of national laws until that question had been settled.

The PRESIDENT observed that, speaking generally, there was no such thing as the lack of capacity of a moral person in private law.

M. ASSER (Netherlands) pointed out that, in the case of companies, capacity was determined by the law of the country where the company was constituted and by the provisions of the articles of association.

The PRESIDENT thought that was another question. The problem before the Conference at the moment was whether a moral person existed or not.

The Italian amendment to the first paragraph was adopted unanimously.

The first paragraph was approved at a first reading with the foregoing amendment.

ARTICLE 3, PARAGRAPH 2.

The PRESIDENT submitted the following German amendment :

“ Add the following sentence to paragraph 2 :

“ ‘ The capacity of a person of no nationality shall be determined by this latter law ’ ”

M. ULLMANN (Germany) said that the rule recommended by the German delegation was proposed for the following reasons : The number of persons belonging to no country had increased considerably since the war, more particularly in consequence of the Russian emigration. There was accordingly need of a rule to cover these persons as well and to decide their capacity in regard to exchange obligations.

Paragraph 3 of the text proposed by the experts contained no provision of that kind. That was an omission which should be made good by the additional sentence proposed by the German delegation. According to that proposal, the capacity of persons of no nationality would be judged according to the legislation of the country in whose territory they had assumed obligations.

That solution was to be recommended for the simple reason that the principle *locus regit actum* should only apply if there was no national law by which the capacity of the persons signing could be determined. The post-war period had brought about an increase in a category of persons for whom Article 3 might cause difficulties. Those were persons with double nationality, but the number of people concerned was not sufficiently great to have a special rule to cover their case. It might be left to doctrine and jurisprudence to determine the legislation which should govern their capacity in regard to exchange obligations.

As to the wording of paragraph 2, it would appear wise to substitute for the words “ if he entered into the obligation ” the words “ if he gave his signature ”, so as to obviate doubts on

the question whether the law applicable should be determined by the place in which the signature had been given or by that in which holder (*preneur*) received the declaration of the person signing.

The PRESIDENT felt bound to say that in connection with the German amendment there arose a question of symmetry which he failed to understand. The amendment proposed the addition of the words : " The capacity of a person of no nationality shall be determined by this latter law." If, however, the paragraph were read with the addition of this text, it would be seen that all the contracting States would have to determine the capacity of a person of no nationality, because it was never known beforehand on which State's territory the person in question was going to assume obligations.

That would amount to saying by implication that all the States would have to determine the capacity of a person of no nationality. The States would be required to assume an obligation to take some kind of measure.

M. DIENA (Italy) said that his delegation thought, for the reasons indicated by M. Giannini, that the rule in question should not be adopted. If it were, it would be necessary to determine as well the status of persons with a double nationality. In regard to the substance of the matter, the last Hague Conference on Private International Law had considered the question and had adopted an entirely different criterion, that of the habitual residence of the person in question. There would, in this case, be a certain opposition between the two conferences on a question in regard to which there was no difference and for which entirely different solutions would be adopted. The wisest course would therefore be to leave the point unsettled.

Mr. GUTTERIDGE (Great Britain) observed that some doubt had been expressed in England as to the exact meaning of the wording of paragraph 2 of the text of the experts. He would put his observations on paper and submit them as occasion arose to the Drafting Committee.

The PRESIDENT said that it was a question of interpretation.

Mr. GUTTERIDGE (Great Britain) agreed that it was a question of wording and said that in the English version the matter was not quite clear.

M. QUASSOWSKI (Germany) explained that the object of his delegation's proposal was to make good a hiatus and to complete the existing text by certain provisions which devolved quite naturally from paragraph 2. A person of no nationality, not being subject to paragraph 1, was not subject to paragraph 2 either, and his case must be covered by a special provision. The German proposal, however, should not be taken as implying a change in the principle laid down in Article 3. It was possible that the text now proposed might cause confusion, but the German delegation merely wished to say that in the case of a person of no nationality it was the law of the country where he had signed the instrument that was competent in regard to capacity. That rule appeared to be in accordance with the principle contained in paragraph 2 and was merely intended to complete it.

It was possible to alter the text of the proposed amendment ; that was a question of drafting, but the German delegation had a very definite object in view — namely, to complete paragraph 2 by a provision referring to a case which was not covered at present.

M. PERCEROU (France) supposed that the German delegation had no wish to settle in a general manner the question : What would be the law applicable to the capacity of a person of no nationality. They merely wished to say that when a person of that kind had signed a bill of exchange in the territory of a third country, it was the law of the latter which should determine the capacity requisite for signing the bill.

It seemed to him, accordingly, useless to add anything to the text, since the solution was implied automatically. It would, moreover, suffice if the point was indicated in the report.

M. Percerou therefore requested the President not to close the discussion on paragraph 2 before opening that on paragraph 3, since the two paragraphs were to a certain degree related to one another, the second being intended to rectify malpractices which might result from the first.

The PRESIDENT was perfectly prepared to allow the two paragraphs to be discussed concurrently.

M. PERCEROU (France) thought that the question raised by the German amendment should be decided at once.

M. MOLENGRAAFF (Netherlands) considered that, if the Conference wished to go in the direction indicated by the German delegation, it would be preferable to say :

" The capacity of a person of no nationality is determined by the State in whose territory he has entered into obligations."

M. QUASSOWSKI (Germany) said that the remarks made by M. Molengraaff and M. Percerou were in conformity with the meaning of the German proposal. He would, however, prefer, for the sake of greater clarity, to have an addition in the body of the Convention and not merely a passage in the report.

The PRESIDENT asked M. Quassowski if he accepted M. Molengraaff's wording.

On receiving an affirmative reply, the President suggested that it should take the form of a special paragraph to be inserted between the second and third paragraphs, so as to avoid connecting up the idea contained in it with the preceding sentence.

M. SULKOWSKI (Poland) thought that the danger mentioned by M. Diena was a real one. According to the majority of legislations, the capacity of persons of no nationality was determined by the *lex domicilii*, and the German amendment was apparently incompatible with that principle. If it were desired to make good the omission to which attention had been drawn, it would be better to say :

“ The capacity of a person to enter into obligations by means of a bill of exchange shall be determined by his national law. The capacity of a person of no nationality shall be decided by the law of his domicile.”

That would be in accordance with the principle adopted by the Hague Conference for the Progressive Codification of International Law.

M. QUASSOWSKI (Germany) replied that it was not the principle of domicile that had been adopted in Article 3 but another principle. The amendment concerning persons of no nationality should be in accordance with the principle contained in Article 3, but that was not the principle of domicile.

After the explanation of the German delegate, M. GIANNINI (Italy) considered that it would be necessary for the Conference to confine itself at least to a solution limited to the case in point. The German delegation thought that as it was admitted that a person who had a nationality could validly bind himself according to the provisions of the law of the State on whose territory he had made the engagement, why should not the same principle be adopted for persons of no nationality. What somewhat shocked M. Giannini was the formula submitted. He believed that it would be dangerous to accept M. Percerou's proposal to insert the words “ or a person who has no nationality ”, by reason of the application of the principle of the “ renvoi ” established in the first paragraph, which might lead very far. For his part, M. Giannini would prefer a special paragraph, or the addition at the end of paragraph 2 of a sentence which might read as follows :

“ The latter legislation shall determine the capacity of a person deprived of nationality to bind himself by a bill of exchange.”

The German amendment was put to the vote and rejected by 12 votes to 11.

ARTICLE 3, PARAGRAPH 3.

The PRESIDENT pointed out that the Italian and Czechoslovak delegations had proposed the omission of this paragraph.

Before opening the discussion, the President wished to observe that, in his opinion, the drafting of the paragraph, was not absolutely satisfactory.

M. PERCEROU (France) said that the paragraph might be drafted as follows :

“ Every Contracting State may refuse to recognise the validity of an engagement by means of a bill of exchange entered into by one of its citizens *when that undertaking would not be deemed valid . . .* ”

In regard to the substance of the question, M. Percerou stated that this paragraph had an undoubted importance. There was a conflict between the interests of the security of credit and the interests of the protection of persons lacking capacity. If the latter point of view only were considered, M. Percerou was of opinion that it was the national law which should always apply. A concession, however, had been made to that principle by the admission that, even if the signatory of the bill lacked capacity under his national law, he was nevertheless bound if he had capacity according to the law of the country on whose territory he had signed.

It should not be overlooked that that attack on the principle might lead to grave consequences in the event of the derogation becoming systematic. M. Percerou gave the following examples : In France, the age of majority was twenty-one, whilst in Switzerland it was twenty and in other countries eighteen. The French minor who signed a bill of exchange in a country in which the age of majority was eighteen years would be binding himself. There would thus be a somewhat simple method of circumventing the rules concerning capacity. In the same way, the married woman in France lacked capacity, but at present she had capacity according to the Italian legislation. If therefore, a French married woman wished to circumvent rules concerning capacity, she had only to go to Italy and sign bills of exchange ; she would thus escape from the protection which the French law had desired to ensure for her and for her family. For that reason, it had been proposed to insert paragraph 3, which reserved to contracting States the possibility of refusing to recognise the validity of an engagement entered into on a foreign territory when it would only be deemed valid by the application of paragraph 2. The third paragraph therefore authorised the countries of citizens who lacked capacity not to regard as valid exchange engagements entered into by such persons abroad, and that in order to prevent the rules protecting the capacity of the citizens of those countries from being easily circumvented.

In France, considerable importance was attached to that question. Commercial and banking circles were in agreement that the second paragraph should be accepted without restriction, but protests had been made against this extension of capacity, as making available a means for circumventing the civil law. For that reason, the French delegation pressed for the retention of the third paragraph.

M. QUASSOWSKI (Germany) pointed out that the provisions concerning capacity were in a sense connected with public order, for it was in the public interest of a State to determine at what moment its citizens would have capacity. The States could not be compelled to admit that the provisions enacted by them in that sphere could be circumvented, but that, however, would be the result if paragraph 3 were suppressed and paragraph 2 maintained without exceptions.

Indeed, in such a hypothesis, a State would be obliged to recognise as valid the signature of a national lacking capacity which was given on the territory of another state. Such a result should, however, be avoided if the prescriptions enacted by States in the interests of their nationals were to be protected. For that reason, States had rightly been given the powers provided in paragraph 3. In that connection, M. Quassowski referred to the decisions of the experts who considered that it was necessary to avoid the circumvention of the national laws regarding the protection of persons lacking capacity by the signature occasionally given in a foreign territory. M. Quassowski supported the opinion of the experts and was consequently unable to support the proposal submitted by the Italian and Czechoslovak delegations.

M. DIENA (Italy) said that in its discussions the Conference should endeavour, above all, to make the circulation of bills of exchange as easy and as safe as possible. The result of the adoption of the third paragraph of the article, however, would be complete uncertainty in regard to the validity of bills of exchange. Moreover, there was another question which shocked M. Diena. Several internal legislations liked sometimes to make a difference between an obligation assumed by a foreigner and an obligation assumed by a citizen. That solution might be criticised from the point of view of internal law, but it could not be attacked, in default of any rule to the contrary in international law, and that by reason of the sovereignty by of each State. When an international convention was in question, it was highly objectionable to adopt entirely different rules for foreigners and citizens. Moreover, in the present case, who was the foreigner rather than the citizen? The foreigner to a contracting State was the citizen of another contracting State and *vice versa*. It would be much more preferable to adopt a single rule.

M. Diena said that it would be inconsistent, after adopting paragraph 2 with the object of facilitating the circulation of bills of exchange, to adopt a third rule which would allow each state to follow a rule at variance with the preceding rule.

For those reasons, the Italian delegation earnestly requested the deletion of the third paragraph.

M. SULKOWSKI (Poland) was also certain that if the reservation in paragraph 3 were maintained the scope of the article would be considerably limited. Would it not be possible to adopt one criterion for estimating capacity? Article 3 was really a combination of two different principles: on the one hand, the principle of the national law and, on the other, the principle of the *lex loci contractus*. What militated in the first place in favour of the adoption of the *lex loci contractus* was the fact that that principle was admitted in the Anglo-Saxon countries, and that the *lex loci contractus* arose from the bill of exchange itself, when it was a question of the exchange obligations of the drawer and drawee, since the place of the creation of the bill and the place of payment had to be specified in the bill of exchange. In the case, however, of the obligation of the other signatories to the bill, the endorser, for instance, the place of signature was not mentioned in the bill of exchange, at any rate in the greater number of cases, the validity of the signature not being subject to the indication of the place at which it was given. On the other hand, it should be taken into account that in the Continental countries the principle of the national law was everywhere admitted in estimating the capacity of a person. If it could be hoped that Anglo-Saxon countries would accede to the Convention, M. Sulkowski considered that it would be preferable to adopt the national law as the only criterion. That would enable the reservation proposed by the French and German delegations to be suppressed.

The PRESIDENT pointed out to M. Sulkowski that the amendment had been rejected.

M. SULKOWSKI (Poland) replied that the French and German delegations were nevertheless in favour of the maintenance of the reservation contained in paragraph 3; if one criterion were accepted, it would be possible to avoid the reservation.

M. GIANNINI (Italy) stated that the Italian delegation would be unable to sign the Convention if the Conference adopted Article 3 in its present form. It was inadmissible to sanction commercial fraud internationally.

The German delegation stated that the capacity of a person was a principle of public law, but if it were desired to draw the logical consequence from that principle it would be necessary to abandon paragraph 2 of Article 3. Paragraph 2 had been adopted for the benefit of trade. If the Conference considered it desirable to establish rules in the matter, it was because it found it necessary to give securities to commerce. The application of the provisions of the two paragraphs would lead to the following situation: Suppose, for instance, that a French lady — the principle would in particular be involved in the case of a married woman — went to Italy, bought there some jewels and gave a bill of exchange in payment. According to paragraph 2, she could validly bind herself. Later, however, she did not pay. The Italian trader applied to the judge, who confirmed the trader's right, but, when it became necessary to take action against her, the French judge stated that though she might have capacity in Italy that was not the case in France and the obligation was not valid. Thus paragraph 3 would absolutely sanction fraud.

M. Giannini therefore asked the Conference to adopt only paragraph 2, which would benefit commerce.

M. QUASSOWSKI (Germany) drew the attention of the Conference to the fact that the article had been adopted at The Hague because it was completed by a reservation in the Hague Convention. That article as it stood had also been approved by the experts and, in particular, by the Italian expert on the Committee of Experts.

In addition, it would be preferable to maintain a certain amount of flexibility in the article. The suppression of paragraphs 2 and 3, however, would make it too rigid. The contracting States should be able to have recourse to paragraph 3. It was impossible to consider that they could be deprived of that right.

M. HERMANN-OTAVSKY (Czechoslovakia) supported, in principle, the observations of the Italian delegation. The provision contained in paragraph 3 was contrary to the purpose of the Convention, which was intended to unify the exchange regulations in the various countries. The addition of the provision would completely alter the value of the preceding provision in paragraph 2. To maintain paragraph 3 would create difficulties in the international relations in regard to bills of exchange.

M. GIANNINI (Italy) made the following declaration :

1. He was unable to endorse the views of the German delegate concerning the part played by the Italian expert in regard to this article. The experts had not voted by name upon it.

2. The encouragement of fraud would make the text curiously flexible, and fraud was undoubtedly legalised by the terms of paragraph 3.

3. The article had been adopted in earlier days, and after twenty years of ripe reflection it could not be rejected.

M. Giannini therefore maintained his point of view.

The PRESIDENT confirmed the statement of M. Giannini that the experts had voted by a majority and that it was not known who had voted.

Paragraph 2 was approved at a first reading.

Paragraph 3 was retained by 19 votes to 10.

M. SHIMADA (Japan) asked that paragraph 3 of Article 3 should be put into harmony with paragraph 1 by the addition of the words " and promissory notes ".

The PRESIDENT said that an Italian amendment to Article 1 had been adopted according to which the words " and promissory notes " should be added. That addition would also be made to paragraph 3.

Article 3 as a whole was approved at a first reading by 19 votes to 6.

ARTICLE 4.

The PRESIDENT drew attention to the following German amendment. Paragraph 2 of this amendment was identical with the Yugoslav amendment :

" The form of any contract arising out of a bill of exchange is determined by the laws of the State within whose territory the place designated as that where the signature was given is situated. If no place is specified, the laws applicable are those of the State within whose territory the signature was actually given.

" Every Contracting State is entitled to prescribe that obligations entered into by means of a bill of exchange abroad by one of its nationals towards another of its nationals shall be valid within its territory, provided they were entered into in the form laid down by its own laws."

M. ULLMANN (Germany) stated that paragraph 1 of the German amendment was in principle the solution proposed by the experts. For the form of the contract, the law of the place where the signature was given would be valid. The question arose, however, as to what would be considered as the place where signature had been given. Was it the place where the signature had actually been given or the place specified by the signatory as the place of signature? If, for instance, a signatory had given his signature in Berlin and had specified Paris as the place of signature, would it be necessary to apply the German or the French law? In Germany, that question was much disputed.

It would appear to be necessary to adopt the place designated in the bill of exchange. That solution was in conformity with the principle according to which, in the first line, the statements specified on a bill of exchange must be taken into consideration by the law. It was also in the interest of the circulation of bills, for it gave to the parties concerned the possibility of fixing which law was applicable. It was in the interests of facilitating the circulation of bills to avoid, so far as possible, the difficulties involved in furnishing proofs. It was also in the interest of the security of circulation that every holder of a bill of exchange should be able to consider as true any specification of place inserted in a bill of exchange. It was only in the absence of the specification of the place in a bill that the place would be that where the signature was actually given.

In regard to paragraph 2 of the German amendment, some States, such as Germany and the Scandinavian countries, had adopted the principle that engagements undertaken in matters relating to bills of exchange abroad by one of their nationals towards another of their nationals would be valid on their territory provided that those engagements were undertaken in the form required by the national law. The reservation proposed in paragraph 2 would make it possible for those States to maintain the principle he had quoted. In cases in which a national was bound in regard to a co-citizen, the reservation made it impossible to invoke the non-validity of the bill, and it would thus contribute towards increasing the security of the circulation of bills of exchange.

In the proposed text, the addition made by the Committee of Experts had accidentally been omitted ; that was to say, paragraph 2 of Article 4 of the Convention. That addition, however, would be very useful. He would point out that the rule indicated was not covered by Article 7 of the Regulation, despite the wide form of wording adopted on the proposal of the Scandinavian delegations. Article 7 of the Regulation concerned bills of exchange which were valid in form and it dealt only with cases in which the signatures affixed to a bill did not bind the signatories. At the same time, according to the experts' draft, if a bill of exchange were not valid in a State owing to defect of form, the signatures affixed to the bill were none the less valid, and they bound the signatories if the signatures had been given in another State which recognised the formal validity of the bill of exchange in question.

The PRESIDENT thought that the explanations given by the German delegate made it clear that the German amendment ought to be modified. The German proposal suggested that paragraph 1 of Article 4 should be replaced by two paragraphs, but left untouched the second paragraph of the original Article 4.

Mr. GUTTERIDGE (Great Britain) asked whether the case of a forgery of a signature would be considered a matter of form.

The PRESIDENT replied that this question did not come within the scope of Article 4. The point was to make certain where the bill had been signed : the place where the signature had actually been put on the bill or some other place indicated on the bill itself.

Mr. GUTTERIDGE (Great Britain) said in that case he would repeat his question at the proper time.

M. ASSER (Netherlands) asked for an explanation of paragraph 2 of the German proposal. With a few exceptions, the article upheld the principle *locus regit actum*; but what was the meaning of the reservation that spoke of " obligations entered into by means of a bill of exchange abroad by one of its nationals towards another of its nationals " ? In exchange law, no obligation was ever entered into towards a fixed person.

Might it not be said : " Every Contracting State is entitled to prescribe that obligations entered into by means of a bill of exchange abroad by one of its nationals shall be valid within its territory towards all its nationals " ?

It was impossible to understand how obligations entered into by means of bills of exchange could be confined to a fixed person. Such obligations were towards any holder, towards an undefined creditor.

Was the German delegation ready to accept this drafting, which would mean, for example, that a German who had put his signature to a bill would have obligations towards a holder of German nationality ?

M. QUASSOWSKI (Germany) gave the following example in reply : If a German put his signature to a blank bill of exchange in France, where blank bills of exchange were not admitted since France had made a reservation on this point, the text put forward by the German delegation made it clear that he would have valid obligations towards another German.

M. GIANNINI (Italy) drew the attention of the Conference to the fact that paragraph 1 contained the legalisation of fraud. If " the form of any contract arising out of a bill of exchange is determined by the laws of the State within whose territory the place designated *as that* where the signature is given is situated ", that meant that two Germans could sign a bill of exchange at Rome and date it as from Berlin. The Conference might like to see the consequences of this fact, especially in regard to the revenue.

The second paragraph dealt with the case that had been pointed out by the German delegation, and there was less inconvenience in accepting it. There was little danger that the German law would be applied in such a case, for it was not true that it was enough to put " Berlin " on a bill in order to bring the German law into force.

M. ASSER (Netherlands) thought that the example cited by M. Quassowski did not give an exact answer to his objection. The drawer had obligations, not only towards the first holder, but towards every successive holder. Was the German delegation willing to invert the order of the phrases " within its territory " and " towards another of its nationals " ?

That would be a logical change. A German who had drawn a blank bill of exchange would have obligations towards another German.

Finally, no answer had been made to the objection concerning the generality and lack of determination of obligations undertaken by a bill of exchange.

The PRESIDENT thought that there was a misunderstanding between M. Quassowski and M. Asser. The German delegate had quoted the example of bills of exchange in blank, which, although forbidden, for example, in France, might be signed in France by a German for the benefit of another German. M. Asser had answered that he understood this case, but in his opinion the German amendment would be bettered if, in the second paragraph, the words " towards another of its nationals " were placed after the words " shall be valid " instead of before.

M. VISCHER (Switzerland) favoured the German amendment. As for the first paragraph, he thought it should be realised that it was desirable to give a legal supposition for cases where the place was specified on bills of exchange. In principle, it had been recognised that the law of

the place where the engagement had been entered into should be applied, and it would be best to keep to this principle, which had been proposed by the experts, but to add the principle that a place that had been specified was to be considered as the place where the engagement had been entered into. That was a question of wording, which could be settled by the Drafting Committee.

M. Vischer did not think that the second paragraph was of great practical importance, but in his opinion its effect would be to increase the cases of validity of bills of exchange. For that reason, he was in favour of this paragraph which laid down a principle which also existed in present Swiss legislation and which experience had proved to be good.

In his opinion, it was possible to improve the wording of the text still further, while taking into account the objections of the different delegates.

M. QUASSOWSKI (Germany) agreed to accept the modification of his proposal suggested by the President.

The PRESIDENT read the second paragraph of the German proposal as modified :

“ Every Contracting State is entitled to prescribe that obligations entered into by means of a bill of exchange abroad by one of its nationals shall be valid towards another of its nationals within its territory, provided they were entered into in the form laid down by its own laws.”

M. PERCEROU (France) preferred the formula proposed by the experts for the first paragraph, because the German text provided a very simple means of avoiding the law of the actual place of effective signature.

As for the second paragraph, M. Percerou agreed with M. Asser that obligations were undertaken towards a person unknown and not towards a definite person.

In the circumstances, he thought that the German amendment could not be accepted as a whole.

M. QUASSOWSKI (Germany) repeated that, in principle, he adopted the text of the experts which he only wished to modify slightly by allowing that the law of the State within whose territory the contract had been made was only legally applicable in certain cases, and that primarily the law of the State within whose territory the place designated on the bill was situated was legally applicable.

M. Quassowski thought that this modification was justified by legal and practical considerations.

1. It corresponded to the principle *Quod non est in cambio non est in mundo*.

A person who indicated a place after his signature ought to admit that the bill should be treated as if it had really been signed in this place. This principle, according to which the face and content of the bill were valid, was also to be found in other provisions of the regulations. In this connection, M. Quassowski recalled the last paragraph of Article 2, which said that the place mentioned beside the name of the drawer was equivalent to the place of issue. He quoted Article 28, according to which the face of a bill — namely, the visible cancellation — was equivalent to effective cancellation. He also quoted Article 44, which said that it was enough to give notice to the guarantors at their specified addresses without considering whether those addresses were accurate.

Consequently, it was always the contents, the exterior part of the bill, that had to be taken into account. This was a necessity in order to safeguard the circulation of bills, for if indications that were not written on the bill and which were unknown to the persons interested had to be taken into account the persons interested might be taken by surprise and suffer harm. The Conference ought to follow the principle of “ *Treu und Glauben* ” *i.e.*, — to take no notice of what did not appear clearly on the bill itself.

2. The German amendment recognised the will of the signatory, who very often had a special aim in view when he indicated a certain place as being the place of signature. Should a person who was travelling in a foreign country put the place of his domicile at the side of his signature, he thereby made it clear that he wished the national law of his country to be applied, and it seemed to M. Quassowski that his will should be respected.

3. The German proposal would facilitate proof. If it was not adopted, it would be necessary to prove in what place the bill had been signed, and such proof would often be difficult to make. For example, a person going by railway from one capital to another might sign a bill in the train. Would it be necessary to find out if he had signed the bill before or after passing the frontier? The same question might arise in the case of a person travelling by steamer.

Objection could not be raised that this proposal gave the signatory the right to determine his responsibility at his own will. He could not indicate an imaginary place, for it was impossible to imagine that anyone would acquire a bill of exchange with a fantastic or imaginary indication.

Consequently, M. Quassowski thought there was nothing inconvenient in his proposal, either from the legal or from the practical point of view. Moreover, it took into account both legal principles and practical considerations.

M. SCHELTEMA (Netherlands) drew the attention of the Conference to the fundamental difference between the wording of the second paragraph, as proposed by the experts, and the modified text. The case covered by this paragraph in its original form was, as he understood it, the following : two Netherlands subjects might make an endorsement in Germany in a form which was not allowed by German law. In the Netherlands, this endorsement would be valid if it fulfilled the requirements of the Netherlands law, since it was a contract arising out of a bill of exchange between two Netherlands subjects.

But what was the meaning of paragraph 2 in the modified text? It said that when an endorsement had been made in Germany by a Netherlands subject in favour, for example, of a Frenchman, if it had not been drawn up according to the German form it was not valid in virtue of paragraph 1. But if this bill came later into the hands of a Netherlands subject, this endorsement would be valid.

Was it really the wish of the Conference to create such a situation?

M. SULKOWSKI (Poland) made certain observations on paragraph 1 of the German proposal.

According to the formula of the experts, it was the place where the contract had been made which decided the form of this contract, but the German delegation wished that the place indicated on the bill should be considered as the place of signature, even if it was not the place where the bill had actually been signed. Certainly that was merely a question of form, but it was of a certain importance from the point of view of the payment of taxes. For example, should a bill of exchange indicate Berlin as the place of issue, whereas in reality it had been drawn up in Warsaw, according to the German formula which laid it down that the place of signature was that indicated on the bill, the practice of deceit in regard to the payment of taxes would be facilitated.

For this reason, M. Sulkowski thought it would be better to admit the principle that the place of signature was that where the bill had actually been drawn up. He was therefore unable to support the German proposal.

The PRESIDENT suggested that the Conference should vote on the German proposal, paragraph by paragraph, but, first, asked M. Quassowski if it would not be better to modify the first sentence of the first paragraph as follows:

“ . . . the place designated as that where the signature *has been given*.”

M. QUASSOWSKI (Germany) agreed to this modification.

Paragraph 1 of the German amendment was put to the vote and rejected by 13 votes to 10.

The PRESIDENT pointed out to the German delegation that the second paragraph contained the expression “ *en matière cambiaire* ” (“ by means of a bill of exchange ”), which so far had been kept out of the Convention. He hoped that M. Quassowski would see no objection in allowing the Drafting Committee to replace these words by a corresponding expression.

M. QUASSOWSKI (Germany) agreed with the President's suggestion.

The second paragraph of the German amendment was put to the vote and adopted by 14 votes to 8.

The PRESIDENT, before putting to the vote the two paragraphs drawn up by the experts, remarked that the adopted paragraph of the German amendment would form a third paragraph to Article 4, but the Conference would have to take into account the Japanese amendment to the beginning of the second paragraph, which suggested that the words “ or promissory note ” should be added after “ by means of a bill of exchange ”.

This addition was approved.

Mr. GUTTERIDGE (Great Britain) was obliged to confess that that article left him in a state of very great uneasiness, but he had come to the conclusion that he would not bother the Conference with his doubts; he would endeavour to solve them for himself.

The two paragraphs proposed by the experts were approved at a first reading.

The Article as a whole was approved at a first reading.

M. GIANNINI (Italy) declared that he had voted against this article.

TWENTY-FIFTH MEETING.

Held on May 29th, 1930, at 10 a.m.

President: M. J. LIMBURG.

32. Appointment to the Drafting Committee.

The PRESIDENT proposed that the Conference should elect M. Diena an additional member of the Drafting Committee for the purposes of the examination of the Convention on Conflicts of Laws.

This proposal was adopted.

33. Examination of the Convention on Conflicts of Laws (Continuation).

ARTICLE 5.

The PRESIDENT submitted the following amendments :

Amendment proposed by the German delegation.

“ The effects of the obligations of the acceptor of a bill of exchange and the maker of a promissory note are determined by the law of the place in which these instruments are payable.

“ The effects of the obligation entered into by the person giving an ‘ aval ’ and by the acceptor for honour are determined by the laws applicable to the obligation entered into by the person on whose behalf the ‘ aval ’ or acceptance for honour has been granted.

“ The effects produced by the signatures of other persons who have entered into obligations in connection with a bill of exchange are determined by the law of the State within whose territory the place designated as that in which the signature was given is situated. If no place is specified, the law applicable is that of the State within whose territory the signatures have actually been given.”

Amendment proposed by the Italian delegation.

“ Replace paragraph 2 by the following :

“ ‘ Nevertheless, the limit of time under which recourse may be exercised shall be determined for all the signatories by the law of the country of domicile of the drawer or of the person who issued the promissory note. ’ ”

Proposal by the Japanese delegation.

“ 2. Article 5 should be modified so that the effects of obligations entered into by means of a bill or promissory note should be governed by the wishes of the signatory when they are clearly specified in the bill, and so that, in the absence of such specification, they should be governed by the law of the State in whose territory the proceeding in question has been taken.’ ”

M. ULLMANN (Germany) said that, according to the principles of private international law which were recognised by German jurisprudence, the determining criterion for the nature of the obligations was the intention of the parties, and if this was not clearly expressed, it was the place of execution. The German proposal with regard to Article 5 was based on these principles, but took into account certain adjustments required by the special nature of the law on bills of exchange.

Further, the German delegation held that in a regulation concerning the effects of the obligations a distinction must be made between three categories of persons :

1. The acceptor of a bill of exchange and the person making a promissory note ;
2. The person giving an “ aval ” and the acceptor for honour ;
3. The other signatories of an exchange instrument.

In the case of the acceptor and the maker of a promissory note, the law of the place of payment was the law that must be recognised, since it was in that place that the engagements of the acceptor or of the maker of a promissory note had to be executed. That view was probably held by the experts as well, who had proposed that, when a place was specified for the execution of the engagement of the signatories, the law of the place so indicated should be applicable.

In the case of the person giving an “ aval ” and the acceptor for honour, the law to be recognised, in conformity with the experts’ draft, was that applicable to the obligation of the person for whom the “ aval ” or honour was given, since the person giving the “ aval ” or of the acceptor for honour definitely had the intention to be bound in the same terms and, consequently, to be subject to the same law as those governing the persons for whom they bound themselves.

In regard to the other parties liable, they, according to the German proposal, were not governed by the law of their domicile, but by that of the place specified as being that where their signature had been given. In the absence of any such specification, the law of the place where the signatures had actually been given applied. The German delegation accordingly wished to have the principle of the *lex loci contractus*, though modified in consequence of the special nature of exchange law; that was to say, that the substantive text of the instrument must be decisive for determining the place of signature.

The above-mentioned principle, whereby the *lex loci contractus* determined the effects of exchange obligations, had, moreover, been adopted in Article 72 of the English Bills of Exchange Act of 1882.

What were the arguments in favour of the solution proposed ?

First, the adoption of the principle of the *lex loci contractus* appeared more practical than the adoption of the principle of domicile. Difficulties might be experienced both in law and in fact in determining where the domicile of a person was situated. In places where English law was in force, it would often be difficult to ascertain the place of domicile of the party liable ; furthermore, the Hungarian Government had very properly observed in their remarks on Article 5 that the principle of domicile might give rise to disputes if there were several signatories ; that was to say, for instance, several drawers or endorsers.

It should besides be pointed out that in the majority of cases the places of signature and the place of domicile would in point of fact be identical, for it was obvious that, generally speaking, traders and bankers gave their signature at the head office of their commercial establishment.

Secondly, the German delegation proposed that the law of the place specified as being that where the signature was given should apply. They therefore allowed that an obligation entered

into in Berlin, but specifying Paris as the place of signature, should be governed in its effects by French law. Account must be had to the intention of the signatory. When he signed and added beneath his signature a foreign locality, it must be held that in acting thus he definitely intended to place himself under the law in force in that foreign locality. There was no reason, and in particular there was no reason of public interest, for not recognising that intention. It might be assumed that the specification of a foreign locality would not be given except for practical reasons. Furthermore, it could not be doubted that there were practical reasons for causing the signatory to submit himself to the governance of a foreign law. Lastly, it might be argued in favour of the German proposal that it would obviate the difficulties of proof and give increased security to bills of exchange by taking into consideration the statements actually contained in the bill for the purpose of determining the nature of the exchange obligations.

M. DIENA (Italy) said that his delegation's amendment contained two proposals. It proposed to strike out the second paragraph of Article 5 as drafted by the experts and to put in its place another text, which would form paragraph 2, but which would in point of fact have no direct relation to the paragraph which the Italian delegation proposed to delete. If the President thought it expedient to begin the discussion by considering the first paragraph of the German proposal, M. Diena would acquiesce and would explain his proposal later.

The PRESIDENT thought it preferable to begin with the examination of the first paragraph.

M. ASSER (Netherlands) wished to put a question to the Committee of Experts concerning Article 5.

The Hague draft contained, in regard to conflicts of laws, only rules relating to capacity and form and not to conflicts that might result from the nature and effects of the obligation, what in private international law was sometimes called in French the "substance des obligations" (substance of the obligations). The Committee of Experts had completed the Hague draft by adding this Article 5 concerning the "substance des obligations" (substance of the obligations), which article bore on one of the most delicate and insoluble questions in private international law.

M. Asser could agree in principle to the rule proposed by the Committee of Experts, but he wondered whether their addition was really necessary and whether it was even expedient.

With the system recommended by the experts there would be three conventions and one regulation for he assumed that the first convention would have to contain the undertaking on the part of the States to introduce the Uniform Regulation into their law subject to any reservations that were duly accepted. The second convention would relate to stamp and the third to conflicts of laws.

On the previous day, the Conference had discussed certain rules connected with the capacity and form of contracts. Those rules might be embodied in the Uniform Regulation. They were the application of the national law in regard to capacity and the application of the rule *locus regit actum* in regard to the form, and together they formed what might be described as the complement of the Uniform Regulation. M. Asser, however, considered that the question of the "substance des obligations" was only important supposing the great majority of countries refused to adopt the Uniform Regulation. The Committee of Experts had been perfectly right in suggesting this addition, for it had put forward the Uniform Regulation as a model, leaving the different States free to adopt it with or without the essential modifications. It must not, however, be forgotten that at the first meeting of the Conference the great majority of delegations had declared themselves in favour of the compulsory system, which meant that the countries would bind themselves to introduce the Uniform Regulation textually, with the exception of a few unimportant reservations, which, in part, at any rate, would relate only to form.

In consequence, M. Asser wondered whether it was desired now to examine — and perhaps to adopt — rules concerning the conflict of laws in regard to the "substance des obligations" (substance of the obligations). If it were, unfortunately, found that the great majority of States were unwilling to adhere to the Uniform Regulation, there would still be time to discuss and determine these rules on the "substance des obligations". Would it not, moreover, be somewhat dangerous to attempt to draw them up at once? Would not that in one way or another enhance the probability that the Uniform Regulation, which everyone desired, would fail to secure acceptance? Would the establishment of these rules be in conformity with the movement for unification and the spirit and scope of the work done at The Hague — namely, the 1912 Regulation, the contents of which the Conference had just examined and confirmed except for a few details?

The PRESIDENT did not wish to revert to the discussion that had already taken place, but thought that he ought to point out to M. Asser that, according to the system of the experts, it seemed that States would agree to introduce the Uniform Regulation in their legislation, not textually perhaps, but at least in principle.

M. ASSER (Netherlands) thought that that was a further reason for him to insist on his question: Why, in the circumstances, had it been thought necessary to add rules on the "substance des obligations" (substance of the obligations)?

Mr. GUTTERIDGE (Great Britain) supported the German amendment, not as delegate of the British Government, but as an English lawyer. It seemed to him that it would be a calamity if the principle of domicile were introduced into commercial law. If the members of the Conference only knew the difficulties which had arisen in England with regard to the interpretation of the word "domicile", they would have nothing whatever to do with it; it had been the most fruitful subject for theses in the University of London during the last five years, and so many people had desired to write on it that it had now been suppressed as a subject for theses. It was one of the

most vexed questions of the whole of that part of the English law which related to private international law. For these reasons, as an individual, he strongly supported the German proposal.

The PRESIDENT reminded Mr. Gutteridge that at the very beginning he himself had proposed that the word "domicile" should be replaced by the words "habitual residence".

M. DA MATTA (Portugal), before asking the President of the Committee of Experts to give an explanation of the form of paragraph 1 of Article 5, would himself suggest a slight amendment to the title of this article. As it only concerned the effect of the obligations, the word "nature" in the title "Nature and effects of the obligations entered into" seemed superfluous.

Article 5 as it stood said that "the effects of the obligations entered into by means of a bill of exchange or promissory note are governed . . . by the law of the residence of the signatory . . .".

Who was this signatory? Was it merely the drawer of the bill of exchange or the maker of the promissory note, or should it be understood that the term comprised all the other signatories? If this provision of the article only applied to the drawer or maker, M. da Matta would be ready to approve it. It conformed with a doctrine which was doubtless not approved by the majority of people — for instance, the Institute of International Law considered that the law of the place of a bill's issue should be taken into consideration and not the law of the drawer — but it was supported by a large number of "internationalists".

If they wished to give the article another meaning so that it comprised any signatory of the bill or promissory note, M. da Matta would be unable to accept it, since this solution would give rise to many complications.

M. GIANNINI (Italy) wondered whether he ought to speak or not on a problem which was in a certain sense outside the terms of reference of the Conference. Nevertheless, since the Conference was proceeding with the discussion, he thought it good to clear up the situation. The system suggested by the Convention meant the insertion of certain rules in the uniform law in order to do away with the conflicts of laws. The experts had removed these provisions and placed them in a special Convention; and apparently they had done well to do so. What was the result of this method of procedure? If the rules concerning the conflict of laws appeared in the Regulation, any State that ratified it would bind itself to apply them towards all States, whether signatories or not. On the other hand, if they appeared in a special convention, they would bind only the States signatories to this convention. There was a considerable difference between these two possibilities.

On the other hand, the fact that these rules had been put aside ought not to be considered as a kind of provocation for States not to accept the uniform law; but it must certainly be realised that certain States would be unable to accept it, and it was as a measure of prudence in such a case that provision had been made for the possibility of coming to an agreement to do away with conflict of laws.

It should also be borne in mind that the effect of certain reservations would be to emphasise certain conflicts of law. In such cases, some provision for settling at any rate the conflicts was necessary.

There were therefore two ways of helping relationships in matters of bills of exchange: either legislations could be made uniform by adopting a uniform regulation or an attempt could be made to do away with the conflict of laws by a special convention. Each of these methods was of considerable practical importance. The ideal was to reach a uniform regulation; but should this be impossible, the Convention would be brought into play. The fears of M. Asser, therefore, were not justified. There was no provocation for the non-acceptance of the Regulation, but provision was made that, in case the Regulation could not be adopted, it would still be possible to do away with the conflict of laws. It was in such a spirit that the Conference could confidently sign the Regulation and the Convention.

M. SULKOWSKI (Poland) reminded the Conference that Article 5 of the Convention dealt with the way of determining the legislation which ought to be used to estimate the legal effects of exchange obligations. He was convinced that the ideal solution would be to adopt the following rules: the legislation of the place of payment should decide the obligations of the acceptor and the legislation of the place of the issue of the bill of exchange should decide the obligations of all the guarantors. He had defended this view in the Committee of Experts, but this solution had not been accepted. It had been thought that, in view of the independence of exchange obligations, each of them could be decided, if necessary, according to a different legislation. He would not therefore insist upon his suggestion, as no other delegation had presented a formula which went so far as his, but he wished, however, to point out that, if the possibility of deciding each exchange obligation according to a different legislation were admitted, such a procedure would lead to obvious injustices.

As for the proposal made by the experts and that by the German delegation, it should be noticed that according to the experts reference had to be made to the legislation in force at the place specified in the exchange obligation, in order to find out the effects of that obligation. It was only when the obligation did not specify the place of signature that the legislation of the place of residence of the signatory ought to be brought into play. According to the German amendment, it was also the legislation in force at the place specified in the obligation that ought to decide. This principle was in conformity with the principle of the autonomy of will. A person who had specified a place in his contract thereby made it clear that he wished to submit himself to the legislation that was in force there. But there was a difference between the two arguments: if, for example, an endorser had not specified in the endorsement the place where this had been effected, the experts proposed that the legislation of the place of residence of the signatory should

be allowed to come into application, whereas the German delegation was in favour of the *lex loci contractus*. In most countries the *lex domicilii* was applied in deciding unilateral obligations. M. Sulkowski himself was in favour of the formula of the experts.

As for the second paragraph, he pointed out that, admitting the principle that the obligation of the person giving an "aval" was independent, there was no reason in such a case to apply the same legislation as to the person for whose benefit the "aval" had been given. In such cases, the principles adopted in paragraph 1 ought also to be applied in regard to the "aval": consequently, it would be best to delete paragraph 2.

M. ASSER (Netherlands) wished to reply to the two questions raised by M. Giannini.

In regard to the first point (place in which this provision of Article 5 should be inserted), he was of opinion that it should be inserted in the Convention and not in the Uniform Regulation.

In regard to the second point, he believed that there was a misunderstanding. He had not intended to say that in case of need rules should be adopted in regard to the substance of the obligation. He had simply pointed out that, in his opinion, the question was still premature. There were two methods for settling conflicts of laws; the radical method — that was to say, the unification which led to the disappearance of all divergencies — and the less radical method which allowed divergencies to subsist but which provided for the establishment of rules indicating which law would be applicable to a particular case and a particular matter.

He repeated that the Hague Conference in 1912 had deliberately refrained from speaking of the substance of the obligation, for it was concerned with the obligatory regulation to be inserted textually in legislations.

During the earlier meetings, the first Conference returned to the Hague system, and for that reason M. Asser thought that it would be more desirable to wait to see whether the great majority of States wished to accept the Uniform Regulation. In the negative case, it would be possible for the Conference to deal with the substance of the obligation during the latter session, for which provision had already been made.

M. DE LA VALLÉE POUSSIN (Belgium) wished, in order to consider the article, to take the hypothesis that the Uniform Regulation — that was to say, the return to the idea of The Hague which most of the delegations appeared to desire — would become the regular law of the contracting States.

In that hypothesis, M. de la Vallée Poussin wondered what would be the real value of Article 5. Personally, he did not see what was its value. M. Asser had stated that that article referred to the solution of conflicts of laws which might arise in connection with what was called the substance of the obligations. Between States which had adopted the uniform law there would no longer be conflict in regard to the substance of the obligations, since the matter would be completely settled except for one or two points (cover, for instance), in regard to which conflicts of laws were settled by special provisions.

Consequently, the only conflicts which could still occur in regard to the effects of the obligations were those connected with bills of exchange between contracting and non-contracting States. It could not, then, be perceived in what circumstances the provision contained in Article 5 would apply as a compulsory rule. The contracting States would be undeniably free to apply it within their own borders, but they would not be required to do so in regard to non-contracting States, which would remain completely free to apply the provisions of their jurisprudence or their legislation which were peculiar to them in matters of international law. M. de la Vallée Poussin would be glad to have the opinion of a member of the Committee of Experts in regard to the exact reasons which had caused the experts to introduce Article 5. Would it not be better to suppress the article and to refer, as at present, to the legislation which in certain countries governed conflicts of laws and which in others abandoned that task entirely to the courts?

The PRESIDENT considered that it would be desirable to begin by deciding whether the Conference wished to retain Article 5, subject to drafting, or whether it would prefer its suppression. He pointed out that the experts had had in mind a separate convention, in order that certain States which might be unable to accede to the Uniform Regulation would eventually be able to accede to the Convention. Though it was true that the States which accepted the Uniform Regulation would have no conflict to settle, it was none the less true that those States which did not adopt the Uniform Regulation would.

M. PERCEROU (France) stated that the Committee of Experts had considered that Article 5 would be useful for the following reasons:

In the first place, there were States which would not accede to the uniform law and which would perhaps be able to accede to the Convention on Conflicts of Laws.

In the second place, among the States represented at the Conference, there might be some which were not authorised by their Parliaments to ratify the uniform law and which would nevertheless be able to accede to the Convention.

In the third place, among the States which adopted the Uniform Regulation, certain conflicts might still arise on account of the reservations, and for the solution of those conflicts it would be necessary to resort to Article 5.

For those reasons, M. Percerou believed that Article 5 would be useful.

M. QUASSOWSKI (Germany) stated that the attempt of the experts to deal with the important question of conflicts of laws on the effects of obligations seemed to him to be acceptable in principle. He believed, however, that the modifications proposed by the German delegation were necessary. If those modifications were not adopted, he would prefer to suppress the article.

The PRESIDENT considered that it was necessary, in the first place, to take a decision on the German amendment.

M. GIANNINI (Italy) would ask for the suppression of the article if the German amendment were adopted.

M. DE LA VALLÉE POUSSIN (Belgium) considered that, if the Conference did not reach agreement on a satisfactory formula which received almost unanimous approval, it would be better to suppress the article. It would be preferable before doing so, however, to find a text giving satisfaction to the Conference. He did not therefore formally propose the suppression of the article, though he thought that it would be highly improbable that certain States would ratify the Convention but not the uniform law.

The PRESIDENT proposed that a vote should first be taken on the first paragraph of the German amendment. The Conference could then vote on the third paragraph. The second paragraph was identical with the experts' paragraph.

M. QUASSOWSKI (Germany) pointed out that paragraph 1 of the German proposal did not differ in principle from the text proposed by the experts.

Paragraph 1 of the German amendment was adopted by 16 votes to 8.

The British delegation abstained from voting.

M. GIANNINI (Italy) said that paragraph 3 was similar to that which had been rejected. He would therefore vote against it. The third paragraph of the German amendment said :

“ The law of the State within whose territory the place designated as that in which the signature was given is situated.”

That paragraph therefore had against it all the objections pointed out on the previous day.

M. QUASSOWSKI (Germany) did not consider that the situation of the previous day and that of the present day were similar. The text of the experts laid down that the indication in the instrument concerning the carrying out of the obligations of the signatory was decisive. That was the great difference between Article 5 and Article 4. In principle, the German provision was in conformity with that rule and only constituted a slight modification to the text proposed.

M. SULKOWSKI (Poland) wondered whether it would not be preferable to vote on paragraph 1 of the experts' proposal. In the event of the adoption of that paragraph, paragraphs 1 and 3 of the German proposal would be rejected.

The PRESIDENT observed that the first paragraph of the German amendment had been adopted in place of the first paragraph proposed by the experts.

M. SULKOWSKI (Poland) regretted that the Conference had not started by voting on the proposal of the experts.

The PRESIDENT replied that the Conference usually voted first on the amendments and not on the text. He had immediately perceived that if the first paragraph of the German amendment were adopted, as had proved the case, in place of the first paragraph of the experts, and if the third paragraph of the German amendment were then rejected, the result would be an omission in so far as the endorsers were concerned. He had intended to point that out especially to M. Diena who had spoken on paragraph 2 concerning the giver of “aval” and the intervener, in order that he might indicate what action it would be desirable to take in regard to the endorsers.

In view of the present situation, it would now be necessary to vote on the third paragraph of the German amendment.

M. DIENA (Italy) pointed out that the Italian amendment presupposed the adoption of paragraph 1 of the experts. If that paragraph disappeared, the situation would be radically changed. It was the aim of the Italian delegation to construct and not to demolish.

The PRESIDENT asked M. Diena whether, in view of the adoption of the German amendment, it was necessary to maintain the Italian proposal.

M. DIENA (Italy) replied that the Italian delegation was opposed to paragraph 1 of the German amendment.

M. PERCEROU (France) considered that the Conference should consider the Italian proposal as a whole, for it often happened that in a law one part could not be removed and replaced by another.

The PRESIDENT proposed to consider paragraph 1 of the German amendment as provisionally adopted, in order that the article might be considered as a whole. The Conference would then take a decision on the Italian amendment. Doubtless no one, whether in the German or in the Italian delegation, would wish to adopt an article devoid of unity.

Before asking M. Diena to speak, the President felt he should point out that when he had proposed that a vote should first be taken on the German amendment there was no opposition to his suggestion. It was only afterwards that M. Sulkowski and then M. Diena had presented their observations.

M. DIENA (Italy) said that the Italian delegation had studied the scope of Article 5, which was really very important, at length. Since it was very difficult, in the matter under discussion, to adopt absolutely perfect solutions, it had considered that, after all, the first paragraph of the experts' text could be accepted, although it was not entirely satisfactory. It had therefore given up its intention of proposing an amendment on the subject, thinking that the paragraph would perhaps be adopted. What, however, had particularly shocked it was the second paragraph, which appeared to it to be entirely inconsistent with the principle which dominated exchange law, that of the independence of every exchange obligation, and in particular of the exchange obligation of the giver of an "aval".

Personally, M. Diena had been somewhat surprised to note that, apart from slight differences of form, the provision of paragraph 2 of the text of the experts was reproduced in the amendments submitted by the German delegation, the more so in that M. Diena knew that the German doctrine admitted and respected the principle of the autonomy of every exchange obligation. Nevertheless, in order to make certain, M. Diena had consulted the valuable book which had been distributed to the members of the Conference with so much kindness and courtesy by the German delegation. Page 17 of that work was devoted to the law in force in Germany and in column 2, under the rubric, "Reciprocal independence of exchange obligations", the reciprocal independence of exchange obligations was clearly admitted. In column 9 of page 17, where the question of the "aval" given without indication of the person on whose behalf it had been given was dealt with, M. Diena read that :

"The giver of the 'aval' is responsible in the same manner as the principal person bound, even if the principal obligation on the bill of exchange, though valid from the point of view of form, is not valid from the point of view of substance."

It might be claimed that that was the internal law and that delegations were perfectly free to derogate, if it seemed desirable, from their internal law. That was indisputable, and the representative of Italy had never intended to contest it. But he did contest that in the same international Conference inconsistent principles could be adopted in two Conventions which were connected, although from the point of view of form they might be quite independent. The Conference itself, however, had already taken a decision on the question at the time of the adoption of the Uniform Regulation. If reference were made to Article 31 of the Uniform Regulation which, unless he were mistaken, had been unanimously adopted, the following would be found :

"The giver of an 'aval' is bound in the same manner as the person whom he guarantees.

"His engagement is valid, even when the liability which he has guaranteed is inoperative for any reason other than defect of form."

What was the meaning of that provision? It meant that the obligation of the giver of the "aval" was independent of the obligation of the person guaranteed, but the text of the Committee of Experts, reproduced in the German amendments, stated that the effects of the obligation of the giver of the "aval" and of the acceptor by intervention were governed by the legislation applicable to the obligation of the person for whom the "aval" or acceptance by intervention had been furnished.

That was a contradiction, and it would be necessary to choose between the two systems. Article 5 of the second paragraph proposed by the experts, to which the German delegation had reverted, was not concerned with the "aval" but with the security required by civil law. If the "aval" was an independent obligation, it should be treated in the same manner as the other exchange obligations. For that reason, M. Diena had just affirmed that the Italian delegation did not aim at demolishing but, on the contrary, at constructing. He believed that the rules which proceeded from the first paragraph completely covered the question of the "aval" — that was to say, that the "aval" was an exchange obligation comparable to all the others, although it had a special character. The rules adopted by the Conference on exchange obligations should also be applied to the "aval".

The Italian delegation also proposed that a third paragraph should be added in the following terms :

"Nevertheless, the limit of time under which recourse may be exercised shall be determined for all the signatories by the law of the country of domicile of the drawer or of the person who issued the promissory note."

It was quite clear that this proposal ought not to be discussed from a theoretical point of view, for the Italian delegation was the first to realise that, seen from this aspect, it was open to criticism. It should be considered solely from the practical standpoint. Even the most obstinate theorists, however, ought to realise that enormous, sometimes insurmountable, difficulties were met with in practice in many different countries, when any attempt was made to take recourse proceedings. Doubtless, if it was possible to share the optimism of M. Asser, who looked forward to the universal adoption of the Uniform Regulation, there would be no necessity to take such a state of affairs into consideration ; but M. Diena did not share the optimism of the Netherlands delegate. It was enough to recall the large number of reservations that had already been put forward. It should be realised that, as a matter of fact, legislative divergencies would always exist, and these would have to be taken into account and remedied. Since there were very different ways of referring to recourse, it would be practical for those who had to exercise recourse in different countries to arrive at a certain unity on this point. But if this unity could not be reached by means of the Uniform Regulation, they must try to obtain it by adopting a rule of international private law, which, from the theoretical point of view, would be open to criticism, but which would be of practical use in overcoming the difficulties. For that reason, the Italian delegation put forward its proposal, while taking into account the factor that gave a bill of exchange its original character — namely, the moment of issue — and confining itself solely to the question of the limit of time, but without providing for all the possible consequences of a bill of exchange.

To sum up, the Italian delegation proposed to adopt the first paragraph of the text of the experts, to delete the second paragraph of the same text as well as the second paragraph of the German amendment and to add instead the text that he had just put forward.

M. SULKOWSKI (Poland) supported the Italian text in principle. He thought that a single regulation ought to be adopted for the effect of exchange obligations, and that was what was proposed by the second paragraph put forward by the Italian delegation. In spite of that, there was a certain contradiction between this paragraph and the first paragraph, which said that, if the obligation specified the place, it was the legislation in force in that place which ought to be applied in order to estimate the legal effects of the obligation. It was only if the obligation gave no indication of the place that the legislation in force in the country of the debtor's domicile ought to be applied.

According to the Italian formula, it was always the legislation in force in the place of the drawer's domicile which decided the legal effects. He thought it was better to say that it was the place of issue which determined these effects, because in that way the contradiction which appeared quite clearly between the two paragraphs would be avoided.

The PRESIDENT thought that the only way to obtain a clear vote was for the Conference to give its opinion at the same time on paragraphs 1 and 3 of the German proposal. Otherwise they would be led, after the vote on the different amendments, to reconsider the position of the endorsers and to make a new proposal.

Once the vote on the whole of the German amendment had been taken, the Conference could see if there was any need to adopt the Italian amendment.

The German amendment was adopted by 11 votes to 9.

The British delegation abstained from voting.

M. GIANNINI (Italy) thought that when a general rule was adopted the question of utility should always be taken into account. The adoption of the rule proposed by the Italian delegation was therefore justified, even after the adoption of the first paragraph of the German proposal. He drew the attention of the Conference to the fact that the Italian proposal made an attempt to look at the question from that angle. It did not absolutely hold to the criterion it had put forward, but what it wished was to have a criterion that could simplify very complicated situations and hasten the solution of the problem. It was necessary to adopt some principle, whether that proposed by the Italian delegation or another one — for example, that of the place of issue. It was considerations of utility that justified a derogation of the principle of paragraph 1.

The Italian amendment to suppress the second paragraph of the text of the experts was adopted unanimously.

The PRESIDENT pointed out that the new text was composed of the first and third paragraphs of the German amendment.

There was an Italian amendment proposing that the following paragraph should be added :

“ Nevertheless the limit of time under which recourse may be exercised shall be determined for all the signatories by the law of the country of domicile of the drawer or of the person who issued the promissory note.”

M. SULKOWSKI (Poland) proposed that the words “ the law of the country of domicile of the drawer ” should be replaced by “ the law of the place where the bill of exchange was issued ”.

M. QUASSOWSKI (Germany) did not quite understand the bearing of the proposed amendment. What were the time-limits for exercising recourse? To be quite accurate, there were time-limits for presentment and for protesting but not for exercising recourse. The amendment perhaps referred to time-limits for prescription or possibly to the unification of the rules governing the interruption and suspension of prescription. Would it be possible to have certain explanations on this point?

The PRESIDENT drew the German delegate's attention to the fact that the time-limits referred to were not those for recourse laid down in the Uniform Regulation, but time-limits for recourse existing in various countries, principally in non-contracting and non-adhering countries.

M. VISCHER (Switzerland) thought that the Italian delegation had brought in its proposal in order to make the first two paragraphs concord. It was for that reason that it had used the phrase “ the country of domicile of the drawer or of the person who issued the promissory note ”. The German proposal having been adopted for the first paragraph, it would be preferable, in order to ensure concordance between the different paragraphs, to say “ the place in which the instruments are payable ”. M. Vischer agreed that often the place of payment and the place of signature (proposed by M. Sulkowski) were the same, but thought that the same term should be used so far as possible.

M. WEILLER (Italy) thought that certain conclusions might be drawn from the discussions which had just taken place. A principle had been adopted in regard to the law applicable to the parties liable; the various parties liable on a bill of exchange would be subject to different laws; consequently, the Conference had not, theoretically speaking, effected a unification, but had fallen into line with certain scientific necessities. There still subsisted a practical necessity, to which M. Giannini and M. Diena had referred. When a bill fell due and was not paid, there was

still the right of recourse, and in exercising that right it was essential that the person concerned should be able to go as far back as the drawer. If the time-limits differed — if, that was to say, action against the drawer involved shorter time-limits than those prescribed as against the succeeding endorsers — the latter might be under an obligation to pay and might lose their entire power of recourse.

It was for that reason that the Italian delegation had proposed the law of the country of domicile of the drawer. The latter would be applicable in regard to recourse, but merely in so far as concerned the shortest time-limit necessary for exercising such recourse.

In reply to M. Quassowski's observation, M. Weiller considered that there was no question either of the terminology employed in the Uniform Regulation or of the scientific terminology. The Italian delegation held that where there existed restrictive provisions in regard to recourse, whether prescription or loss of rights or any other limitation, the law of the domicile of the drawer should, for reasons of practical necessity, apply to all the parties liable. A formula would have to be found.

M. QUASSOWSKI (Germany) thought that he could accept in principle the Italian proposal. He wished, however, to draw the Conference's attention to the following fact. Article 8 contained provisions concerning the form and time-limits for protesting and other acts. M. Quassowski considered that in these cases it should be said that the law of the country in which these acts had been accomplished was applicable. Subject to this reservation in Article 8, he concurred in the Italian proposal.

M. EISNER (Yugoslavia) pointed out that M. Quassowski's remark concerned the amendments submitted by the Yugoslav delegation to Article 8.

The PRESIDENT observed that Article 8 dealt with the form and time-limits for protesting and other acts, whereas the Italian amendment spoke of the time-limit for exercising a right of recourse. The two questions must not be confused.

M. GIANNINI (Italy) said that, if the Conference considered that there was any other more practical criterion than that proposed by the Italian delegation, the latter would gladly withdraw its proposal. He thought, however, that the system suggested in that proposal was the most practical.

The Italian proposal was put to the vote and adopted by 21 votes.

The British delegation abstained from voting.

The PRESIDENT requested the Drafting Committee to consider whether the Italian amendment, which had just been adopted, would not be more appropriately introduced in a separate article.

The Japanese delegation had submitted an amendment identical to that of the German delegation. The Japanese delegation might perhaps agree that it had received satisfaction and withdraw its amendment.

M. SHIMADA (Japan) said that his delegation's amendment was not entirely identical with the German amendment, but he would withdraw it in a spirit of conciliation.

Article 5 as a whole was approved at a first reading.

TWENTY-SIXTH MEETING.

Held on May 30th, 1930, at 4.30 p.m.

President: M. J. LIMBURG.

34. Discussion of the Draft Convention on the Conflicts of Laws (Continuation).

ARTICLE 6.

Baron MARKS DE WÜRTEMBERG (Sweden) said that the Nordic delegations considered that this article ought not to be inserted in the Convention. The consequence would be that in certain cases the tribunals of Nordic countries would have to apply the principles that had been accepted by certain legislations concerning the right of the holder of a bill of exchange to the cover (*provision*) furnished or to be furnished by the drawer. Such, for example, would be the case for a bill of exchange drawn by a Swede in Sweden but payable in Paris. The holder of such a bill could bring into force before Swedish tribunals the French principles concerning the special rights of each holder on the cover; but it had already been admitted that these principles belonged to the jurisdiction of the civil law of each country concerned and it would, as a matter of fact, be absolutely impossible to apply them in Sweden to a drawer domiciled there without making fundamental changes in the common law.

Since the business of the Conference was limited to legislation on bills of exchange and cheques, they could not discuss provisions of international private law, which were outside the sphere of

exchange law and would necessarily bring about important modifications in the common law of the Scandinavian countries.

He therefore hoped that Article 6 would be deleted.

M. ALBRECHT (Germany) supported the proposal of the Swedish delegation to strike out the article. He asked what the "provision" covered? As a rule, when a bill was drawn a debt was owing by the drawee to the drawer. The question was whether, in drawing the bill and handing it over to a third party, the drawer operated a transfer of the underlying debt. In juridical transactions which might involve an assignment, it was usually necessary to consider whether the parties intended such an assignment or not.

In Germany, the drawer or endorser of a bill did not as a rule intend to assign the underlying debt. There might be circumstances from which it could be inferred that there was that intention, and in such cases the courts would give effect to it. In France, the position seemed to be different. In a decision taken by the Reichsgericht before the war, it was held that according to French commercial custom and usage it was generally the intention of the parties to transfer the underlying debt with the bill. In the particular case in question the Reichsgericht had accordingly held that there was such an intention, and had given effect to it even as regarded the German debtor.

In Article 6 a different system seemed to be adopted; there it was not the intention of the parties, but the place where the bill was payable, that had to be considered. The place, however, had usually no value in regard to the determination of the intention of the parties. It might be quite accidental and put in merely for convenience sake, as in the case of a bill payable at a place other than the domicile of the drawee, and it might very well be that the acceptance of the rule suggested would lead to unexpected occurrences. Was there really any need for Article 6? The jurisprudence of all countries had occasionally to deal with cases which would come under that article, but they were very rare. The decision of the Reichsgericht to which he had alluded was the only one of its kind which had occurred for fifty years.

Finally, M. Albrecht drew attention to the English text of Article 6. He noticed that it was not considered possible to translate "provision", which was added between brackets. The same difficulty would certainly arise in countries whose language did not contain the French legal term "provision". The greatest difficulties would occur when judges were called upon to interpret the term. Adequate interpretation would only be possible after a careful study of French law.

For those reasons, M. Albrecht thought it would be wise to omit the provision.

The PRESIDENT said that the Drafting Committee had presented the text of the reservations, which included an Article 15 drawn up in the following terms:

"The question whether the drawer is compelled to provide cover (*provision*) at maturity and whether the holder has special rights on this cover (*provision*) is outside the uniform law and the Convention."

The President asked if this text had been adopted.

M. PERCEROU (France) replied that this reservation had been adopted.

The PRESIDENT asked whether this reservation of Article 15 might not replace Article 6 of the Convention on the Conflict of Laws.

M. PERCEROU (France) pointed out that the reservation adopted did not deal with the question of conflict of laws, but settled in the affirmative the question whether each legislation preserved its freedom concerning the transfer of the cover (*provision*). It was precisely because this freedom had been maintained that the question of the conflict of laws had arisen.

Contrary to what had been said by some of the previous speakers, this question was far from lacking practical interest; in fact, it was a matter of daily occurrence. M. Percerou returned to the case that had just been put forward by the Swedish delegate. A bill of exchange is drawn in favour of a Norwegian holder on a debtor living in Paris. The Norwegian holder endorses it in favour of a French holder. On the day when the bill falls due, the drawer goes bankrupt. If the French debtor (usually a bank) put the French law into application, he had to pay the bearer. If, on the other hand, the law of the drawer had to be applied—the drawee would not thereby pay the holder, but would have to pay in the money to the bankrupt estate.

The drawees were placed in a situation from which there was no escape. French law ordered them to pay the holder; Swedish law, on the contrary said that they ought not to pay and that they were in the wrong when they did so. In cases, of this kind, the drawees ran the risk of having to pay twice, and that situation would have to be remedied.

The proposed solution had been adopted after considerable discussion in particular by the Institute of International Private Law. If it were rejected, a regrettable uncertainty would be left in the relations of international trade, and M. Percerou thought that that was one of the most important questions that the Conference had to settle.

On the other hand, it was his opinion, for reasons which he had exposed before the Institute of International Law — and to which he would add the following consideration, that the drawee knew the law of his own country better than any other — that the application of the law of the country of domicile of the drawee was preferable for practical reasons to the application of the law of the country of the drawer. For that reason Article 6 had had no difficulty in meeting with the approval of the Committee of Experts. The adoption of this article would be a great step forward from the point of view of international intercourse and the security of international commercial relations.

The proposal to delete Article 6 was rejected by 12 votes to 7.

Baron MARKS VON WÜRTEMBERG (Sweden) said that, as a result of the vote that had just taken place, the delegates of the Nordic countries found themselves unfortunately compelled to ask for a reservation to be inserted in the Convention on the Conflict of Laws. That would be the only reservation made on the initiative of those countries.

The PRESIDENT thought that a reservation in the Convention would have serious results and he hoped that the Nordic delegates would reconsider their decision.

Article 6 was approved at a first reading.

ARTICLE 7.

M. ASSER (Netherlands) asked for an explanation from the Committee of Experts. This article dealt with partial payment and acceptance. As was said in the note, this provision only concerned States not agreeing to unification. Apparently this was a matter that concerned the substance of obligations and had been dealt with under Article 5. He asked whether the two articles were not redundant.

M. PERCEROU (France) did not think at first sight that they were redundant. Article 5 dealt with the question of the conflict of laws for obligations entered into ; Article 7 dealt with the question whether acceptances could be total or partial, and that was a question which arose before the conclusion of the obligation. When acceptance had been given, it was necessary to ask whether partial acceptance might not be given.

The principle was the same, but he did not think that there was any redundancy.

M. ASSER (Netherlands) did not agree. Article 7 concerned the *legal effects* of partial acceptance ; it came within the sphere of the *substance* of the obligations.

M. PERCEROU (France) thought that two questions arose :

1. Was it possible to accept partially ?
2. If partial acceptance was once given, what were the results ?

M. ASSER (Netherlands) thought that the words " was it possible " showed that it concerned the legal consequences of partial acceptance. He would not, however, press the point.

The PRESIDENT considered that Articles 5 and 7 did not deal with the same question, but, if that were the case, the only criticism that could be made against Article 7 was that it was superfluous.

M. SULKOWSKI (Poland) pointed out that Article 7 did not refer only to the obligation of the acceptor, but to the legal position of the holder as well, since it decided whether he could exercise recourse in the case of partial acceptance or otherwise. It was therefore a different principle from that contained in Article 5.

Article 7 was approved at a first reading.

ARTICLE 8.

The PRESIDENT observed that there was a Yugoslav amendment proposing that the article should begin as follows :

" The form of, *place of* and limits of time for protest *or equivalent declarations*, as well as the form of and *limits of time for* other proceedings. . . . "

M. EISNER (Yugoslavia) explained that his delegation held that the *lex loci* should apply not only to the form and time-limits of protest but also to the place where they were drawn up — dwelling-houses, premises, offices of trading firms, etc.

Furthermore, under the reservations which had been accepted in virtue of Article 43, paragraph 1, it was permissible to make equivalent declarations instead of a protest. They, too, must therefore be mentioned in the article.

Lastly, in regard to proceedings other than protesting — for instance, notice — the *lex loci* should apply not only to the form but also to the time-limits. That was of particular importance to the countries accepting the Convention but not the Regulation.

M. QUASSOWSKI (Germany) supported this proposal. Article 8 definitely referred to the time-limits for protest but not to those for other proceedings — for instance, the presentment of the bill ; that was to say, those mentioned in Article 38 (new text). The French delegation had submitted a reservation to that article. There was therefore a practical question involved, and it followed that it would be preferable to determine what law was applicable, in cases of dispute, in order to decide whether the holder must present the bill on the day on which it was payable or on one of the two subsequent business days. It seemed right to settle this question according to the law of the country where the bill was effectively presented.

The PRESIDENT considered that the Yugoslav amendment would make an appreciable change in the article. It introduced into it as well the notion of place, a question to which M. Quassowski had not alluded. Again, even if it provided for the settlement of the form and time-limits of the other necessary proceedings, there would still be the question of how many days before maturity the bill must be presented.

The word " proceedings " was not in this case taken in the sense of action.

M. QUASSOWSKI (Germany) said that, in his view, presentment was a necessary act for the exercise of rights of recourse. In any case, there was no rule to cover the case of Article 37, and Article 8 must be completed in this respect. The Yugoslav amendment made the necessary change.

M. DIENA (Italy) thought that it would be begging the question if Article 8 of the Yugoslav amendment was adopted, since the place was determined by the law of the place. A formula of that sort would be imperfect both from the point of view of substance and from that of form. The text of the experts was greatly to be preferred.

The Yugoslav amendment was rejected by 14 votes to 7.

Mr. GUTTERIDGE (Great Britain) abstained.

Article 8 as a whole was approved at a first reading.

ARTICLE 9.

The PRESIDENT submitted the Italian amendment to delete the words " or in case of the holder's bankruptcy (*faillite*) "

M. DIENA (Italy) did not understand the meaning of the words " or in case of the holder's bankruptcy (*faillite*) " and considered them extremely dangerous. Bankruptcy (*faillite*) was a very delicate matter, presenting special difficulties. It had been the object of a special Convention on Private International Law signed at The Hague. In endeavouring to modify the Hague provisions, there would be a danger of encountering very grave difficulties. M. Diena could not believe that the Conference would wish to act inconsistently with the decision then adopted, and it would accordingly be undesirable to approach the problem indirectly. He would advise the Conference not to deal with the hypothesis of bankruptcy (*faillite*).

M. VAN NIEROP (Netherlands) pointed out to the President of the Committee of Experts that the article mentioned measures to be taken in the event of *loss*. In general, however, the bill of exchange was not lost in the strict sense of that word. What happened was rather the destruction of the bill owing either to the shipwreck of a steamer or to a railway accident. Did the word " loss " also cover those cases of destruction ?

M. PERCEROU (France) replied in the affirmative.

M. VAN NIEROP (Netherlands) pointed out that the article stipulated that the law of the country determined *the measures to be taken*. That was a question of procedure, not of the rights of the holder of the lost bill. According to the Netherlands legislation, the holder of a lost bill had the right to ask for payment by means of security which had to remain on deposit for thirty years. Was it the opinion of the experts that the law of the country should also determine the limitation of actions in regard to the rights of the holder whose bill of exchange was lost ?

M. PERCEROU (France) replied that the stipulation referred not only to the measures to be taken but also to the consequences of those measures. The measures to be taken and the consequential restitutions were determined in accordance with the law of the place of payment.

M. VAN NIEROP (Netherlands) pointed out that the Regulation itself did not mention that question.

The PRESIDENT said that it had been desired in the article to avoid a conflict with the system of restitution existing in various legislations.

Referring to the provision under discussion according to which the law in force at the place of payment determined the measures to be taken in the event of the loss of a bill of exchange, M. SULKOWSKI (Poland) instanced the following case : A bill of exchange was payable in France, but the endorsers were domiciled in Poland. In the event of the loss of the bill, it would be desirable to open the proceedings for restitution in Poland, in order to prevent the bill from being presented to the endorsers of that country. There would be a great objection to providing that the holder should make application in France for the opening of the restitution proceedings. For that reason, the question of restitution proceedings in connection with the lost bill of exchange should be dealt with by national legislation. In consequence, M. Sulkowski proposed the suppression of Article 9.

M. GIANNINI (Italy) thought that the Conference could easily agree to the amendment of the Italian delegation. In the long discussions which had taken place at The Hague in the two Conferences of 1910 and 1912 with a view to reaching the agreement which was at present before the Governments, the numerous difficulties in the way of a solution to the problem of bankruptcy (*faillite*) had been attacked, but no view of the whole matter had been arrived at.

It remained to decide whether the limitation of the meaning of the article was or was not justified. The reason for the formula was that it constituted a safe criterion. The objection raised at the moment referred to the interpretation of the word " measures ". If the widest possible meaning were given to that word, it would refer to questions of form and the questions of substance arising from it.

There was another question : the expediency of the criterion. If the article were suppressed, the conflict would still subsist, but if it were adopted, a safe form would be established. Otherwise

every State would interpret the method of settling the conflict for itself and, in that case, it would become almost useless to establish a convention on conflicts of laws. It would be vain to seek for a criterion safe from criticism, and the Conference would have to adopt that which afforded the minimum disadvantages. The article proposed by the experts, which took the Hague discussions into account, was the best practical criterion.

The Italian amendment was adopted by 23 votes.

M. SULKOWSKI (Poland) proposed the suppression of the article as amended.

The proposal was rejected by 13 votes to 5.

The PRESIDENT pointed out that the report would contain an explanation of the term "loss", to make it clear that it also included "destruction".

ARTICLE 10.

GENERAL RESERVATION.

Mr. GUTTERIDGE (Great Britain) said that the second proviso was somewhat difficult for an English lawyer to understand. He imagined — but hoped he would be corrected if he was wrong — that the intention was to safeguard what was known as "ordre public" on the Continent and "public policy" in England.

The PRESIDENT pointed out that, according to the principles of the Convention, a law which was not a law of one of the contracting States could not be applied.

Mr. GUTTERIDGE (Great Britain) understood the President's explanation. He took it that the proviso was really intended to be a gentle hint to other nations to accede.

The PRESIDENT replied that it was intended to urge them to do so.

M. GIANNINI (Italy) considered that the article would perhaps be in place in the uniform law, but not in the Convention.

On the other hand, he drew the attention of the Conference to the fact that the two points had an entirely different meaning. The first paragraph was justified by the fact that it was not desired that the unification should benefit those States which had not considered it necessary to make sacrifices in order to bring about that unification.

The second paragraph, on the other hand, had a moral bearing. It was an invitation addressed to States which had not acceded to adopt the Convention. Though in 1910 and 1912 that argument might have appeared to be very efficacious, it was no longer so at the present time. Nevertheless, the second point sufficed to bring into relief the disadvantages from which the States which were not parties to the Convention might suffer. It was in that spirit that the Conference could accept it.

Article 10 was approved at a first reading.

ARTICLE 10(a).

The PRESIDENT submitted the following draft article the inclusion of which was proposed by the Italian delegation as article 10(a)

"Any High Contracting Party may, when signing or ratifying the present Convention or acceding thereto, append an express reservation excluding any one or more of the provisions of the said Convention.

"The provisions thus excluded cannot be applied against the Contracting Party who has made the reservation nor relied on by that Party against any other Contracting Party."

He confessed that amendment had disturbed him considerably, for it would make it possible to introduce reservations into the Convention on Conflicts of Laws, and he considered that was dangerous. Moreover, he was certain that the Italian delegation would recognise that, for it was obvious that with the introduction of reservations the Convention might lose all its importance and its meaning.

If he had understood rightly, the amendment was the consequence of the vote which had taken place on Article 3 of the Convention. The Conference would remember that the Italian delegation submitted an amendment to the article to suppress the third paragraph. That amendment had been rejected and consequently the Italian delegation now submitted its proposal in regard to Article 10(a). It considered that the last paragraph of Article 3 opened the door to swindling. On the other hand, the experts had stated in the observations which appeared at the end of the article :

"They feel, however, that the severity of this rule should be relaxed so as to prevent national laws for the protection of incapable persons being circumvented by the chance signing of an instrument in foreign territory. They have therefore inserted as a third paragraph in this article the text of Article 18 of the Hague Convention."

The President was of opinion that, if it were necessary to choose between maintaining the third paragraph and the possibility of the introduction of reservations in the Convention, he himself would prefer to sacrifice paragraph 3 of the article.

If that paragraph were maintained, cases of swindling might indeed result. They might also result if it were suppressed, as the President of the Committee of Experts, M. Percerou, had pointed out. In those circumstances, it seemed that if the Conference could avoid the introduction of reservations it would be better to sacrifice paragraph 3, since whether it were suppressed or maintained there might still be cases of swindling.

M. PERCEROU (France) pointed out that there was a very simple means of giving satisfaction to everyone : simply to revert to the principle according to which capacity was determined by the national law. In other words, Article 3 would consist only of the first paragraph. Paragraphs 2 and 3 would be suppressed.

The PRESIDENT agreed that any solution was preferable to the possibility of the introduction of reservations in a convention on conflicts of law.

M. GIANNINI (Italy) was of opinion that M. Percerou's proposal to suppress the last two paragraphs was somewhat radical and exaggerated. On the other hand, that solution would present difficulties. For instance, when a person came forward, it was necessary to make an enquiry into his capacity from the national point of view. Circulation would not be facilitated, but the contrary would be the case.

Having said that, M. Giannini wished to explain the reason why he had submitted his proposal. In the first place, it was necessary to take into consideration that the Convention did not present a definite system. It contained fragmentary provisions, and for that reason there would not appear to be objections, from the technical point of view, to admitting the possibility of making reservations. Moreover, there was the question of expediency. As a general rule, M. Giannini was the enemy of reservations, but, in view of the fact that the Convention contained articles of which certain States disapproved, he considered that it was necessary to provide for the possibility of reservations, for with reservations it would be possible to establish a certain amount of agreement between States on conflicts of laws.

If the possibility of making reservations were not admitted, Italy would be unable to ratify the Convention on account of Article 3, the Scandinavian States on account of Article 7, and Poland on account of Article 9. Thus a certain number of States would be unable to accept the Convention if the power to make reservations were not provided.

On the contrary, if that possibility existed, the situation would appear to be more favourable. Italy, for instance, would make a reservation in regard to the third paragraph of Article 3 and would consider as valid engagements arising from the first two paragraphs of the article. France, on her side, would accept the third paragraph, since she considered that it met her requirements.

On the other hand, it should be recognised that no real uniformity resulted from Article 3, for after the principles had been fixed exceptions could be laid down. As a matter of fact, this article already contained a reservation, since the last paragraph was a reservation in itself. The Italian delegation was therefore putting forward a reservation to this reservation.

After the discussions that had taken place, M. Giannini might state in a general way that, although he himself was opposed to reservations, it was necessary to allow the possibility of them in this Convention if the Conference wished to come to any agreement on the essential parts of the Convention.

He repeated that if this was not so, several States would not sign the Convention. Should he be asked the reason, he would reply that he did not wish to sign because he liked to know exactly where he was. As a matter of fact, it was not his habit to sign conventions which he was certain would not be ratified. He was actuated not only by a feeling of moral duty, but also by loyalty towards his colleagues ; and in loyalty to them he declared that without this possibility of making reservations he was unable to sign the Convention unless the last paragraph of Article 3 were deleted. At the same time, however, he wished to take into consideration the position of other States, and he thought that some sacrifices ought to be made in order to arrive at an agreement on certain fundamental rules. It was true that was not the ideal that they had hoped for, but M. Giannini thought the Conference must take every question of opportunity into account.

M. QUASSOWSKI (Germany) said that Article 3 was not the only one that was inconvenient for certain States. Article 6 was inconvenient for Germany, and it was difficult for them to adopt a provision concerning the conflict of laws based on a doctrine regarding " cover " (*provision*) whose exact scope and meaning Germany did not understand. It was also difficult to say whether it was right to consider the law of the country where the bill of exchange was payable as the decisive law. Perhaps it would be better to consider the law of the country where the bill had been issued as decisive. In any case, it was difficult to deal with this question thoroughly, for there they were working on unknown ground. For these reasons, and since Article 6 had been adopted in spite of the vote of the German delegation, M. Quassowski would prefer the Italian reservation to be adopted.

Baron MARKS VON WÜRTEMBERG (Sweden) said that the Scandinavian delegations regretted that they found themselves unable to vote for the Italian amendment.

M. SULKOWSKI (Poland) said that he would make use of the Italian reservation in regard to Article 9.

The PRESIDENT drew M. Quassowski's attention to the following point : Was a country that brought reservations into play certain of getting what it wished ? Personally, he did not think so. In such a case, a country would fall back on international private law and the jurisprudence of the different tribunals would create a chaotic situation, since this jurisprudence would inevitably fail to satisfy States that put forward reservations.

The Italian proposal was adopted by 17 votes to 3.

M. DUZMANS (Latvia) wished the title of each article to be indicated above the article number so that the title should not be considered as part of the article itself.

He pointed out that under Article 10 occurred the title "General Reservation". Since the Italian amendment had been adopted, that title would have to be put in the plural: "General Reservations".

The PRESIDENT stated that the Drafting Committee would take that point into account.

He pointed out a question of drafting to the President of the Committee of Experts. Article 6 made mention of "the beneficiary". What was the exact meaning of this expression?

M. PERCEROU (France) replied that the beneficiary was the first holder, the person whose name was written on the bill. The word "preneur" was synonymous.

M. STUB HOLMBOE (Norway) asked if provision had been made for a ratification clause in the Convention.

The PRESIDENT replied in the affirmative.

The Convention was approved at a first reading.

35. Examination of the Draft Convention providing Uniform Regulations for Bills of Exchange and Promissory Notes.

The PRESIDENT said that the text proposed in Annex 19 had been drawn up in collaboration with a number of delegations and the Legal Section of the Secretariat.

M. GIANNINI (Italy) explained that the draft was based on the following fundamental principle. The uniform law would appear in one annex and the reservations to the uniform law in a second annex. This division would facilitate the consultation of the two texts. The Convention, with the two annexes, might be drawn up so as to consist solely of the general clause appearing in Article 1 and the special, formal and concluding clauses appearing in Article 2 and the following articles.

Article 1 reproduced the Hague system in the sense that the contracting parties undertook to introduce the uniform law in their respective territories either in the original text or in their national languages. That was to the advantage of the French and English-speaking countries and also to those countries which did not wish for a translation. Paragraph 2 referred to reservations. The reservations were not general reservations. They could only relate to questions expressly mentioned in them — that was to say, to any matters embodied in Annex 2. It had, however, been held that Annex 2 contained certain reservations which might be made at the time of ratification or adhesion. There were others, happily very few, on which it was difficult to take a decision at the time of ratification or adhesion, since they might become necessary in consequence of certain special occurrences in the economic or political situation of certain countries. These reservations, which were mentioned explicitly in the third paragraph, might be made subsequent to ratification or adhesion. Any State, however, which wished to avail itself of them, would be bound to communicate them to the Secretary-General, who would forward the information to the parties of the Convention. In this way the general and particular interests of the countries would be reconciled. This rule was dictated by caution, since otherwise the States would have been tempted when ratifying to say that they would avail themselves of all the reservations in Annex 2. Some uncertainty would obviously result. It must, however, be remembered that some reservations had been asked for by countries whose legislation was in a transitional state. In certain countries, the law was based on, or inspired by, that of other countries. These countries would need the same reservations. A whole congeries of problems had had to be considered, and it had been thought better to leave the third paragraph somewhat elastic.

The other clauses did not require any long explanation. They had been taken from the most recent Conventions adopted by the League containing improvements due to the experience gained from earlier Conventions. For some years past these clauses had been, so to speak, stabilised. Article 8 and the following articles did not call for much comment. They referred to ratification on behalf of colonies and territories subjected to the authority of a contracting State in one way or another. There was also the question of the periodical revision of the Convention, so as to bring it into line with the changing needs of international life.

Article 7, on the contrary, deserved special consideration. It stipulated two systems of denunciation. According to the ordinary system, each State might denounce the Convention after a certain time-limit, the effect of such denunciation to become operative after a stated period. There were also, however, emergencies to be considered. In such cases, the countries could not be held to the rigid system of the uniform law and thus, if they violated it, inevitably have to run the risk of violating international law. Therefore allowance was made for immediate denunciation, for reasons of State by means of a certain formality which would make it possible to reconcile the exigencies of the State concerned with those of the other States. The position of the countries signing the Convention must always be known. Paragraph 3 of Article 7 referred to these cases. The time-limit of two days laid down there was intended to reconcile the interests of the country which applied for denunciation and those of the other countries which would have to take certain measures in order to meet the new situation thus created.

The Protocol of the Convention contained three articles. The two first referred to certain situations which might arise at the time of the deposit of the instruments of ratification.

Article I stipulated that :

“ The High Contracting Parties who may not have been able to deposit their ratifications of the said Convention before. . . undertake to forward within fifteen days from that date a communication to the Secretary-General of the League of Nations informing him of their situation as regards ratification.”

Article 2 stipulated that :

“ If on. . . the conditions laid down in Article 5, paragraph 1, for the entry into force of the Convention are not fulfilled, the Secretary-General of the League of Nations shall convene a meeting of the Members of the League and the non-Member States who have signed the Convention or acceded to it.

“ The purpose of this meeting shall be to examine the situation and any measures to be taken to meet it.”

Provision had been made for the extreme case because that eventuality had to be foreseen, but everyone hoped that the article would not be applied.

Lastly, Article 3 contemplated a system of co-operation whereby the countries which had undertaken to adopt the uniform law and the Convention would be asked to communicate to one another the texts of the laws they established.

This provision had two objects. The first, which was self-evident, was the supervision of the application of the uniform law by the signatory States. The other was intended to promote one kind of co-operation between the countries in the field of the unification of exchange law.

It was with this object that the recommendation at the end of the protocol, which was due to an Austrian proposal, had been drawn up. The parties to the Convention were invited to communicate to one another the texts of their most important judicial decisions.

The group of delegations had not thought it expedient to make an article of this recommendation — that was to say, to convert it into a definite undertaking. While it was quite easy to ask the countries to communicate their laws to one another, there would be some difficulty in making the exchange of the most important judicial decisions obligatory. The gauging of the importance of decisions was always liable to variation, for it was generally the judicial authorities who judged of such matters, and their view of the importance of decisions was somewhat too personal. Each judge would be inclined to consider that his decisions were the most important that had been rendered in a country at a particular time.

To overcome this disadvantage and also that which would result from creating an obligation for those countries whose judicial business was very heavy, it had been decided to make only a recommendation.

The adoption of this proposal might be linked up to the recommendation which had been kept for the end of the discussion — that was to say, the recommendation submitted by the Italian delegation to the effect that the International Institute of Private Law should be requested to have a study made of the system of guarantees (*fidéjussion*).

M. Giannini, however, would like to submit another recommendation in accordance with what had happened after 1912 as between Germany, Austria and Switzerland, and what had been tentatively discussed between Switzerland and Italy — namely, that any two States wishing to adopt the uniform law, and having the same language, should have an identical translation as far as possible. The advantages were obvious, for if, according to the Italian saying, every translator was a traitor, a traitor in legislative matters was even more troublesome than a traitor in private life.

The Italian delegation had proposed the following recommendation :

“ The Conference, for the purpose of obviating the adoption of texts of the uniform law in the same language but containing divergencies of translation, recommends that States having the same official language should prepare the official translation of the uniform law in consultation with one another.”

This would apply, for instance, to Switzerland and Italy.

Having examined the concrete part of the Convention, M. Giannini wished to draw the Conference's attention to Article 3 of the draft, which said :

“ The instruments of ratification shall be deposited *before the (date of expiry of a period of twenty months from the date of the Convention).*”

The period of thirty days appearing in Article 2 had given rise to a long discussion, and it had been held that it would suffice in order to secure the subsequent signature of those countries which, although participating in the Conference, did not sign the Convention with the other countries.

There was an amendment by the Scandinavian delegations to Article 3, proposing that the instruments of ratification should be deposited *before July 1st, 1932*. The delegations who had drawn up the text had taken into account the parliamentary requirements in all countries and had suggested that a term of twenty months might be contemplated. If, however, the Scandinavian delegations thought a longer time-limit necessary to meet their particular needs, that would not cause any serious difficulty. Although a term of twenty months would be preferable it would be possible to adopt a time-limit of two years, but without, however, laying down a definite date, which would cause inconvenience.

Baron MARKS VON WÜRTEMBERG (Sweden) agreed with this suggestion.

M. GIANNINI (Italy) thought that it would be helpful to fix the date for the expiration of the time-limit in this way.

He requested the President to place the Convention as a whole under discussion, since it would be difficult and useless to discuss it article by article.

It would also be necessary to have a vote on the recommendation submitted to the Conference, since the report would have to cover the Convention and the recommendation.

M. SHIMADA (Japan) said that the Japanese delegation had only received the text of the Convention that morning and ventured to propose an amendment to Article 1, paragraph 1, which would be completed by the addition of the words :

“ Or to adopt in their respective systems of law all the fundamental solutions embodied in these Regulations.”

The systems of law sometimes differed from country to country. Too rigid and literal an adoption of the Uniform Regulation would meet with difficulties, which would be likely to restrict the number of countries able to adhere.

On the contrary, if the countries were allowed to introduce in their respective systems of law all the fundamental points embodied in the Uniform Regulation and if they were given a certain latitude in regard to the legal situation the adoption of the proposed Regulation would be facilitated.

In Japan in particular, where the construction of the language differed from that of the European languages and where legal technique also differed, it was almost impossible to adopt the Uniform Regulation word for word. It was for that reason that the Japanese delegation proposed their amendment.

M. DUZMANS (Latvia) wished to refer in the general discussion to the denunciation of the Convention, since many things would depend on the way in which that question was solved.

At the second meeting, after hearing the explanations of the Chairman of the Committee of Experts on the reasons for which the Hague Convention had been toned down, the Conference had held a long discussion concerning the modifications to be submitted in the event of the full rigour of the Hague Convention being restored.

The Conference had agreed unanimously that the Regulation should be discussed as if the rigid method laid down at The Hague had been adopted, leaving the final decision on this point in abeyance. The President had concluded by saying, before closing the meeting, that the great majority of members had pronounced in favour of the Hague system, and that he thought he could say that that was practically the unanimous opinion of the Conference. He had accordingly proposed, at the following meeting, to take up the consideration of the first article of the Regulation in its latest form, working provisionally on the lines of the Hague system.

The draft Convention, as M. Giannini had just explained, deviated from those lines by introducing a term of two years for denunciation.

At the second meeting of the Conference, the Chairman of the Committee of Experts, M. Percerou, had explained the methods proposed by the Committee of Experts. The method proposed deviated widely from that in the Preparatory Documents ; it was similar to the Hague method, but more rigid, except that it did not contain the time-limit for denunciation. The Conference had concurred in the opinion of the Chairman of the Committee of Experts, that that would provide a makeweight for the objections which would be felt by the Governments to binding themselves by a strict law adopted *en bloc* with no power to amend it in the more or less near future.

The Chairman of the Experts had said :

“ The Committee of Experts had proposed the following method : A text of laws or regulations could be drawn up. This text would be uniform, but would contain a larger number of reservations than usual, since it would have to be compulsory.”

It followed that a large number of entirely legitimate reservations had been anticipated, and M. Duzmans took the opportunity to say that the Conference might take comfort on one point — namely, that at this price it had a Uniform Regulation to propose to the Parliaments for their acceptance or rejection *en bloc*. That was a very valuable advantage.

M. Percerou had continued :

“ Parliaments would be called upon to adopt it on the understanding that this text would only enter into force if a certain number of States adopted it.”

A little earlier, in drawing attention to the toning-down of the Hague method, the Chairman of the Committee of Experts had said :

“ At The Hague, Parliaments had been asked, not only to ratify a uniform text, but also (and that was a more serious matter) to bind themselves not to modify that text, not only as an international convention, but also as an internal law during a period which might last as long as four years.”

The Hague Convention allowed three years for denunciation.

It was for reasons of the same kind that the right had been granted of making changes in another way.

M. Duzmans would be glad to know why the Scandinavian delegations had deviated from this policy, which was described in the Minutes of the second meeting. After discussing the value of the absence of any time-limit for denunciation, Baron Marks von Würtemberg, who had to-day submitted no amendment on Article 7, had said :

“ Nevertheless, it seemed to the Scandinavian delegations that these objections would lose much of their force if it was decided to suppress in the convention that should be eventually concluded any provision regarding its duration. If every Parliament knew that, while adopting a convention, it reserved the right to denounce it whenever it should judge fit, without the convention losing its validity for the other contracting parties, the Swedish delegation did not think there would be any talk of an infringement of national sovereignty. Those were the considerations which had led the Swedish delegation to consider that the idea of a convention of the same kind as that drawn up at The Hague, but differing in the sense that paragraph 2 Article 28 of the 1912 Convention would be suppressed (impossibility of denouncing the convention until a lapse of three years after the date of the first deposit of ratification).”

Such were the lines on which the debate at the second meeting had developed and everyone had concurred, for it had been felt that the abolition of any time-limit for denunciation was an effective method of achieving an agreement in accordance with the rigid arrangement of the Hague Convention.

The provisions of the drafts could be accepted by the Latvian delegation. M. Duzmans would have to return to the point of view which had been that unanimously shared by the Conference at the second meeting. There were serious reasons for doing so, since the delegates to the Conference would be required to furnish their Parliaments with explanations on this important constitutional question. He would further reserve his right to make, on behalf of his country, a statement on what appeared to him to be the best way of drafting this article.

Moreover, according to the new proposal, it might be thought that Article 1, paragraph 3, provided a makeweight. What was important was the power granted the States to submit reservations after the time-limit had expired. It might be assumed that the framers of the draft had considered that, as the principle of freedom in regard to denunciation had been abandoned by the determination of a two-years' time-limit — and in that a return was being made almost to the Hague system — it was desirable to have a makeweight. That argument could be put before the Parliaments. With this additional right to submit reservations, the determination of a time-limit did, of course, appear somewhat less dangerous; but it must, nevertheless, be asked whether it would not be preferable to refrain from fixing any time-limit for denunciation and, in that case, to abandon this right rather than introduce so unexpected an innovation, even though accompanied by a time-limit for denunciation.

The PRESIDENT had had great satisfaction in learning from M. Duzmans that, notwithstanding his observations, the draft Convention was not unacceptable by his delegation.

In order to obviate any misunderstanding, the President wished to give the following explanations on the decisions taken at the second meeting. Though at that meeting it had been decided that the Conference would keep to the Hague system that decision had meant that the States would bind themselves, in conformity with Article 1 of the Hague Convention, to introduce the uniform law textually, and therefore that the system of the Committee of Experts, according to which the countries would bind themselves merely to propose the uniform law to the competent authority — that was to say, to their Parliaments — was abandoned. That did not mean that at its second meeting the Conference had undertaken to conform to all the articles in the Hague Convention, and the reason why the President had spoken of conforming to the Hague system in its main lines had been in order to obviate the possibility of any criticism based on the grounds that a departure from it had been made in one article or another. The article concerning denunciation, which M. Giannini had just explained, was an absolutely essential compromise, if it were desired to secure the approval of all the States. If in a convention no time-limit for denunciation were fixed, there would arise a very difficult question which had formed the subject of proceedings between Belgium and China before the Permanent Court of International Justice and which the Court had not been called upon to settle, the two parties having come to an agreement. M. Duzmans had established a certain relation between Article 1, paragraph 3, referring to the time at which reservations must be submitted and to denunciation. M. Duzmans, however, was almost certainly mistaken. Besides, M. Giannini had already explained the considerations for which the group of delegations which had drawn up the draft Convention had made a distinction between the second and third paragraphs of Article 1. Speaking generally, it was desired that the countries which submitted reservations should formulate them not later than the time of ratification. In this way, everyone would know what the position was. That would be the rule. But there were certain exceptional cases which might justify reservations which would only operate in very special circumstances and might perhaps never be submitted.

Mr. GUTTERIDGE (Great Britain) said that, as the Convention would not be signed by Great Britain, he did not propose to discuss the text before the Conference. Silence on his part must not, however, be taken to mean that the British Government necessarily approved of the text in its present form or, in particular, of Article 9.

Prince VARNVAIDYA (Siam) recalled that M. Giannini had explained that the period allowed for signature had been fixed at thirty days because that period was considered sufficient for all the Powers represented at the Conference. It was not, however, sufficient for Siam, because the mail took twenty-five days and he understood that Conventions concluded under the auspices of the League usually provided for a longer period. M. Giannini had not given any reason why the period should be as short as possible.

Prince Varnvaidya fully realised that the Convention, and the Uniform Regulation primarily concerned the European States, but if there was no reason for fixing the time-limit at thirty days, he would like it to be raised to sixty days.

The PRESIDENT drew Prince Varnvaidya's attention to the fact that the time-limit of thirty days referred only to signature. If, at the end of the Conference, the Siamese representative had received the necessary powers for this purpose, he could sign the Convention then. Further, speaking generally, Conventions concluded under the auspices of the League more commonly provided for shorter time-limits — ten, fifteen or twenty days.

The President added that the Convention was not intended to apply only to the European States, but to all States.

Baron MARKS VON WÜRTEMBERG (Sweden) reminded the Conference that during the second meeting he had had the honour to suggest in the name of the Scandinavian delegations the idea

of a convention which could be denounced at any moment. As far as he was concerned, that was a suggestion designed as a compromise.

In the name of the delegations of Denmark, Norway and Sweden, he now declared that these States preferred the provisions concerning the right of denunciation which were to be found in the Hague Convention, but that, in cases when provisions of this kind might prevent ratification on the part of a number of States, they urged the adoption of the suggestion put forward at the beginning of the Conference.

M. SHIMADA (Japan) proposed, in the name of his delegation, that the period of twenty months provided for by Article 3 should be prolonged to twenty-four months.

The PRESIDENT pointed out that this suggestion had already been put forward by the Italian delegation.

ARTICLE I.

The PRESIDENT drew attention to the fact that the Japanese delegation had proposed the following addition to the first paragraph of this article :

“ Or to adopt in their respective systems of law all the fundamental solutions embodied in those regulations.”

The President thought that if this amendment were adopted there would no longer be a uniform law, but twenty or thirty different laws on the subject.

M. GIANNINI (Italy) reminded the Japanese delegation that he had already spoken about this question at the beginning of the work of the Conference. There were always certain differences when there was question of translating the original text into a widely different language. It was impossible to avoid that inconvenience ; but if the Conference adopted the formula proposed by the Japanese delegation there would be no longer any uniform law.

He reminded the Conference of the case of the Conventions of Brussels. Belgium had reproduced the French text of these Conventions literally in its legislation. A translation had also been made in Flemish which had been a textual reproduction of the text of the Conventions. On the other hand, translations made by other countries had departed somewhat from the original text, and in certain cases so much liberty had been taken that it had been impossible to determine whether they were translations of the Conventions themselves or of another law.

In this particular case, he was certain that there would be differences between the original text and the Japanese translation. Apart from that, no one could control the Japanese translation, unless Japan retranslated its translation.

To sum up, it seemed to M. Giannini that there would be sufficient elasticity in the translation from French to Japanese for M. Shimada not to insist upon his amendment.

M. SHIMADA (Japan) said that if his country was allowed sufficient elasticity for its translation he would not insist upon the amendment. But they would have to take into account Japanese legal technicalities and allow them a certain liberty in order to bring this system into harmony with their national laws. The Japanese delegation certainly had no intention to escape from the substance of the matter, but it was impossible for it to declare that its government would conform literally to the text.

If the Conference was unable to allow this point of view, it would be very difficult for the Japanese delegation to sign the Convention.

The PRESIDENT agreed that the translation into Japanese ought to be in conformity with Japanese mentality and customs. A translation should always be allowed a certain elasticity, but it should remain, nevertheless, a translation. It seemed impossible for other delegations to agree to the Japanese amendment.

M. SHIMADA (Japan) declared that the Japanese delegation did not insist upon its proposal, but it asked for the explanation it had given to appear in the report.

The PRESIDENT saw no objection to that course.

M. SULKOWSKI (Poland) said that Article 1 established a difference between two categories of reservations : those that ought to be indicated by each high contracting party at the time of its ratification or its accession and those which could be made after ratification or accession. In M. Sulkowski's opinion, the same procedure should be followed for reservations which could be made by States in urgent cases as for denunciation in urgent cases — *i.e.*, such reservations ought to come into force two days after the news of them had been communicated to the other contracting parties. As a matter of fact, instead of obliging a State to denounce the whole Convention, it was better to authorise it to make such a reservation, which could come into force after two days.

The PRESIDENT asked whether a decision should be taken immediately on this point. As a matter of fact, he thought that if this proposal were voted upon at the present moment it would be rejected. It was better to examine it during the second reading, at the moment when the list of reservations to be mentioned in the last paragraph of Article 1 was under discussion.

M. GIANNINI (Italy) agreed.

The PRESIDENT asked what would be the consequences of M. Sulkowski's proposal that reservations should come into force two days after notification. In his opinion, two aspects of the problem should be examined. The Conference should take into consideration the situation of the State which, in case of urgency, notified a reservation which would come into force two days later. But it must also take into consideration the situation of those persons who had signed bills of exchange which were in circulation at the moment when this reservation came into force.

As for the third paragraph of Article 1, the President drew attention to a slight improvement in the wording of the last sentence, which should read as follows :

“ Such reservations shall not take effect before the ninetieth day following the receipt. . . ”

M. VISCHER (Switzerland) pointed out that Article 23 of the Hague Convention ran as follows :

“ The Contracting States bind themselves not to change the order of the articles of the Regulation when introducing modifications or additions which they are authorised to make.”

M. Vischer asked if this provision had intentionally not been inserted in the present draft Convention, since it seemed to him to be of practical importance.

The PRESIDENT thought it was better not to reproduce this provision in the Convention. He quoted the following example : Supposing France intended to introduce the uniform law in its legislation, and supposing that the first article of its legislation on bills of exchange was, for example, Article 114 of its Commercial Code. France therefore would modify Articles 114, 115, 116 to bring them into harmony with the uniform law. An Article 117 would follow, whose provisions did not occur in the uniform law but which could exist, nevertheless, because it was not in contradiction nor incompatible with the uniform law. However, if the proposal of M. Vischer were adopted, it would be necessary to carry this Article 117 right to the end of the chapter on bills of exchange, and the President suggested that States should be allowed full freedom in this matter.

M. VISCHER (Switzerland) had put forward no definite proposal. If the President thought that it was better not to insert this provision in the draft Convention, he would not insist.

Article 1 was approved at a first reading.

ARTICLE 2.

M. DUZMANS (Latvia) thought that the period of thirty days signature provided for by this article was too short. He pointed out that, for psychological reasons, when the period was short, signatures were less numerous. Experience had often proved that.

The PRESIDENT put forward a suggestion concerning this period. He reminded the Conference that in Article 3 it had been proposed to prolong the period of ratification from twenty to twenty-four months. It seemed to him that if the Conference accepted the figure of twenty-four months for Article 3 it would be quite willing to prolong the period for signatures from thirty to sixty days, and the President hoped that that would satisfy M. Duzmans.

M. DUZMANS (Latvia) said that he was completely satisfied.

The President's suggestion was adopted.

Article 2 was approved at a first reading.

ARTICLE 3.

The PRESIDENT said that the time-limit of twenty months would be increased to twenty-four months.

Article 3 with the amendment was approved at a first reading.

ARTICLE 4.

Article 4 was approved at a first reading, the time-limit of thirty days being increased to sixty days.

ARTICLES 5 AND 6.

Articles 5 and 6 were approved at a first reading.

ARTICLE 7.

The PRESIDENT said that a small improvement had been suggested in the text. The third paragraph would read :

“ A High Contracting Party which denounces the Convention shall *directly* and immediately notify. . . ”

Further, a sentence would be added to the following effect :

“ A High Contracting Party denouncing the Convention under these circumstances shall also inform the Secretary-General of the League of Nations of its decision.”

Further discussion on Article 7 was postponed till the next meeting.

ARTICLES 8, 9 AND 10.

Articles 8, 9 and 10 were approved at a first reading.

PROTOCOL OF THE CONVENTION.

ARTICLES 1, 2 AND 3.

Articles 1, 2 and 3 were approved at a first reading.

The PRESIDENT put to the vote an Italian recommendation asking the Rome Institute of Private International Law to study the question of guarantees (*fidéjussion*).

This recommendation was adopted.

The PRESIDENT put the following recommendation to the vote :

“ The Conference, for the purpose of obviating the adoption of texts of the Uniform Law in the same language but containing divergencies of translation, recommends that States having the same official language should prepare the official translation of the uniform law in consultation with one another.”

M. MONTEJO (Spain) proposed the addition of the words “ and of the Conventions ”.

The recommendation with the foregoing amendment was adopted.

TWENTY-SEVENTH MEETING.

Held on May 31st, 1930, at 10.30 a.m.

President: M. J. LIMBURG.

36. Discussion of the Draft Convention providing Uniform Regulation for Bills of Exchange and Promissory Notes (Continuation).

ARTICLE 7 (Continuation).

M. DUZMANS (Latvia) said he would only speak on Article 7. First of all, he wished to explain his intervention in this very important question. The personality of the experts who had drawn up the draft and had sacrificed their time and energy to the task they had undertaken made it imperative that any attempt to criticise the work of such a body should be set about with prudence. He would therefore speak on this question with all due respect.

The respect due to the experts required that the Conference should be accurately informed of the reasons which had led them to adopt the text presented. This course, however, had not been taken.

It had been for that reason that M. Duzmans had intervened at the previous meeting, and he stood by his argument. The Latvian delegation had brought forward no concrete proposal, but it now raised the matter in the hope of bringing about a useful discussion on this matter of primary importance.

Nor would he bring forward any amendment concerning the substance of the question — namely, the period for denunciation of the Convention. His delegation was not completely satisfied with the actual form of the Convention and its attitude would not be appreciably modified if an amendment did away with the period for denunciation. It was necessary to emphasise the fact that Parliaments would be confronted with many difficulties concerning ratification.

It would be a mistake to think that the duration of the Convention would be shortened should there be no period for denunciation. The result was quite the contrary ; and the proof of this was that when a lasting Convention was made — such as, for example, that on the suppression of counterfeiting currency — no period for denunciation was fixed and not even the duration of the Convention.

Consequently, the fact that no period for denunciation had been fixed would not mean that the Conference had only wished to give a short lease of life to the work undertaken. The contrary was the case.

They should distinguish between the duration of the Convention and the period for denunciation. Those were two completely different things. M. Duzmans wished to point out the difference because he himself had had the chance to obtain information privately on some of the questions discussed by his colleagues in the Conference, and in doing so he had had the impression that some of them had confused the duration of the Convention and the period for denunciation.

The Latvian delegation wished no period for denunciation to be fixed in the Convention, because it hoped that such a Convention, as its nature merited, would last for ever.

M. Duzmans rather hoped that some slightly more detailed explanation of the economic aspects of the Convention might be made. It would not arouse any discussion, and for that reason he had not brought forward any proposal of amendment. Moreover, he would probably not have intervened in the discussion if his country had been the only one concerned.

The Conference should not forget that it was becoming increasingly necessary for the League of Nations to concern itself with the ratifications of the agreements that had been drawn up under its auspices. Care should be taken in this matter, especially from a psychological point of view. The League convened conferences, and its prestige had everything to gain by a large number of ratifications. M. Duzmans himself was the permanent delegate of his country attached to the League of Nations. He was, if he might say so, a devotee of the League of Nations, and for that reason he had wished to speak on this subject. It should also be remembered that the League of Nations had set up a special Committee to study the causes of the refusals to ratify the various Conventions that had been signed.

It was with the desire of securing more ratifications that M. Duzmans hoped that one of the fully authorised members of the group that had drawn up the text of the Convention would make a statement on the matter. If this were impossible, could not some explanations be given in the report when it was drawn up?

The PRESIDENT said that the Latvian delegate was inspired by the ideals of the League. He thanked him in the name of the Conference for his conciliatory spirit. It seemed likely that Article 7 could be easily voted.

M. GRÖNVALL (Finland) thought also that there was no reason to fix a compulsory period of two years for the duration of the Convention for the Unification of the Laws on Bills of Exchange and Promissory Notes. Not that there could be a real need for any State to denounce the Convention before that time, but, on the contrary, because the State that had ratified the Convention or acceded to it after modifying its internal legislation according to the principles of the Regulation would always keep this legislation intact as long as possible in the interests of trade, and consequently would not denounce the Convention within a period of two years.

As this was the situation, it seemed useless to insert in the Convention a provision which appeared to restrain the liberty of the legislative bodies of the contracting States, but which was of no practical necessity.

M. GIANNINI (Italy) wished to draw the attention of the Conference to the fact that it was impossible to base international engagements merely on the hopes expressed by M. Grönvall and which he himself shared. When a Government signed a Convention which compelled it to revise its whole legislation, it ought at least to be certain that the international agreement would last for a certain time ; but if, on the contrary, denunciations could be made fifteen days after signature, he wondered whether there was really any chance of coming to an agreement.

The Finnish delegates thought that in practice that would not happen. There was consequently no inconvenience in keeping to this formula, which gave a certain security to States signatories to the Convention, and confidence in their security, at least for a certain time. For that reason, M. Giannini asked M. Grönvall not to insist on his suggestion.

M. GRÖNVALL (Finland) thought that the provision was useless, but since the majority of the Conference was in agreement he would not press his point.

The PRESIDENT replied that Article 7 had been inserted in the Convention in a spirit of conciliation. The Hague Regulation prescribed a period of denunciation of three or four years, and no State had ratified this Regulation or the Convention. The world war had been one of the principal reasons, but not the only one. A book written by four distinguished jurists, including M. Lyon-Caen, gave interesting explanations on this point. For example, the French Parliament had been extremely jealous of its rights — right of amendment and right of initiative — and it might be said that in theory — for it sometimes happened that Parliaments concerned themselves with theory — Parliaments were deprived of their rights by the Uniform Regulation and the Convention for a period of four years, during which time they were unable to modify their legislation. That was quite true ; but, on the other hand, it might be argued that according to this theory, it would never be possible to obtain any ratifications, whereas it seemed that in this case they would be obtained. This would be the first time that there had been an international codification of domestic law.

The members of the Conference, many of whom were, or had been, members of Parliament, realised how jealous Parliaments could be. For that reason, the present text gave a shorter period for denunciation : contracting parties would be bound for a smaller number of years than in the Hague Convention.

Moreover, a safety-valve was provided for urgent cases. If unforeseen circumstances in some country or another made it necessary to modify one of the articles, then the rule prescribed by Article 7 could be brought into play. This rule was of such a kind as to reassure the French Parliament and those other Parliaments which, once the question had been raised, would be animated by the same spirit of jealousy for their rights of amendment and initiative.

All that was mainly theoretical, for the legislation of countries would not be abruptly changed by the introduction of such a law. It would be necessary to wait until custom and jurisprudence should point out certain difficulties, and in such a case the Secretary-General of the League would convene a new conference to remedy these difficulties at the request of one or more of the high contracting parties. Such was the practical, apart from the theoretical, side of the matter.

By Article 7 the Conference safeguarded both the theoretical aspect and the rights of parliaments ; but everyone was quite convinced that there would be no occasion for the article to come into force.

Article 7 was approved at a first reading.

ARTICLE 9.

The PRESIDENT drew attention to the provision in Article 9 that, " in the absence of a contrary declaration . . . the provisions of the present Convention shall not apply to colonies, oversea territories, protectorates or territories under suzerainty or mandate ". That was the system that had been adopted during the last years whenever conventions concluded under the auspices of the League of Nations were drawn up, but it went without saying that an opposite system might be adopted, such as that proposed by the British delegation¹ for the Convention on stamp Laws — namely, the possibility for any high contracting party, " at the time of signature, ratification or accession, to declare that, in accepting the present Convention, it does not assume any obligations in respect of all or any of its colonies, protectorates or territories under suzerainty or mandate ". Consequently, without this declaration the Convention would apply equally to colonies.

The President suggested that the British system should be introduced into Article 9, for the British delegation had received formal instructions from its Government according to which, should Article 9 be adopted as it was at present worded, it would be obliged to make a reservation.

M. GIANNINI (Italy) thought that it was impossible to reproduce the formula of the general Convention in the Fiscal Convention, which covered other requirements. The general Convention contained certain rules which had been expressly drawn up for the General Exchange Convention, but which could not be reproduced in the other Convention.

The PRESIDENT agreed with M. Giannini that the British proposal was obviously meant to apply to the Fiscal Convention, because Great Britain was as yet unable to sign the General Convention.

Mr. GUTTERIDGE (Great Britain) could definitely say on behalf of his Government that it would be unable to sign the Convention on the Conflicts of Laws in its present form.

The PRESIDENT said that in that case the British reservation only referred to the Fiscal Convention, but it seemed to him somewhat curious to sign two Conventions on the same day, one of which contained one system and the other a second system for the colonies. However, if the Conference thought there was no inconvenience in adopting a double system, Article 9 could be kept without any change.

Mr. GUTTERIDGE (Great Britain) said that, if he had been going to sign the Convention on the Conflicts of Laws, he would have asked that the clause in question — the Colonial Clause — should also be inserted in that Convention, because, for various reasons, the form which he had suggested was for the British Empire the only one that worked with smoothness. Inasmuch, however, as the British Government was not going to become a party to the Convention on the Conflicts of Laws, he did not press for the insertion of the clause, but merely called attention to the fact that the colonial clause, as put in the Convention on the Conflicts of Laws, was probably not quite what the British Government would have desired.

He did, however, press for the insertion of the clause in the Fiscal Convention. There was a difference between the two cases, and he thought M. Giannini agreed with him that, as the object of the two Conventions was different, there was no real reason why the clauses should be the same.

The PRESIDENT personally was not in favour of modifying Article 9. He had merely wished to point out that it seemed to him curious that several conventions should be signed on the same day, one of which contained a different colonial system from that in the other. It was essential to have the British system in the Fiscal Convention, for otherwise Great Britain would be unable to sign the Convention. That was the reason for the introduction of this colonial provision in the other Conventions.

M. GIANNINI (Italy) asked if it was understood that the general rules already set up by the Conference would be adopted also in the Convention on the Conflicts of Laws and in the Fiscal Convention, with the exception of slight modifications. For the Conflicts of Laws, for example, it would be impossible to keep the penultimate paragraph of Article 7 concerning denunciation, and in the Convention on Stamp Laws it would be superfluous to make provision for urgent cases, for to do so might provoke the denunciation of the Convention. It was the same for the Conflicts of Laws, since the rules that had been inserted there were not of such a nature as to influence the general economic organisation of a country. That was merely a standard that could be used in settling any particular question.

As for the question of the colonies, M. Giannini pointed out that the Conventions had different aims in view, and consequently there was no difficulty in introducing a different rule in one of them from that adopted in the other. If the Conference, in its desire to harmonise these different Conventions, wished to modify Article 9, M. Giannini would not oppose the step, but he wished to know quite clearly how the question of urgent denunciation of the convention on the Conflicts of Laws and of the convention on Stamp Laws were going to be settled.

¹ See Annexe n° 13.

The PRESIDENT was glad that M. Giannini had raised this question, which would allow him to clear up certain points in order to avoid any confusion.

Certain articles of the Convention providing uniform regulations for bills of exchange and promissory notes ought not perhaps to be introduced into the other Conventions. For example, the Conventions on the Conflicts of Laws and on Stamp Laws would not require such a clause ; and Article 7 in its present form would not appear in them.

The Conference might therefore confine its discussions to the question whether it wished to adopt the system of the present Article 9 for colonies or to substitute the British system in order to avoid the necessity of having a reservation put forward.

Mr. GUTTERIDGE (Great Britain) did not want to mislead the Conference. His instructions were that even in the Fiscal Convention there should be a denunciation clause.

The PRESIDENT replied that there was a clause for denunciation in every ordinary convention, and that one would be inserted in the Convention on Conflicts of Laws as well as in the Fiscal Convention ; but it would merely be the ordinary denunciation clause and no special clause would be provided to meet urgent cases.

Mr. GUTTERIDGE (Great Britain) realised that he had misunderstood the President and offered his apologies.

The PRESIDENT asked the Conference whether it was prepared to substitute the British colonial clause for the actual colonial clause in Article 9.

The Conference adopted the colonial clause proposed by the British delegation.

M. GIANNINI (Italy) emphasised the fact that it ought to be well understood that the general clauses of this Convention would also be reproduced in other conventions, except for the penultimate paragraph of Article 7 which dealt with urgent cases.

The PRESIDENT replied in the affirmative.

The beginning of Article 7 would also have to be slightly modified. The expression " except in urgent cases " would have to disappear.

The Convention as a whole was approved at a first reading.

37. Discussion of the Draft Uniform Regulation for Bills of Exchange and Promissory Notes (Continuation).

ARTICLE 62 (REDRAFT).

The PRESIDENT read the Czechoslovak and Lithuanian amendment as revised by the Drafting Committee :

" The person who pays by intervention acquires the rights resulting from the bill of exchange against the person for whom he has paid and against those who are bound to the latter by the bill of exchange."

M. HERMANN-OTAVSKY (Czechoslovakia) explained that the words " resulting from the bill of exchange " were intended to emphasise the fact that the rights in question were rights under exchange law.

The amendment was adopted.

ARTICLES 47 AND 48 (SWISS PROPOSAL).

M. VISCHER (Switzerland) said that neither the experts nor any of the Governments had proposed that the right to a commission should simply be omitted without any reservation. He had been surprised by the decision adopted and, at the time when it had been taken, had been unable to advance the objections which appeared to him essential. He had assumed that there would be no opposition to the experts' proposal, that it should be left to each country to decide whether to retain in its national system of law the right to a commission, a practice that was current in the countries where the " Deutsche Wechselordnung " obtained. The experts, who had endeavoured to prevent all reservations as far as possible, had agreed that an exception might be made in regard to commissions.

M. Vischer had received categorical instructions from his Government to request the Conference either to reintroduce the right to a commission in the body of the law, on the lines of the Hague Regulation, or to allow a reservation in favour of the national systems of law.

In Switzerland, the right to a commission was held to be a small but legitimate compensation for the work involved for the holder in the event of the non-payment of a bill. The banks, especially in the case of discounted bills, greatly preferred to have a fixed commission assigned to them by law, which commission they could demand under exchange law at the same time as the amount due to them. It could not be expected that the banks should make no charges for their work. If the commission were done away with, that would entail the suppression of any compensation, and the holder would merely be assigned the recovery of his expenses and interest on the unpaid sum of money. The banks would, in that case, seek for another means of recovering payment for their work. They would practise special rates for cashing bills of exchange, and these rates might be very high. It was precisely in order to obviate such rates that the Swiss Government wished to maintain the legal right to a commission. Their object was to protect the debtor and not to deliver him bound hand and foot to the mercy of the banks and to rates which might go beyond all reasonable bounds. Experience showed that, generally speaking,

the banks were satisfied with the commission allowed in exchange law, a commission which was fairly small and which caused no trouble in recovery. Only in exceptional cases did the banks ask for any additional commission or compensation in common law.

M. Vischer believed that those countries whose law did not provide for a commission might adopt it without trouble, and that in doing so they would not be acting to the detriment of the debtor but, on the contrary, to his benefit. No one at The Hague had apparently been opposed to the right to a commission. As to the rate, M. Vischer did not propose to suggest any definite figure. His amendment indicated the rates at present in force in Switzerland, a number of different proposals having been made in this connection. He could, however, agree to the rate of $\frac{1}{4}$ per cent proposed by the Austrian delegate.

Should the Conference refuse to incorporate the right to a commission in the body of the law, he would strongly urge it to allow the reservation which he had requested,¹ since it was a matter of much importance to Switzerland that the right to a commission should not be prohibited formally.

As to the reservation, M. Vischer did not insist on any definite wording. He would consent to its being formulated in more general terms than those he had proposed.

The PRESIDENT observed that the Conference had decided not to allow commissions under the Convention.

M. EIGTVED (Denmark) said that the Danish, Swedish and Norwegian delegations had voted a few days previously in favour of disallowing commissions, their object being to achieve uniformity and to obviate reservations, and because they had hoped that other delegations would show a spirit of reciprocity. As, however, uniformity did not appear to be possible, if the right to a commission was disallowed, it might perhaps be possible to achieve uniformity by keeping it. With this aim in view, the Scandinavian delegations were prepared to support the Swiss proposal, especially as the question seemed to them one of minor importance and as the law of the countries concerned contained provisions concerning commissions.

M. SOKAL (Austria) said that commissions were not an invention created by the banks in a conspiracy to make their bills as high as possible for debtors who had not paid debts resulting from bills of exchange. If a misconception of that kind was likely to result from the discussion of the previous week on the question of commissions, it would only be fair to draw the Conference's attention to the fact that the arguments in favour of commissions had been based on the following considerations.

The holder calculated that the sum specified in the bill would be paid on maturity, because the debt was governed by specially strict conditions, seeing that it resulted from a bill of exchange. In order to compensate the holder for his work and to repay him the expenses due to the necessity of procuring the sum immediately, he had been allowed a commission.

There is no reason for refusing the holder the protection afforded him by the various rights granted in view of that consideration.

There was another noteworthy reason as well. The commission was the outward sign of the strict character of a bill of exchange in so far as concerned the debtor. It was true that in many countries there was no need to use any such method to educate debtors, but in order to emphasise the importance of the obligations contained in a bill of exchange in countries which had not reached the same degree of economic development, it would be advantageous to adhere to commissions, so as to make it clear that default of payment was an extraordinary case involving extraordinary consequences.

For these reasons, M. Sokal supported M. Vischer's proposal.

M. QUASSOWSKI (Germany), on behalf of his delegation, supported the Swiss proposal. The experts themselves had considered it desirable to leave it to the national law to decide whether the right to a commission should be maintained. He concurred in that opinion. The countries which were in favour of the right to a commission merely asked for the retention of a practice to which they had become accustomed in actual business.

M. SCHMIDT (International Chamber of Commerce) also supported the Swiss amendment, for in his view it was quite fair that a small commission should be allowed to a man who had paid a bill of exchange in recourse, since this sometimes obliged the endorser to procure money from his banker and to incur certain expenses. The International Chamber had proposed $\frac{1}{6}$ per cent. M. Schmidt thought that the various Governments would be satisfied if the Swiss amendment was adopted.

M. SULKOWSKI (Poland) associated himself with M. Schmidt's remarks as to the desirability of substituting for the rate indicated in the Swiss amendment the rate of $\frac{1}{6}$ per cent, both in Article 47 and in Article 48. This amendment was in conformity with the provisions of the Hague Regulation.

M. HERMANN-OTAVSKY (Czechoslovakia) observed that the Czechoslovak delegation's point of view was summed up in the amendment which he had submitted to Article 47 and 48, but which had been rejected. That point of view was also embodied in the reservation which it had proposed and which had also been rejected.

The Czechoslovak delegation concurred in the Swiss proposal.

M. Deoclecio DE CAMPOS (Brazil) said that his delegation adhered to the proposal to omit any legal rate for commission. In a spirit of conciliation, however, the Brazilian delegation were

¹ See Annexe n° 14.

prepared to support the reservation made by the Swiss delegation to the effect that the national law would be left to determine the rate.

M. PERCEROU (France) understood that the Conference had already taken a decision on the question whether certain provisions relative to commission should be introduced in the Uniform Regulation. The reasons for which it had been decided to drop the right to a commission still subsisted. He would not therefore oppose the reservation made in the sense indicated by the Swiss and German delegations. He thought, nevertheless, that the reservation should be worded somewhat differently, since Articles 47 and 48 related to two distinct matters : the first to the case of a protest and the second to that of a third party who had intervened for payment. These two cases could not, in M. Percerou's opinion, be combined in a single formula. He would therefore in due course propose a somewhat different wording. He was in principle prepared to accept the reservation asked for by the Swiss delegation.

M. GIANNINI (Italy) observed that originally the Italian delegation had thought that a definite rule should be laid down, though one allowing certain guarantees in the interests of trade. As, however, the Conference had been unable to agree on the amount to be specified in Articles 47 and 48, the Italian delegation had voted against any rule being made in the uniform legislation and it would still vote against it.

There remained the question of a reservation. In this connection, M. Giannini pointed out that a new reservation had been applied for on the very eve of the discussion to be held on the possibility of restricting reservations. He would not oppose the reservation ; he would acquiesce in it without supporting it. He would accept it for the reason that it appeared to him impossible to determine the rate of the commission in a uniform law, since, if the law contained a provision of that kind, the provisional practice would become the rule. It might be hoped that the practice was purely temporary which would gradually disappear, and for that reason it would be better to have a certain degree of elasticity.

Secondly, he did not think it possible to compel all those countries which did not wish to allow the right to a commission to submit to it, as could not fail to happen if the uniform law contained a provision on the subject.

Lastly, the amount of the rate should be fixed in accordance with the special requirements of each country, and in those circumstances it would be better to leave each State entirely free.

Consequently, and subject to drafting alterations, M. Giannini proposed that the Conference should accept neither the amendment to Articles 47 and 48 nor the reservation proposed by the Swiss delegation, but a formula drafted in more elastic terms which might read as follows :

“ By derogation from Articles 47 and 48, each High Contracting Party shall have the power to prescribe that the holder may also recover a commission, the amount of which shall be determined by the national law.”

M. Giannini proposed that the matter should be left to national law, for the reason that the provision in question was a special one, which could not be made universal ; in the same way, it was clearly impossible to adopt any unduly rigid rule since the general economic situation and the special economic situation of each country might vary from time to time.

M. GRÖNVALL (Finland) concurred in M. Giannini's opinion.

M. VISCHER (Switzerland) thanked M. Giannini for the spirit of conciliation he had shown and said that he could accept the text he had proposed, provided that the Conference allowed the possibility of making a reservation on this question. As, however, the representatives of the Northern States had already declared, certain countries would prefer a uniform solution which would obviate the necessity for any reservation.

With the object of reaching agreement, if possible, M. Vischer could accept M. Sulkowski's proposal to reproduce the text of the Hague Convention, whereby the commission would be fixed at $\frac{1}{6}$ per cent in both Article 47 and 48.

The PRESIDENT proposed to put to the vote first the Swiss proposal for the amendment of Articles 47 and 48 (48 and 49 of the new text).

The fourth paragraph of Article 48 (new text) would read as follows :

“ A commission which, in default of agreement, shall be $\frac{1}{6}$ per cent on the principal sum payable by the bill.”

The fourth paragraph of Article 49 (new text) would read as follows :

“ A commission which, in default of agreement, shall be $\frac{1}{6}$ per cent on the principal sum payable by the bill.”

The above amendment was put to the vote and was rejected by 14 votes to 14.

The PRESIDENT said that he would next put to the vote the Swiss delegation's application for a reservation. He believed he was right in understanding that M. Vischer had concurred in M. Giannini's suggestion, so that the text would be as follows :

“ By derogation from Articles 48 and 49, each High Contracting Party shall have the power to prescribe that the holder may also recover a commission, the amount of which shall be determined by the national law.”

M. PERCEROU (France) proposed an amendment to this text in order to take into account the two different cases covered by Articles 48 and 49. He suggested the following wording :

“ By derogation from Article 48 of the uniform law, each High Contracting Party reserves the right to embody in its national law a provision prescribing that the holder may recover, from the person against whom he exercises his right of recourse, a commission the amount of which is determined by the national law.

“ The same provision shall by derogation from Article 49 apply to any person who, having paid the bill of exchange, seeks to recover the amount from the parties liable to him.”

M. GIANNINI (Italy) agreed to the text proposed by M. Percerou.

The text proposed by M. Percerou was adopted by 23 votes to 3.

38. Examination of the Draft Uniform Regulation on Bills of Exchange and Promissory Notes :
Text of the Uniform Regulation—drawn up by the Drafting Committee : Second Reading.¹

NOTE.—*The Conference, realising the difficulty of discussing simultaneously a text drawn up in both official languages, decided to adopt the following procedure. The discussion took place entirely on the French text, and it was only after a provisional or final decision had been taken that its translation into English was made and submitted to the Conference. For that reason, it has been impossible to reproduce the English text in the record of the discussions until that text became final.*

The PRESIDENT said that, in conformity with the Conference's wishes, delegates would not be entitled to raise points of substance at the second reading.

CHAPTER I. — ISSUE AND FORM OF A BILL OF EXCHANGE.

ARTICLE 1.

Adopted.

ARTICLE 2.

Adopted.

ARTICLE 3.

Adopted.

ARTICLE 4.

The PRESIDENT asked whether the Drafting Committee had intentionally omitted from this article the words “ domiciled bill ” which had appeared in brackets in the original article.

M. PERCEROU (France), member of the Drafting Committee, said that the words had been omitted deliberately and that an explanation appeared in the report of the Drafting Committee.

M. SHIMADA (Japan) stated that the Japanese delegation was of opinion that according to his interpretation of Article 4 the drawer could specify a domiciliary. In consequence, and as a result of the observations which his delegation had submitted on the translation into Japanese, which might be very free, that point would be clearly explained in the new Japanese law. He hoped that the Conference would be good enough to accept that point of view.

M. VAN NIEROP (Netherlands) had always somewhat feared arguments *a contrario*. He pointed out that Article 4 stipulated : “ A bill of exchange may be payable at the domicile of a third person either in the locality where the drawer has his domicile or in another locality ”. He wondered whether it might not be concluded that a bill of exchange could not be payable at the domicile of the drawee in another locality, for cases of that kind very often happened. M. van Nierop would like to be reassured on the matter.

M. PERCEROU (France), member of the Drafting Committee, reassured M. van Nierop, and stated that it had never been desired to exclude that possibility.

M. VAN NIEROP (Netherlands) asked that the interpretation should appear in the Minutes.

M. DUZMANS (Latvia) had no observation to submit in regard to Article 4. He wished to make several remarks on a series of articles. Those remarks concerned the whole of the text, and in order to shorten the discussions he had drawn up a memorandum which he was prepared to submit to the Drafting Committee. There would then be no need for him to intervene in the plenary meeting.

M. PERCEROU (France), member of the Drafting Committee, considered that it would be better to submit the remarks in public. Very often questions of drafting involved questions of principle.

¹ In order to avoid annexing two documents almost alike in their contents, it has been thought unnecessary to reproduce the text of all the articles submitted by the Drafting Committee. Only the text of articles which were amended as the result of discussion have been included. The texts which were not changed will be found either in the final report of the Drafting Committee or in the text of the Conventions themselves.

The PRESIDENT asked M. Duzmans to hand him the memorandum¹. If he considered it advisable, he would forward it to the Drafting Committee, but if he perceived that it concerned questions of principle he would not do so. In the latter case the memorandum would have to be considered as having been submitted too late.

M. DUZMANS (Latvia) accepted the President's suggestion, but asked that his memorandum should be distributed.

The PRESIDENT replied that if it raised questions of principle it could not be added to the documents of the Conference.

Prince VARNVAIDYA (Siam) suggested that, as the proposals were only drafting proposals, it would save time if M. Duzmans could indicate briefly the desired changes which the Conference could refer to the Drafting Committee if it so decided.

M. DUZMANS (Latvia) thought that it would nevertheless be better if he spoke on each article in turn.

When the Regulation came to be applied in practice, each numbered paragraph would become a self-sufficient text, and there would be no need to refer in each case to the context or to the other numbered paragraphs. It would therefore be desirable to substitute in Article 1 the word "indication" for the word "celle".²

The PRESIDENT thought there was no need to make any change. If a country proposed to embody Article 1 in its law and translated that article, it was entitled, if it thought necessary, to replace the word "celle" by the word "indication".

M. DUZMANS (Latvia) did not agree.

M. ALBRECHT (Germany) said that in the English text the wording was "statement of the place" and not "that of the place". The English and French texts should be uniform, and he would prefer "statement of the place" in both texts.

M. GIANNINI (Italy) understood that, at the outset of the proceedings the Conference had agreed that no amendments should be made on points of detail in the text of the articles. The articles of the Regulation had been studied at length and the Conference had had the benefit of the experience acquired in certain countries. Further, prior to the world war, certain countries had prepared a translation of the Hague Convention, and there was no need to do that work over again.

He proposed, therefore, to keep to the Hague text, unless the Conference wished to make any changes for certain reasons which were of great importance.

M. SHIMADA (Japan) asked whether in the new Japanese law it would be possible to say that the drawer might specify a domiciliary.

The PRESIDENT replied in the affirmative.

Article 4 was adopted.

ARTICLES 5 AND 6.

Adopted.

ARTICLE 7.

Adopted.

ARTICLE 8.³

In Article 8, the word "devoirs" in the French text was replaced by the word "pouvoirs".

The PRESIDENT drew attention to the observations of the Yugoslav delegation.⁴

M. EISNER (Yugoslavia) stated that the Yugoslav delegation had wished to draw attention to the disagreement which existed between the opinion of the Drafting Committee and the opinion of the Conference in regard to the meaning of the second sentence of Article 8.

The observations in the report of the Drafting Committee on Article 8 emphasised that, when the signatory had acted not without any power but in excess of his powers, he was personally liable for the whole amount. "It is in this sense", the report continued, "that the Conference declared that it understood the second paragraph of Article 8". The Yugoslav delegation considered that the Conference had not expressed such an opinion. The discussion in the plenary meeting of the Conference had developed along the following lines. The Yugoslav delegate had

¹ See Annexe n° 15.

² No change required in the English version.

³ The text of Article 8 proposed by the Drafting Committee was as follows :

"Quiconque appose sa signature sur une lettre de change, comme représentant d'une personne pour laquelle il n'avait pas le pouvoir d'agir, est obligé lui-même en vertu de la lettre et, s'il a payé, a les mêmes droits qu'aurait eu le prétendu représenté. Il en est de même du représentant qui a dépassé ses devoirs."

⁴ See Annexe n° 16.

explained that, in his opinion, according to Article 8, the representative, if he exceeded his powers, was liable under the terms of the bill of exchange for the whole amount, and the person represented was liable within the limits of the powers given him. The text, however, was not sufficiently clear as regarded the liability of the person represented.

The Italian delegation had stated that the person represented could not be bound, even for the smallest sum, since that would be contrary to the fundamental principle of the independence attaching to a bill of exchange. It might be concluded that the Italian delegate was of opinion that in such a case the representative was liable for the whole amount and the person represented for nothing at all.

The other view was supported by Dr. Hammerschlag. He had said that where, for instance the representative had been given power to issue a draft for 10,000 francs and issued one for 20,000 francs, he was liable for the amount for which he had exceeded his powers — that was to say, for 10,000 francs, the person represented being liable only in respect of the rest. “ That is only natural ”, Dr. Hammerschlag had said. The President would appear to have been of the same opinion.

The Yugoslav delegation had thus had the impression that, in view of the opinions of the President and Dr. Hammerschlag, the Conference had decided to reject the Yugoslav proposal.

The point of view that the person represented was liable within the limits of the powers given him and the representative for the rest was at least strictly logical. The Yugoslav proposal, however, had been designed primarily to improve the position of the holder by giving him greater security and at the same time to prevent undesirable speculation at the expense of the holder and the guarantors.

The Drafting Committee's point of view, if M. Eisner had understood it aright — namely, that the representative alone was liable for the whole amount and the person represented for nothing — was, in the first place, contrary to the real liability of the person represented and, in the second place, opened up the possibility of speculation harmful to trade. It exposed the holder and the guarantors to the risk of losing the whole amount, in view of the unsatisfactory position of the representative, since they would rely primarily upon the value of the guarantee of the person represented.

It would be seen from what he had just explained that the question had become even less clear than before.

In view of the divergencies in the views mentioned on the one hand and the lack of precision on the other, this important question was likely to be interpreted in different ways.

For these reasons, it was essential, in the opinion of the Yugoslav delegation, to have an exact text in accordance with one or other of the interpretations.

M. PERCEROU (France) stated that the report reproduced the interpretation which the members of the Drafting Committee had believed to be that of the Conference. If such was not the case, it was obvious that the report would have to be modified.

When a person had signed a draft for a sum exceeding the limit of his power, would the holder have to divide his action for payment — that was to say, would he have to sue the person represented for one part of the amount and the representative for the other part? That would appear to be incompatible with the indivisible character of bills of exchange.

The PRESIDENT observed that the relation between the representative and the person represented remained subject to the rules of the common law. In his view, the report was in conformity with the decisions taken by the Conference.

Moreover, it did not seem to be necessary to alter those decisions, for the holder could not tell to what extent the representative had powers.

The holder would begin by referring to the representative, but there remained the legal relation under common law between the representative and the person represented.

Article 8 said very clearly that when the holder of a bill of exchange knew that the representative had exceeded his powers — in most cases he could not know whether it was by 10,000, 12,000 or 15,000 francs — he could go back on the representative. The representative would have recourse against the person represented but under common law.

M. EISNER (Yugoslavia) asked what would happen in cases where the representative possessed nothing.

The PRESIDENT observed that the same question arose when the representative had no power.

There was always the legal relation under common law between the representative and the person represented.

In such cases, it was for jurisprudence to decide what action should be taken.

To elucidate that, it would be necessary to say that the person represented would be responsible for the amount for which he had given a mandate and that the representative would be responsible for the rest. That would create very great difficulties. It would be necessary to divide the amount, and the holder would have to prove for what sum the person represented had given a mandate to the representative. That would be a *probatio diabolica*.

Jurisprudence would decide the point in question, and everything would probably be cleared up without great difficulty.

Baron MARKS VON WÜRTEMBERG (Sweden) proposed that the question should be referred to the Drafting Committee.

M. PERCEROU (France) observed that the Drafting Committee had given its opinion, which was formulated in the report.

The PRESIDENT proposed that Article 8 should be adopted provisionally on the understanding that the Conference would be able to return to it, if necessary.

Article 8 was adopted provisionally.

ARTICLE 9.

Adopted.

ARTICLE 10.

Adopted.

ARTICLE 11.

The PRESIDENT noted that the last sentence of the article contained the expression “à nouveau”, while Article 14 said “de nouveau”. Should two different expressions be maintained?

M. PERCEROU (France) replied that the expression “à nouveau” referred to the verb “endorser” whilst “de nouveau” referred to the kind of bill, which had to be in blank. That was a subtle point in the French language, and the two expressions could be maintained as they stood.

Article 11 was adopted.

ARTICLE 12.

Adopted.

ARTICLE 13.

Adopted.

ARTICLE 14.

Adopted.

ARTICLE 15.

Adopted.

ARTICLE 16.

Adopted.

ARTICLE 17.

Adopted.

ARTICLES 18 AND 19.

Adopted.

ARTICLE 20.¹

M. ARCANGELI (Italy) believed that there was a drafting error in the last sentence of the article. The endorsement was deemed to have been placed on the bill after the protest and not prior to it. For that reason, M. Arcangeli proposed that the last paragraph should be drafted as follows :

“ Failing proof to the contrary, an endorsement without date is deemed to have been placed on the bill after the protest, if the protest does not reproduce the endorsement textually.”

The PRESIDENT pointed out that the paragraph was due to an amendment submitted by the Netherlands delegation. Before adopting the amendment proposed by M. Arcangeli, he invited the representative of the Netherlands to give his opinion on the Italian request.

M. MOLENGRAAFF (Netherlands) said that the proposal of his delegation referred to the case of the protest which contained no indication of the date of endorsement — for instance the protest drawn up in an unauthentic form, called a simplified protest. This form of protest did not show whether the endorsement was prior or not.

The PRESIDENT considered that it would be better to say : “ If the protest does not mention the date of endorsement ”. Was it desired to support that system ? The Netherlands delegations wished the following text to be adopted : “ Failing proof to the contrary, an endorsement is deemed to have been placed on the bill prior to the protest, if the protest does not specify the date of endorsement ”.

¹ The Drafting Committee proposed the following text :

“ L'endossement postérieur à l'échéance produit les mêmes effets qu'un endossement antérieur. Toutefois, l'endossement postérieur au protêt faute de paiement, ou fait après l'expiration du délai fixé pour dresser le protêt, ne produit que les effets d'une cession ordinaire.

“ Sauf preuve contraire, l'endossement sans date est censé avoir été fait avant l'expiration du délai fixé pour dresser le protêt.

“ Sauf preuve contraire, l'endossement est censé avoir été fait antérieurement au protêt dans le cas où le protêt ne reproduit pas textuellement l'endossement.”

M. MOLENGRAAFF (Netherlands) stated that, when the protest reproduced the endorsement without specifying the date, the protest showed that the endorsement had been made prior to the protest. If the endorsement were not prior to the protest, the protest could not contain the endorsement. There were, however, cases in which the protest contained no indication of the endorsement simplified protests.

The PRESIDENT pointed out that the word "textually" was unsuitable. It would be necessary to say: "If the protest does not reproduce the endorsement".

In those circumstances, the text proposed by the Netherlands delegation would run as follows:

"Failing proof to the contrary, the endorsement is deemed to have been placed on the bill prior to protest, if the protest does not reproduce the endorsement."

The reasons were the following: An authentic protest always indicated the endorsement. The endorsement was reproduced in the protest. Consequently, it went without saying that it was prior to the protest, because otherwise it could not appear in the protest. The last paragraph, however, referred to the simplified protest constituted by a declaration or a letter from the drawee. In that protest no mention was made of that endorsement.

In the last paragraph, it was presumed that the endorsement was made prior to protest.

M. PERCEROU (France) wondered whether it was desirable in so general a text, which laid down a principle, to enter into details concerning proof, which depended on the manner in which the protest was drawn up. Would it not be desirable to leave those questions to each legislation? If there were protests which allowed the compulsory reproduction of endorsements, the latter should be mentioned. If there were simplified protests which did not mention the endorsement, the Dutch judges would take a decision on the question. That did not concern the countries which did not know that particular system.

Consequently, he asked that the two last paragraphs should be suppressed.

M. GIANNINI (Italy) agreed. It would be very difficult in the uniform law to recognise a rule for two kinds of protest. That would compel States which only possessed the integral protest to adopt the simplified protest. It would be better to reserve the question for the national laws.

M. SCHELTEMA (Netherlands) observed that it was not certain that the authentic protest would contain the endorsements, since the form of the protest was not defined in the Uniform Regulation.

M. PERCEROU (France) considered that that was an additional reason for leaving the problem to the national legislations.

M. SCHELTEMA (Netherlands) stated that for the States where the simplified protest was not used, but where the protest did not mention the endorsement, the question arose whether the endorsement had been placed on the bill prior to or after protest.

M. SULKOWSKI (Poland) supported M. Percerou and M. Giannini.

The PRESIDENT considered that there was a difference between the second and third paragraphs. The third paragraph did not refer to the protest. It simply said:

"Failing proof to the contrary, the endorsement without date is deemed to have been placed on the bill before the expiration of the limit of time fixed for drawing up the protest."

M. GIANNINI (Italy) thought that the Netherlands delegation was in doubt whether its country's legislation would have to be modified. He considered that only the first paragraph should be left.

M. MOLENGRAAFF (Netherlands) thought that the Conference had already settled the question raised by the Netherlands delegation. It could now search for a text, but could not change the principle.

The PRESIDENT would prefer the Conference to take a decision on the two paragraphs at the next meeting.

Adopted.

TWENTY-EIGHTH MEETING.

Held on June 1st, 1930, at 4.15 p.m.

President: M. J. LIMBURG.

39. Convention on Conflicts of Laws: Declaration of the Italian Delegation.

In order to facilitate agreement on the Convention on Conflicts of Laws, M. GIANNINI (Italy) stated that the Italian delegation was prepared in a spirit of conciliation to abandon Article 10(a). It asked the other delegations who had raised objections to certain articles also to make an effort.

M. Giannini asked the President to consider whether it would not be desirable for a very small Sub-Committee to meet on the following day in order that the delegations which had made reservations might reach agreement on a clear, definite and unrestricted text.

The PRESIDENT welcome M. Giannini's statement. He himself had tried to promote an understanding without reservations on conflicts of laws. In accordance with M. Giannini's suggestion, a Committee formed of the delegations which were most interested in the various reservations to Articles 2, 3, 6 and 10(a) would, if possible, meet on the following day.

**40. Examination of the Draft Uniform Regulations on Bills of Exchange and Promissory Notes :
Text of the Uniform Regulation drawn up by the Drafting Committee ¹ : Second Reading
(Continuation).**

ARTICLE 16.

NOTE. — *The Conference, realising the difficulty of discussing simultaneously a text drawn up in both official languages, decided to adopt the following procedure. The discussion took place entirely on the French text, and it was only after a provisional or final decision had been taken that its translation into English was made and submitted to the Conference. For that reason, it has been impossible to reproduce the English text in the record of the discussions until that text became final.*

M. LOEBER (Latvia) made the following declaration :

Seeing that the Conference decided at the beginning of the second reading of the Regulation not to return to the discussion of questions of principle, but to confine itself to questions of form ;

That to settle any question as to whether a particular point in the course of the discussion refers to a question of principle or a question of form may excessively prolong the reading of the text of the Regulation at present under discussion ;

And that, at the same time, it would appear to be undesirable not to mention the provisions of the Regulation which necessitate interpretation ;

The Latvian delegation ventures to explain to the Conference its opinion in regard to the meaning of the provisions following from Article 16, paragraph 1, of the Regulation which has been adopted.

The sentence employed in Article 16, paragraph 1, of the Regulation — namely : “ Even if the last endorsement is in blank ” — is not logically in opposition to the preceding provision of the same paragraph, according to which the possessor is deemed to be the lawful holder if he establishes his title to the bill through an uninterrupted series of endorsements. On the contrary, it is understood that the word “ even ” is employed here in order to emphasise that the holder's right is justified by an uninterrupted series of endorsements, whether the last endorsement is either an endorsement in his name (*nominatif*) or an endorsement in blank. It is also understood that, in the first place, the first taker of the bill of exchange — as is stipulated, for instance, in Article 23 of the Latvian Exchange Law — is deemed to be the lawful holder.

On the other hand, the expression employed in the second paragraph of Article 16 of the Regulation — namely, “ in this connection ” — does not admit of any conclusion *a contrario*. Consequently, cancelled endorsements are deemed to be entirely unwritten and can produce no effect in connection with exchange law.

The PRESIDENT took note of the declaration of the Latvian delegation. It was obvious that, at the present stage of its discussions, the Conference could not consider whether it was in agreement with the Latvian delegation's method of interpretation.

ARTICLE 8.

The PRESIDENT recalled that Article 8 had been reserved as the result of the observations of the Yugoslav delegate. After reflection, it seemed to him that it was necessary to maintain Article 8. If the text were modified, many complications would result.

Article 8 was adopted.

ARTICLE 20.

The PRESIDENT said that after consulting the Minutes the question raised by the Netherlands delegation in regard to paragraphs 2 and 3 could, he thought, be settled rapidly.

The second paragraph had been adopted unanimously in the following text :

“ Failing proof to the contrary, an endorsement without date is deemed to have been placed on the bill before the expiration of the limit of time fixed for drawing up the protest.”

Certain delegations, the Italian among others, had said that the paragraph had no value, but that they did not oppose it.

The third paragraph had been the object of a long discussion. It might run as follows :

“ Failing proof to the contrary, an endorsement without date is deemed to have been placed on the bill prior to the protest, if the protest does not reproduce the endorsement.”

At a previous meeting, it had been stated that an authentic protest should contain the endorsements, with or without date, and that consequently a presumption which would be counter to an authentic document could not be put into a Uniform Regulation.

Doubtless in several countries the protest, an authentic document, had to contain all the endorsements, but there might be countries where it was not expressly prescribed that the protest should also contain all the endorsements with the date.

¹ See note on p. 381.

Elsewhere the Conference had permitted a reservation for countries which used as a protest an authentic document, but in which the protest might also consist in a declaration of the drawee placed on the bill of exchange ; for those countries, that presumption was necessary.

In order to avoid any difficulty, the President suggested that the third paragraph of Article 20 of the Regulation should be deleted and that Article 8 of the Convention on the reservations should read as follows :

“ Each of the High Contracting Parties may prescribe that protests to be drawn up in its territory may be replaced by a declaration dated and written on the bill itself and signed by the drawee, except where the drawer stipulates in the body of the bill of exchange itself for an authenticated protest,”

and should be completed by the following words :

“ In the case provided for in the previous paragraphs, an undated endorsement is presumed to have been made prior to the protest.”

M. MOLENGRAAFF (Netherlands) said that his delegation could accept this suggestion.

The suggestion of the President was approved and the third paragraph of Article 20 was deleted.

ARTICLES 21 AND 29.¹

The PRESIDENT said that, the Netherlands delegate having pointed out that from the point of view of the wording there was a certain relationship between Articles 21 and 29, he would open the discussion on these two articles.

M. VAN NIEROP (Netherlands) recalled that during the discussion on Article 29 he had asked who was the holder in the reference in that article to “ the assignment of the bill to the holder ”. Could a bank which had received a bill merely in order to effect its acceptance on behalf of a client be regarded as the holder or not ? The answer had been given that the bank was not deemed to be the holder, but that, nevertheless, when the bill had been assigned to the bank, the latter was in possession of (*détient*) the bill on behalf of its client, the holder, and that consequently the acceptance could no longer be cancelled.

Article 21, however, made a distinction between the holder and a person who was merely in possession of the bill, and hence it was the inevitable conclusion that the holder was the person whose name appeared in an endorsement on the bill, and that the person in possession was the mandatory of the holder who requested its acceptance in his name.

M. van Nierop feared that if the bank were asked to cancel the acceptance, it might be placed in an awkward position, since it would not know whether it was the holder or a person who was merely in possession of the bill.

The question was, of course, clear to the jurists present at the Conference, but difficulties might arise in practice and, in order to obviate them, he proposed one of the two following solutions.

Either Article 21 should be kept unchanged, while Article 29 should be completed by the addition of the words “ or the person in possession of the bill ” after the words “ the holder ”, or, alternatively the words “ by the holder or by a person who is merely in possession of the bill ” should be struck out in Article 21.

M. van Nierop preferred the latter solution.

M. ARCANGELI (Italy), while realising that the Dutch representative was right, would prefer no change to be made in Article 21, since in principle acceptance could be effected either by the holder or by his mandatory. The principle governing presentment for payment was not valid in regard to acceptance. In order to obviate the doubt that might result from the wording of Articles 21 and 29, M. Arcangeli would be inclined to strike out the words “ to the holder ” in Article 29, paragraph 1.

M. VAN NIEROP (Netherlands) agreed with this suggestion.

M. PERCEROU (France) proposed that the original formula, reading “ before the bill has left the hands of the drawee ”, should be restored.

It was necessary to take into account the case where the holder had assigned the bill for acceptance to a person who was entirely under his orders. In such a case, the proposal made by the Italian representative could not be accepted. He added that the formula “ before he has allowed the bill to leave his hands ” which might not perhaps be altogether correct so far as the form was concerned, reserved the case in which the drawee was divested of the bill involuntarily (*le cas d'un dessaisissement involontaire*).

The PRESIDENT suggested the formula “ before handing over the instrument ”.

¹ The text of these articles proposed by the Drafting Committee was as follows :

“ Article 21. — La lettre de change peut être, jusqu'à l'échéance, présentée à l'acceptation du tiré au lieu de son domicile, par le porteur ou même par un simple détenteur.”

“ Article 29. — Si le tiré qui a revêtu la lettre de change de son acceptation a bifé celle-ci avant la remise de la lettre au porteur, l'acceptation est censée refusée. Sauf preuve contraire, la radiation est réputée avoir été faite avant la remise du titre au porteur.

“ Toutefois, si le tiré a fait connaître son acceptation par écrit au porteur ou à un signataire quelconque, il est tenu vis-à-vis de ceux-ci dans les termes de son acceptation.”

M. PERCEROU (France) reminded the Conference, as had been pointed out during the discussion, that the question of the drawee-acceptor being involuntarily divested of the instrument must be considered.

The PRESIDENT said that even before M. van Nierop had submitted his remarks, and quite apart from the discordance between Articles 21 and 29, he had wondered what was the reason for which the words " or by a person who is merely in possession of the bill " had been introduced in Article 21. When the bill was presented by a mandatory of the holder, such presentment must be deemed to have been made by the holder himself.

M. PERCEROU (France) shared this view.
He suggested the formula " the holder or his mandatory ".

M. VAN NIEROP (Netherlands) said that he could concur in this suggestion, provided that the same change was made in Article 29.

The PRESIDENT thought that it would be better to delete the last part of the sentence in Article 21 — *i.e.*, the words " by the holder or by a person who is merely in possession of the bill ".

M. ARCANGELI (Italy) urged that Article 21 should be kept unchanged, but that Article 29 should be modified.

The PRESIDENT submitted the proposal to delete the words " or by a person who is merely in possession of the bill " in Article 21. If these words were deleted, Article 29 might be left unchanged ; otherwise, it would have to be modified.

M. HERMANN-OTAVSKY (Czechoslovakia) said that this particular provision in Article 21 was of some importance in regard to the question of proof. If no reference were made to the power of a person in possession of the bill to present it for acceptance, the drawee might refuse his signature and demand that the person presenting the bill should prove his right to do so. In order to prevent this question arising, M. Hermann-Otavsky would prefer to delete the end of Article 21 — *viz.*, the words " by the holder or by a person who is merely in possession of the bill ".

M. QUASSOWSKI (Germany) would prefer the maintenance of Article 21 as it stood. The provision in question appeared in a great many laws on bills of exchange, and in M. Quassowski's opinion it was necessary for practical reasons. If the words " or by a person who is merely in possession of the bill " were deleted, the banks would have to verify the right of the person who presented the instrument, and difficulties might result.

M. PERCEROU (France) was also of opinion that the text should be maintained as it stood.

The PRESIDENT was not of that opinion, but would agree to accept it.

M. VAN NIEROP (Netherlands) considered that, when the jurists present spoke of the holder, they had also in mind his representative. It should not, however, be forgotten that it was not any particular member of the Conference who would be faced with the practical difficulties. If the last proposal were accepted, there might be connivance between the acceptor and, for example, a bank manager who was asked by the acceptor by telephone to cancel the signature.

The PRESIDENT asked whether the Conference was prepared to accept the proposal of M. Arcangeli to delete the words " to the holder " in Article 29.

M. VAN NIEROP (Netherlands) proposed to replace in the French text " avant la remise de la lettre " by " avant la restitution du titre ".¹

The PRESIDENT observed that " remise " and " restitution " had not the same meaning.

M. PERCEROU (France) stated that it was not correct in French to say simply " avant la remise de la lettre " ; it was necessary to specify to whom the bill had been assigned. It would be better to say " avant la restitution du titre ". That, however, would exclude cases in which the holder had been involuntarily divested of the bill (*le cas de dessaisissement involontaire*).

The PRESIDENT thought that if the question arose at all it would arise with the word " remise " as well as with the word " restitution ".

He asked the Conference whether it would accept the following text for the first paragraph of Article 29 :

" Where the drawee who has put his acceptance on a bill has cancelled it before the assignment of the bill, acceptance is deemed to be refused. Failing proof to the contrary, the cancellation is deemed to have taken place before the bill was restored."

M. ARCANGELI (Italy) and M. PERCEROU (France) replied in the affirmative.

Mr. GUTTERIDGE (Great Britain) said he noticed that the word " lettre de change " was used in one place and the word " titre " in another, and asked whether the meaning was the same.

¹ This amendment necessitated no change in the English text.

The PRESIDENT replied in the affirmative.

M. SULKOWSKI (Poland) asked that it should be stated in the report that the word "restitution" did not settle at what moment the exchange liability came into being. It should not be allowed to prejudice the solution of the question whether the article referred to cases in which the holder was divested of the bill voluntarily or those in which he was divested involuntarily. That question remained open.

The PRESIDENT observed that, as the Conference had combined the discussion of Article 29 with that of Article 21, it would be desirable to settle the question of the Latvian amendment immediately.

M. GIANNINI (Italy) drew the attention of the Conference to the disadvantage of making modifications which had not been carefully considered in the second reading. The articles had been drafted after long discussion. They had been reviewed from the point of view of the French language. In the present case, however, the French delegation had observed that the words "biffage" and "biffure" were not French. For that reason, the Drafting Committee had used the word "radiation".

The PRESIDENT thought that, in view of M. Giannini's explanations, the Latvian delegation would not insist on its amendment.

M. DUZMANS (Latvia) stated that all amendments submitted by his delegation were subject to any modifications which the French delegation might take from the point of view of drafting. In the present case, he believed that the words "biffage" and "biffure" were French. Nevertheless, he would agree to withdraw his amendment.

Article 21 was adopted.

Article 29 was adopted, the text of the first paragraph being that proposed by the President.

ARTICLE 22. ¹

M. PERCEROU (France) proposed that the words "before a certain date" in the third paragraph of Article 22 should be replaced by "before a named date". The latter were used in Article 34, which covered the same case.

Article 22, as amended, was adopted.

ARTICLES 23 TO 26 INCLUSIVE.

Adopted.

ARTICLE 27. ²

As the result of an observation of M. HERMANN-OTAVSKY (Czechoslovakia), the words "at the time of acceptance, the drawee may designate" at the end of the first sentence were replaced by "the drawee may name . . .".

Article 27, as amended, was adopted.

ARTICLES 28 AND 30.

Adopted.

ARTICLE 31.

M. ARCANGELI (Italy) said that, according to the third paragraph, a mere signature was equivalent to an "aval" when it was placed on the face of the bill. However, cases might occur when a mere signature would be placed on the back of the bill. Such a signature might sometimes be deemed an endorsement in blank. That, however, was not always the case; and he asked if the Drafting Committee thought that in such an eventuality this signature ought to be deemed to be in any degree valid. By using the argument *a contrario*, it should be said that in such a case the signature was invalid; but M. Arcangeli thought it would be much better to set forth the principle that a mere signature, even if it were placed on the back, might eventually be considered as an "aval". If the Conference shared this point of view, the third paragraph could then be

¹ The text proposed by the Drafting Committee was as follows :

" Dans toute lettre de change, le tireur peut stipuler qu'elle devra être présentée à l'acceptation, avec ou sans fixation de délai.

" Il peut interdire dans la lettre la présentation à l'acceptation, à moins qu'il ne s'agisse d'une lettre de change payable chez un tiers ou d'une lettre payable dans une localité autre que celle du domicile du tiré ou d'une lettre tirée à un certain délai de vue.

" Il peut aussi stipuler que la présentation à l'acceptation pourra avoir lieu avant une certaine date. " Tout endosseur peut stipuler que la lettre devra être présentée à l'acceptation, avec ou sans fixation de délai, à moins qu'elle n'ait été déclarée non acceptable par le tireur."

² The text proposed by the Drafting Committee was as follows :

" Quand le tireur a indiqué dans la lettre de change un lieu de paiement autre que celui du domicile du tiré, sans désigner un tiers chez qui le paiement doit être effectué, le tiré peut le désigner lors de l'acceptation. A défaut de cette indication, l'accepteur est réputé s'être obligé à payer lui-même au lieu du paiement.

" Si la lettre est payable au domicile du tiré, celui-ci peut, dans l'acceptation, indiquer une adresse du même lieu où le paiement doit être effectué."

modified in such a way as to cover also cases in which the signature would be placed on the back of the bill.

M. DE LA VALLÉE POUSSIN (Belgium) did not think that there could be any possible ambiguity, because the text of the second paragraph made it clear that when an "aval" was given on the back of a bill it ought to be expressed by the words "good as 'aval'" or by any other equivalent formula. It was solely when the signature was on the face of the bill that there was any need to add the words "good as 'aval'".

M. ARCANGELI (Italy) concluded that in certain cases the mere signature on the back of a bill would be invalid.

M. SCHMIDT (International Chamber of Commerce) thought that if the Conference wished to acquiesce in M. Arcangeli's point of view and recognise that the mere signature on the back of the bill might be considered as an "aval", it would be necessary to make it also quite clear for whom this "aval" was valid.

M. ARCANGELI (Italy) thought that that was quite a different question.

The PRESIDENT said that they were discussing a question of substance which had not been raised during the first reading. The Hague Regulation contained a provision according to which an "aval" was expressed by the words "good as 'aval'" or by any other equivalent formula. Apparently, therefore, there could be no doubt on the matter. The third paragraph of Article 31 said that the mere signature placed on the face of the bill was deemed to be an "aval". Obviously, if the signature was put on the back of the bill, the result would not be an "aval".

M. ARCANGELI (Italy) considered that this article ought also to include the case where a mere signature figured on the back of a bill. That was an omission that ought to be rectified.

The PRESIDENT declared that the meaning of a mere signature on the back of a bill would depend on the person who was judging the affair. In certain cases, this signature might be considered as an endorsement.

M. ARCANGELI (Italy) realised that sometimes it might be quite clearly said that it was an endorsement; but it might also happen that it would be impossible to declare that such a signature was an endorsement. In the latter case, they would have to know whether the signature was valid or not.

The PRESIDENT thought that in such a case the signature was invalid.

M. ARCANGELI (Italy) wished that this interpretation should appear in the report.

Mr. GUTTERIDGE (Great Britain) said that in English law it had been held that a signature of that kind was always an endorsement.

M. PERCEROU (France) suggested that the following note should be added at the foot of the page:

"Nevertheless, in spite of the provisions of Article 31, it is quite understood that if a signature is placed on the back of a bill of exchange which cannot be considered as an endorsement in blank because it breaks the chain of endorsements, this signature, in spite of the fact that it is unaccompanied by the words 'good as aval', ought to be deemed to be an 'aval'."

That seemed to him a logical solution, but as it followed from the spirit of the text, it would suffice to draw attention to it in the report.

M. SULKOWSKI (Poland) pointed out that paragraph 2 of Article 31 said quite clearly that an "aval" ought always to bear the formula "good as 'aval'" or some equivalent formula. Moreover, it ought to be signed by the giver of the "aval", and only when it occurred on the face of the bill was it enough to have the signature without any other formula. If the Conference allowed an explanation like that just proposed to appear in the report, it would be in contradiction with the text adopted.

M. DE LA VALLÉE POUSSIN (Belgium) thought it was very important to preserve unity of method concerning an "aval" placed on the back of a bill. An "aval" ought to be accompanied by a formula which allowed no ambiguity as to the meaning of the signature. That was the aim of paragraph 2 as it stood. A signature placed on the back of a bill would always be equivalent to an endorsement.

M. de la Vallée Poussin considered that a simple and clear rule should be adopted. He therefore supported the proposal to keep the text as it stood, because it gave rise to no ambiguity.

The PRESIDENT proposed to leave the text as it stood and let nothing appear in the report on the subject.

M. ARCANGELI (Italy) asked that the discussion should appear in the Minutes of the meeting.

The PRESIDENT said that it was quite understood that the discussion would appear in the Minutes.

M. ARCANGELI (Italy) said that he was satisfied.

Article 31 was adopted.

ARTICLE 32.¹

The PRESIDENT pointed out that the second paragraph had been drawn up by the Drafting Committee before the Conference had taken its decision on the Czechoslovak amendment to Article 62. Since the Conference had adopted the Czechoslovak wording for Article 62, it would be proper to modify the second paragraph of Article 32 in order to bring it into perfect conformity with the actual text of Article 62. He consequently proposed the following wording :

“ He has, when he pays a bill of exchange, the rights arising out of the bill against the person guaranteed and against those who are liable to the latter on the bill of exchange.”

M. GIANNINI (Italy) preferred the text of the Drafting Committee.

M. PERCEROU (France), member of the Drafting Committee, thought that this was a question of relative importance.

M. SULKOWSKI (Poland) emphasised the importance of the President's suggestion. The Hague formula and that of the experts — “ recourse against the person guaranteed and his guarantors ” — did not refer to the acceptor, seeing that the latter was the principal debtor and therefore could not be considered as a guarantor. There was no reason for refusing the giver of the “ aval ” the right to go back on the acceptor, if there was one. Moreover, the problem was the same as that settled already in connection with the person paying by intervention, and the formula was changed for the same reasons : in order clearly to explain that the person paying by intervention could assert that the giver of an “ aval ” had the rights arising from the bill of exchange, not only against the guarantors but also against the acceptor. In those circumstances, the two formulæ in question should be made to conform.

M. DUZMANS (Latvia) considered that the President's proposal was not only useful, but also necessary from the point of view of future interpretation. He supported the President's proposal.

The second paragraph of Article 32 was adopted in the form proposed by the President.

ARTICLE 33.

The PRESIDENT pointed out that this article should be read as follows :

“ A bill of exchange may be drawn payable : at sight ; at a fixed time after sight ; at a fixed time after date. . . . ”

Article 33 was adopted.

ARTICLE 34.

Adopted.

ARTICLE 35.

The PRESIDENT asked the Drafting Committee if it had deliberately deleted the word “ only ” which occurred in the second paragraph :

“ In the absence of the protest, an undated acceptance is deemed so far as regards the acceptor only. . . . ”

M. PERCEROU (France) replied that the Drafting Committee had considered this word superfluous.

Article 35 was adopted.

ARTICLES 36, 37 AND 38.

Adopted.

ARTICLE 39.

Prince VARNAIDYA (Siam) pointed out that he had presented a reservation concerning Article 39.² As a matter of fact, he had only reproduced the text of the French proposal. He had thought that, in virtue of Article 7 of the Convention on the Conflicts of Laws, Siam would be able to authorise the refusal of partial payment. As this right did not exist, he was compelled to ask the Conference to grant him this reservation.

The PRESIDENT reminded the Conference that the reservation on this subject had been put aside. The French delegation, which had proposed it, had finally withdrawn it. Siam now appeared to take it up, but the President proposed to explain later to the Siamese delegate how

¹ The text proposed by the Drafting Committee was as follows :

“ Le donneur d'aval est tenu de la même manière que celui dont il s'est porté garant.

“ Son engagement est valable, alors même que l'obligation qu'il a garantie serait nulle pour toute cause autre qu'un vice de forme.

“ Il a, quand il paie la lettre de change, le droit de recourir contre le garanti et contre ceux qui sont tenus vis-à-vis de ce dernier en vertu de la lettre de change.”

² See Annex 17.

he might obtain, if not complete, at least sufficient satisfaction, without even the necessity of making a reservation.

Article 39 was adopted.

ARTICLE 40.¹

M. PERCEROU (France) mentioned that Article 40 had given rise to a long discussion whether the following words should be kept : " He who pays at maturity is validly discharged, unless he has been guilty of bad faith or gross negligence " (text of the experts) ; or whether, on the contrary, they should return to the Hague formula : " Unless there has been fraud or gross negligence on his part ". In the end, the Drafting Committee had suggested a third formula : " Unless it is paid to a person in whom it is obvious the right is not vested ". This last formula was quite abnormal, at least from the point of view of French legal terminology. The Drafting Committee had decided to return to the formula of The Hague.

As was explained in the draft report, the situation treated here was not the same as that which concerned the person who had acquired the bill. A drawee might be dealt with more liberally than a third party who had acquired the bill. The third party, before acquiring the bill, might get all the information, and in that case there was a certain delay. But the drawee to whom the bill was presented at maturity was compelled, under pain of having a protest drawn up against him, to pay immediately. For that reason, an attempt had been made to make him responsible only for a payment wrongly made in the case where there had been unequivocal fraud on his part — that was to say, fraud conditioned by gross negligence.

The PRESIDENT read the proposed text :

" He who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence. He is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers."

Article 40 with this amendment was adopted.

ARTICLE 41.

M. PERCEROU (France) said that the Drafting Committee had suggested that the first paragraph of this article should stop after the words " or the day of payment ". The second paragraph would then begin with : " The usages of the place of payment. . ." and end with " at a rate expressed in the bill ".

The PRESIDENT pointed out that in the first and second paragraphs " lieu de paiement " should read " lieu du paiement ".

M. SHIMADA (Japan) noticed that the Drafting Committee had used at the end of the first sentence of Article 41 the words " on the day of maturity " instead of the words " on the day when payment can be demanded " which appeared in the text of the experts. The new wording left uncertain the moment when the holder might exercise his recourse.

M. Shimada thought that this article ought to be taken in conjunction with Article 43, which gave the holder the right to exercise his recourse " even before maturity ".

The PRESIDENT asked the Drafting Committee if it had considered whether in cases where the date of maturity had been advanced it might be thought that there was a new date of maturity and that the rate ought to be that of the day of the new maturity — namely, of the advanced maturity.

M. PERCEROU (France) replied that the fact that the debtor was willing to anticipate payment was sufficient to advance the date of maturity.

The PRESIDENT pointed out that, according to the new Article 43, there were cases when payment of a bill of exchange could be demanded before the date of maturity, without agreement, but according to the law — for example, in cases where the drawee became bankrupt, or in certain circumstances when the drawer became bankrupt. In such cases, the question raised by the Japanese delegation could be settled by maintaining that, then, according to the law, there was a new date of maturity.

M. PERCEROU (France) declared that the Drafting Committee had decided not to modify the solution of the question.

The PRESIDENT said that the reply of M. Percerou made it necessary in the case of Article 43 to take into consideration the day on which payment of the bill of exchange could be demanded. In that case, there was advanced maturity. Consequently, as far as the question raised by the Japanese delegation was concerned, the modification made in the text by the Drafting Committee had made no substantial change.

M. SHIMADA (Japan) declared himself satisfied with this explanation.

¹ The text proposed by the Drafting Committee was as follows :

" Le porteur d'une lettre de change ne peut être contraint d'en recevoir le paiement avant l'échéance.

" Le tiré qui paie avant l'échéance le fait à ses risques et périls.

" Celui qui paie à l'échéance est valablement libéré, à moins qu'il n'ait payé à une personne qui, évidemment, n'est pas l'ayant droit. "

M. VAN NIEROP (Netherlands) wished to have an authentic explanation of Article 41. In particular, he wished to know what was meant by the words "in default". Did the expression "if the debtor is in default" mean "if the debtor is behindhand"? Was the debtor only in default when the protest had been drawn up, or was he in default between the date of maturity and protest? M. van Nierop thought that he was only in default after the protest.

The PRESIDENT thought that, so long as the debtor had the right of paying without it being possible to claim damages from him, he was not in default.

M. PERCEROU (France) thought that the debtor was in default if he did not pay on the day that the bill had been presented to him.

M. VAN NIEROP (Netherlands) considered that, so long as the protest had not been drawn up, it was impossible to say that the debtor was in default. If the text meant something different, it might be legally tenable, but it would bring about many practical difficulties. For example, a bank might present to-day a bill drawn up in foreign currency. It would calculate exactly the rate of exchange and present the bill to the debtor. If the debtor did not pay, the bill would return unpaid to the bank, which would pass it over to a process-server, who would present it anew and draw up a protest on the following day. In such a case, it was the holder who had the choice of the rate of exchange, because there had been default. But the first step was to know what was the wish of the holder, and that was already difficult enough; and, in the second place, it would be necessary to make a fresh calculation. Generally speaking, a bank that presented a bill of exchange for payment was not the holder in the proper sense of the word: it was the holder's representative. It received the bill to be cashed and often it knew nothing of the holder, who might live in China, Japan or Nicaragua, for example.

M. PERCEROU (France) pointed out that a bank would always choose the rate that was most advantageous for its client.

M. VAN NIEROP (Netherlands) replied that that was impossible, for in that case a bank would have to be able to calculate what would be the rate of exchange the next day. At Amsterdam, there was no such official rate and he believed that it was the same at Paris.

M. PERCEROU (France) replied that at Paris there was an official rate published at about two o'clock.

M. VAN NIEROP (Netherlands) took the case of a Paris bank presenting a bill of exchange at 10 o'clock that day. If the rate of exchange was disadvantageous, its client could complain on the grounds that the bank had presented the bill before two o'clock.

Finally, M. van Nierop proposed to revise the text as follows:

"Once the protest has been drawn up, the holder can ask at his choice. . ."

M. WEILLER (Italy) asked what would happen if there was no protest.

M. VAN NIEROP (Netherlands) replied that, in that case, the holder would only have to cause a protest to be drawn up.

M. EIGTVED (Denmark) thought that the advantages resulting from the provisions of Article 41 were more important than the small difficulties which bankers might meet with because of the article. He did not deny the possibility that such difficulties existed, but he thought that they were of only secondary importance.

M. SHIMADA (Japan) asked if they might not return to the original text: "on the day when payment can be demanded". That would avoid all ambiguity.

The PRESIDENT replied that there was no need to return to the text of the Committee of Experts of Geneva, because that text did not succeed in settling the question. It was impossible to get rid of a question by not talking about it.

M. SHIMADA (Japan) thought he remembered that at the first reading of the original Article 40 of the text of the experts when the Japanese delegation had asked if the words "on the day when payment can be demanded" covered, not only maturity, but also the case of recourse before maturity, the President had replied in the affirmative. They therefore proposed to return to the text of the experts.

The PRESIDENT asked the Conference to give its opinion on the Japanese proposal that they should return to the original text, which said "on the day when payment can be demanded", instead of "on the day of maturity".

M. EKEBERG (Sweden) pointed out that if the Japanese proposal were adopted the words "whether on the day of maturity" would have to be modified.

The PRESIDENT pointed out that, if they reverted to the original text, it would also be necessary to modify the second sentence. After hearing the interpretation given by the Drafting Committee, he thought it would be best to keep Article 41 unchanged.

He reminded the Conference that the Drafting Committee had asked them to examine a proposal to introduce the words " in the text of the bill itself " after the words " nevertheless the drawer may stipulate " in the last sentence of the first paragraph.

M. GIANNINI (Italy) replied that the Drafting Committee had decided not to make this addition.

Article 41 was adopted without change.

ARTICLE 42.

Adopted.

ARTICLE 43.¹

M. WEILLER (Italy) asked why a different wording had been adopted for paragraphs 2 and 3. If there were any reasons, he would like to know them ; otherwise it was better to preserve the resemblance.

The PRESIDENT read the following passage from the Minutes of the sixteenth meeting concerning the amendment put forward by the Japanese delegation. It was at that meeting that Article 43 had been adopted :

" There remained the following amendment submitted by the Japanese delegation :

" " In Article 42, which concerns the conditions of recourse before maturity, the drawee referred to in No. 2 and the drawer referred to in No. 3 should be placed on the same footing. The Article should read as follows :

" " 2. Where the drawee, whether he has accepted or not, has failed.

" " 3. Where the drawers of a non-acceptable bill have failed."

" It appeared that the Japanese delegation's object was to bring sub-paragraph 3 into line with sub-paragraph 2. As the Conference had adopted the experts' text for sub-paragraph 2, the President assumed that the Japanese delegation wished to repeat in sub-paragraph 3 the cases mentioned in sub-paragraph 2.

" *The Japanese amendment was rejected by 10 votes to 6.*"

M. GIANNINI (Italy) thought that so summary a condemnation as had been pronounced by this vote was insufficient if unaccompanied by explanations. If the Conference wished to maintain the article as it stood, it should state its reasons. Otherwise, discrimination between the cases dealt with in the second and third paragraphs could not fail to cause surprise.

The PRESIDENT said that the cases dealt with in paragraphs 2 and 3 were different. For the drawee, the words " bankruptcy (*faillite*) or stoppage of payment " were used and for the drawer the word " bankruptcy " (*faillite*) only. It was quite understandable that a distinction should be made, and that recourse should only be authorised before maturity in the event of the bankruptcy of the drawer.

M. SULKOWSKI (Poland) suggested that the Conference should again vote on the Japanese amendment.

M. VISCHER (Switzerland) asked for time to consider the matter ; for the moment, he did not know which way to vote. He believed, moreover, that the reasons for the discrimination which already existed in the Hague Convention would be found in the Minutes of the Hague Conference.

M. PERCEROU (France) pointed out that, in the case of a bill which could be presented for acceptance, the holder could always present it to the drawee for acceptance. If the latter refused, there was a definite fact : default of acceptance. It was not necessary to establish the other circumstances — stoppage of payment or execution levied without result. In the event of the bankruptcy of the drawer, if there was no declaratory judgment, it could not be proved that there was a state of stoppage of payment or of execution levied without result, for there was no definite fact which proved it.

The discussion on this article was adjourned.

¹ The Drafting Committee proposed the following text :

" Le porteur peut exercer ses recours contre les endosseurs, le tireur et les autres obligés :

" A l'échéance ;

" Si le paiement n'a pas eu lieu ;

" Même avant l'échéance ;

" 1° S'il y a eu refus, total ou partiel, d'acceptation ;

" 2° Dans les cas de faillite du tiré, accepteur ou non, de cessation de ses paiements, même non constatée par un jugement, ou de saisie de ses biens demeurée infructueuse ;

" 3° Dans les cas de faillite du tireur d'une lettre non acceptable."

ARTICLE 44¹.

M. SULKOWSKI (Poland) said that the words " Article 24, paragraph 2 " should read " Article 24, paragraph 1 ", because of the inversion that had previously been made in Article 24.

M. SHIMADA (Japan) referred to the first sentence of the third paragraph and asked if, according to this text, the protest could be drawn up on the same day that the bill of exchange was payable. It was possible to believe that this was so, since the text said " the protest . . . must be made, *at the latest*, on one of the two business days. . . . "

M. PERCEROU (France) said that the Conference had put on one side the possibility of drawing up the protest on the same day as maturity. Moreover, a Japanese amendment concerning this question had been rejected.

M. SHIMADA (Japan) replied that if this was the case there was no reason for keeping the words " at the latest ".

M. PERCEROU (France) declared that in the drafting of Article 44 the Drafting Committee had deleted these words.

M. QUASSOWSKI (Germany) thought that these words had a certain importance because of the German reservation that a protest for non-payment might be drawn up also on the day of maturity. In any case, these words would do no harm.

The PRESIDENT thought that M. Quassowski was wrong. It was because the text provided for the drawing up of the protest on one of the two business days following the day on which the bill fell due that the German delegation had demanded that it might be prescribed in the German legislation that in spite of this article the protest might be made on the day of maturity.

M. EKEBERG (Sweden) confirmed this interpretation.

M. QUASSOWSKI (Germany) said that he was satisfied.

Article 44, modified by the deletion of the words " at the latest ", was adopted.

ARTICLE 45.

M. SHIMADA (Japan) pointed out that, according to the first sentence of the second paragraph of the former Article 44 — now Article 45 — every endorser must within the two business days which followed the day on which he received notice inform his immediate endorser of that notice. That provision seemed to him to make superfluous the last sentence, which was as follows :

" The limit of time mentioned above runs from the receipt of the preceding notice."

The PRESIDENT replied that the last sentence referred to all the endorsers. There was a new period of two days for each. It was therefore necessary to retain the sentence. In order to make the idea more clear, he proposed the words :

" The periods mentioned above run. . . . "

Article 45, as amended, was adopted.

ARTICLE 46.²

M. SHIMADA (Japan) asked that the third sentence of the third paragraph should be completed as follows :

" When the stipulation emanates from an endorser *or an avaliseur for the latter*, the costs of the protest, if one is drawn up, may be recovered from all the persons who have signed the bill."

¹ The Drafting Committee proposed the following text :

" Le refus d'acceptation ou de paiement doit être constaté par un acte authentique (protêt faute d'acceptation ou faute de paiement).

" Le protêt faute d'acceptation doit être fait dans les délais fixés pour la présentation à l'acceptation. Si, dans le cas prévu par l'article 24, deuxième alinéa, la première présentation a eu lieu le dernier jour du délai, le protêt peut encore être dressé le lendemain.

" Le protêt faute de paiement d'une lettre de change payable à jour fixe ou à un certain délai de date ou de vue doit être fait, au plus tard, l'un des deux jours ouvrables qui suivent le jour où la lettre de change est payable. S'il s'agit d'une lettre payable à vue, le protêt doit être dressé dans les conditions indiquées à l'alinéa précédent pour dresser le protêt faute d'acceptation.

" Le protêt faute d'acceptation dispense de la présentation au paiement et du protêt faute de paiement."

En cas de cessation de paiements du tiré, accepteur ou non, ou en cas de saisie de ses biens demeurée infructueuse, le porteur ne peut exercer ses recours qu'après présentation de la lettre au tiré pour le paiement et après confection d'un protêt.

En cas de faillite déclarée du tiré, accepteur ou non, ainsi qu'en cas de faillite déclarée du tireur d'une lettre non acceptable, la production du jugement déclaratif de la faillite suffit pour permettre au porteur d'exercer ses recours.

² The Drafting Committee proposed the following text :

" Le tireur, un endosseur ou un avaliseur peut, par la clause " retour sans frais ", " sans protêt ", ou toute autre clause équivalente, inscrite dans le titre et signée, dispenser le porteur de faire dresser, pour exercer ses recours, un protêt faute d'acceptation ou faute de paiement.

M. DUZMANS (Latvia) pointed out that the word "avaliseur" was used in Article 46, whereas in the chapter on the "aval" (Articles 31 and 32) the expression "donneur d'aval" was employed. He quite understood that those two terms had the same meaning, but it appeared to him to be necessary, in order to obtain the greatest unification possible, to choose one of them and to use it every time in speaking of the "aval".

The PRESIDENT considered that there was no objection to employing the two expressions, which were both used in practice.

Referring to the addition of the words "or the *avaliseur* for the latter" in the last line but one of the article, M. SRB (Czechoslovakia) wondered what would be the position when the stipulation was made by an *avaliseur* for the drawer.

M. PERCEROU (France) was of opinion that the words "for the latter" should be suppressed.

M. SRB (Czechoslovakia) agreed with that suggestion.

Article 46, as amended, was adopted.

ARTICLE 47.

Adopted.

ARTICLE 48.¹

Assuming the case of the partial acceptance of a bill of exchange, M. WEILLER (Italy) asked whether recourse was exercised for the whole amount of the bill or only for that part of the sum which was not covered by the partial acceptance.

The PRESIDENT pointed out that, subject to the question of concordance which had been adjourned, Article 43 read :

"The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable at maturity if payment has not been made, and even before maturity if there has been a total or partial refusal to accept."

M. WEILLER (Italy) pointed out that, in those circumstances, it was a question of the whole amount.

M. QUASSOWSKI (Germany) drew M. Weiller's attention to Article 51. That article referred to the case of partial acceptance and dealt with recourse after partial acceptance. In that case, there was only partial recourse.

M. WEILLER (Italy) replied that that was the case if the bill was partially reimbursed, but what would happen if it were not partially reimbursed.

M. PERCEROU (France) recognised that the question raised by M. Weiller was not formally settled by the text. The solution would not appear to be in doubt, however. Since partial acceptance was allowed, it would produce effects to the extent to which it intervened.

The PRESIDENT stated that partial acceptance was allowed under the Uniform Regulation. It was necessary that there should be recourse for the party not covered by the acceptance.

M. WEILLER (Italy) thanked the President for his explanation.

In reply to an observation of M. Sulkowski, the PRESIDENT said that the question was settled by Article 51, and in the circumstances interpretation was unnecessary.

M. VAN NIEROP (Netherlands) noted that there was a question of interest at the rate of 6 per cent from maturity. He considered that interest should be calculated from the day of presentment. The holder had a right to present the bill within two business days which followed maturity. In those circumstances, the bank would calculate the interest twice over.

The PRESIDENT stated that the words "from maturity" already appeared in the Hague text.

(Continuation of footnote from previous page.)

"Cette clause ne dispense le porteur ni de la présentation de la lettre de change dans les délais prescrits ni des avis à donner à un endosseur précédent et au tireur. La preuve de l'inobservation des délais incombe à celui qui s'en prévaut contre le porteur.

"Si la clause est inscrite par le tireur, elle produit ses effets à l'égard de tous les signataires ; si elle est inscrite par un endosseur ou un avaliseur, elle produit ses effets seulement à l'égard de celui-ci. Si, malgré la clause inscrite par le tireur, le porteur fait dresser le protêt, les frais en restent à sa charge. Quand la clause émane d'un endosseur, les frais du protêt, s'il en est dressé un, peuvent être recouverts contre tous les signataires."

¹ The Drafting Committee proposed the following text :

"Le porteur peut réclamer à celui contre lequel il exerce son recours :

" 1^o Le montant de la lettre de change non acceptée ou non payée avec les intérêts, s'il en a été stipulé :

" 2^o Les intérêts au taux de six pour cent à partir de l'échéance ;

" 3^o Les frais du protêt, ceux des avis donnés par le porteur à l'endosseur précédent et au tireur, ainsi que les autres frais.

"Si le recours est exercé avant l'échéance, déduction sera faite d'un escompte sur le montant de la lettre. Cet escompte sera calculé d'après le taux de l'escompte officiel (taux de la banque), tel qu'il existe à la date du recours au lieu du domicile du porteur."

M. VAN NIEROP (Netherlands) repeated that the bank would calculate the discount for the two days in question and would benefit from interest at the rate of 6 per cent for those two days.

The PRESIDENT believed that the idea of the text was the following. If the bill was not paid and recourse was exercised, the holder was entitled to interest from maturity.

In reply to a remark of M. Sulkowski, the President said that the third paragraph of Article 48 should be completed as follows :

“ 3. The expenses of the protest, of the notice given by the holder to the preceding endorser, to the drawer and to the givers of ‘ *aval* ’, as well as other expenses.”

Article 48 was adopted.

ARTICLES 49, 50, 51, 52 AND 53.

Adopted.

ARTICLE 54.

The PRESIDENT pointed out that “ Article 44 ” in the second paragraph should read “ Article 45 ”.

Article 54 was adopted.

TWENTY-NINTH MEETING.

Held on June 3rd, 1930, at 10 a.m.

President: M. J. LIMBURG.

41. Examination of the Draft Uniform Regulations on Bills of Exchange and Promissory Notes : Text of the Uniform Regulation drawn up by the Drafting Committee : Second Reading ¹ (Continuation).

NOTE. — *The Conference, realising the difficulty of discussing simultaneously a text drawn up in both official languages, decided to adopt the following procedure. The discussion took place entirely on the French texts, and it was only after a provisional or final decision had been taken in regard to these texts that their translation into English was made and submitted to the Conference. For that reason, it has been impossible to reproduce the English text in the record of the discussions until that text became final.*

ARTICLE 55.

M. DUZMANS (Latvia) submitted the following amendment :

“ In Article 55, paragraph 1, and Article 60, paragraph 1, replace the word ‘ specify ’ (*indiquer*) by the word ‘ designate ’ (*désigner*). ”

On the PRESIDENT’S suggestion, *the Conference decided to maintain the text without modification. Article 55 was adopted.*

ARTICLES 56 AND 57.

Adopted.

ARTICLE 58. ²

M. SHIMADA (Japan) considered that it would be desirable to add “ and a receipted account ” in the last line of the text of this article after the words “ the protest ”.

The amendment of the Japanese delegation was adopted.

The PRESIDENT asked the members of the Drafting Committee whether the allusion to Article 48 in Article 58 was correct. For his part, he believed it was, but there was some hesitation on that point.

M. GIANNINI (Italy) replied that the reference to Article 48 was correct.

Article 58, as amended by the Japanese proposal, was adopted.

ARTICLE 59.

Adopted.

¹ See note on p. 381.

² The Drafting Committee proposed the following text :

“ L’accepteur par intervention est obligé envers le porteur et envers les endosseurs postérieurs à celui pour le compte duquel il est intervenu, de la même manière que celui-ci.

“ Malgré l’acceptation par intervention, celui pour lequel elle a été faite et ses garants peuvent exiger du porteur, contre remboursement de la somme indiquée à l’article 48, la remise de la lettre de change et du protêt, s’il y a lieu.”

M. DUZMANS (Latvia) pointed out that the word "avaliseur" was used in Article 46, whereas in the chapter on the "aval" (Articles 31 and 32) the expression "donneur d'aval" was employed. He quite understood that those two terms had the same meaning, but it appeared to him to be necessary, in order to obtain the greatest unification possible, to choose one of them and to use it every time in speaking of the "aval".

The PRESIDENT considered that there was no objection to employing the two expressions, which were both used in practice.

Referring to the addition of the words "or the *avaliseur* for the latter" in the last line but one of the article, M. SRB (Czechoslovakia) wondered what would be the position when the stipulation was made by an *avaliseur* for the drawer.

M. PERCEROU (France) was of opinion that the words "for the latter" should be suppressed.

M. SRB (Czechoslovakia) agreed with that suggestion.

Article 46, as amended, was adopted.

ARTICLE 47.

Adopted.

ARTICLE 48.¹

Assuming the case of the partial acceptance of a bill of exchange, M. WEILLER (Italy) asked whether recourse was exercised for the whole amount of the bill or only for that part of the sum which was not covered by the partial acceptance.

The PRESIDENT pointed out that, subject to the question of concordance which had been adjourned, Article 43 read :

"The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable at maturity if payment has not been made, and even before maturity if there has been a total or partial refusal to accept."

M. WEILLER (Italy) pointed out that, in those circumstances, it was a question of the whole amount.

M. QUASSOWSKI (Germany) drew M. Weiller's attention to Article 51. That article referred to the case of partial acceptance and dealt with recourse after partial acceptance. In that case, there was only partial recourse.

M. WEILLER (Italy) replied that that was the case if the bill was partially reimbursed, but what would happen if it were not partially reimbursed.

M. PERCEROU (France) recognised that the question raised by M. Weiller was not formally settled by the text. The solution would not appear to be in doubt, however. Since partial acceptance was allowed, it would produce effects to the extent to which it intervened.

The PRESIDENT stated that partial acceptance was allowed under the Uniform Regulation. It was necessary that there should be recourse for the party not covered by the acceptance.

M. WEILLER (Italy) thanked the President for his explanation.

In reply to an observation of M. Sulkowski, the PRESIDENT said that the question was settled by Article 51, and in the circumstances interpretation was unnecessary.

M. VAN NIEROP (Netherlands) noted that there was a question of interest at the rate of 6 per cent from maturity. He considered that interest should be calculated from the day of presentment. The holder had a right to present the bill within two business days which followed maturity. In those circumstances, the bank would calculate the interest twice over.

The PRESIDENT stated that the words "from maturity" already appeared in the Hague text.

(Continuation of footnote from previous page.)

" Cette clause ne dispense le porteur ni de la présentation de la lettre de change dans les délais prescrits ni des avis à donner à un endosseur précédent et au tireur. La preuve de l'inobservation des délais incombe à celui qui s'en prévaut contre le porteur.

" Si la clause est inscrite par le tireur, elle produit ses effets à l'égard de tous les signataires ; si elle est inscrite par un endosseur ou un avaliseur, elle produit ses effets seulement à l'égard de celui-ci. Si, malgré la clause inscrite par le tireur, le porteur fait dresser le protêt, les frais en restent à sa charge. Quand la clause émane d'un endosseur, les frais du protêt, s'il en est dressé un, peuvent être recouverts contre tous les signataires."

¹ The Drafting Committee proposed the following text :

" Le porteur peut réclamer à celui contre lequel il exerce son recours :

" 1° Le montant de la lettre de change non acceptée ou non payée avec les intérêts, s'il en a été stipulé :

" 2° Les intérêts au taux de six pour cent à partir de l'échéance ;

" 3° Les frais du protêt, ceux des avis donnés par le porteur à l'endosseur précédent et au tireur, ainsi que les autres frais.

" Si le recours est exercé avant l'échéance, déduction sera faite d'un escompte sur le montant de la lettre. Cet escompte sera calculé d'après le taux de l'escompte officiel (taux de la banque), tel qu'il existe à la date du recours au lieu du domicile du porteur."

M. VAN NIEROP (Netherlands) repeated that the bank would calculate the discount for the two days in question and would benefit from interest at the rate of 6 per cent for those two days.

The PRESIDENT believed that the idea of the text was the following. If the bill was not paid and recourse was exercised, the holder was entitled to interest from maturity.

In reply to a remark of M. Sulkowski, the President said that the third paragraph of Article 48 should be completed as follows :

“ 3. The expenses of the protest, of the notice given by the holder to the preceding endorser, to the drawer and to the givers of ‘ *aval* ’, as well as other expenses.”

Article 48 was adopted.

ARTICLES 49, 50, 51, 52 AND 53.

Adopted.

ARTICLE 54.

The PRESIDENT pointed out that “ Article 44 ” in the second paragraph should read “ Article 45 ”.

Article 54 was adopted.

TWENTY-NINTH MEETING.

Held on June 3rd, 1930, at 10 a.m.

President: M. J. LIMBURG.

41. Examination of the Draft Uniform Regulations on Bills of Exchange and Promissory Notes : Text of the Uniform Regulation drawn up by the Drafting Committee : Second Reading¹ (Continuation).

NOTE. — *The Conference, realising the difficulty of discussing simultaneously a text drawn up in both official languages, decided to adopt the following procedure. The discussion took place entirely on the French texts, and it was only after a provisional or final decision had been taken in regard to these texts that their translation into English was made and submitted to the Conference. For that reason, it has been impossible to reproduce the English text in the record of the discussions until that text became final.*

ARTICLE 55.

M. DUZMANS (Latvia) submitted the following amendment :

“ In Article 55, paragraph 1, and Article 60, paragraph 1, replace the word ‘ *specify* ’ (*indiquer*) by the word ‘ *designate* ’ (*désigner*). ”

On the PRESIDENT’S suggestion, *the Conference decided to maintain the text without modification.*

Article 55 was adopted.

ARTICLES 56 AND 57.

Adopted.

ARTICLE 58.²

M. SHIMADA (Japan) considered that it would be desirable to add “ and a receipted account ” in the last line of the text of this article after the words “ the protest ”.

The amendment of the Japanese delegation was adopted.

The PRESIDENT asked the members of the Drafting Committee whether the allusion to Article 48 in Article 58 was correct. For his part, he believed it was, but there was some hesitation on that point.

M. GIANNINI (Italy) replied that the reference to Article 48 was correct.

Article 58, as amended by the Japanese proposal, was adopted.

ARTICLE 59.

Adopted.

¹ See note on p. 381.

² The Drafting Committee proposed the following text :

“ L’accepteur par intervention est obligé envers le porteur et envers les endosseurs postérieurs à celui pour le compte duquel il est intervenu, de la même manière que celui-ci.

“ Malgré l’acceptation par intervention, celui pour lequel elle a été faite et ses garants peuvent exiger du porteur, contre remboursement de la somme indiquée à l’article 48, la remise de la lettre de change et du protêt, s’il y a lieu.”

ARTICLE 60.¹

M. Deoclecio DE CAMPOS (Brazil) emphasised that the second paragraph of this article said : “. . . the party who has named the referee in case of need. . .”. In order to put that text in harmony with the text of the preceding articles, it would be preferable to say : “. . . the party who has specified the referee in case of need. . .”.

The PRESIDENT asked the opinion of the Drafting Committee on this point.

M. PERCEROU (France) and M. GIANNINI (Italy) thought that the two words had exactly the same meaning. They saw no objection to the adoption of M. Deoclecio de Campos' suggestion.

The proposal of M. Deoclecio de Campos was adopted.

M. DA MATTA (Portugal) pointed out that the Conference had adopted the expression “ a person who is designated to accept . . . it in case of need ”, in place of “ the party who has named the referee in case of need ”, which was the text of Article 60, and asked whether it would not be desirable to modify the text.

M. GIANNINI (Italy) observed that . . . paragraph 1 stated : “ If persons domiciled there have been named as referees in case of need ”.

In his opinion, the preoccupation with terminology which the Conference was at present manifesting was not well-founded. In practice, in current speech, one said : “ name the referee in case of need ”.

The PRESIDENT was also of opinion that different terms could be employed in a law when there was no fear of ambiguity. He asked the Conference to maintain the text as it stood. The first time that the Regulation mentioned intervention was in Article 56, and it was natural to use the complete expression : “ a person who is designated to accept or pay it in case of need.”.

For the rest of the text, that was no longer necessary.

M. DA MATTA (Portugal) withdrew his proposal.

M. HERMANN-OTAVSKY (Czechoslovakia) noted that it was laid down in Article 60 that if the bill of exchange had been accepted by intervention, or if persons domiciled in the place of payment had been named as referees in case of need, the holder must present the bill to all those persons *at the place of payment* and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest. If the intervener was not found at the place of payment, the holder would, under that provision, have to present the bill of exchange to all the interveners and to have the protest drawn up at the latest on the day following the last day allowed for drawing up the protest. It appeared to M. Hermann-Otavsky to be superfluous to cause the holder to assume that obligation towards persons who were not found at the place of payment. In his view, it would suffice to say : “ If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need ”, and to suppress the reference to the place of payment in the second part of the sentence.

The PRESIDENT pointed out that the article had been discussed at length in the first reading and that it was drafted in its present form in accordance with an Italian amendment. He considered that the article contained nothing superfluous.

M. HERMANN-OTAVSKY (Czechoslovakia) insisted that, from the practical point of view, the application of the provisions would lead to disadvantages that could be avoided. In particular, it would have the result of necessitating what were called in German “ Windproteste ”.

M. EKEBERG (Sweden), said that in Article 60 it was necessary to draw a distinction between two cases. In the first case, a bill of exchange was accepted by the interveners without the indication of a referee in case of need. The holder was not forced to demand acceptance, but if he did so he was also bound to present the bill of exchange, even if the acceptor by intervention was not domiciled in the place of payment. In the second case, persons had been named as referees in cases of need. They were, however, only interveners domiciled in the place of payment, and in consequence it was not necessary to repeat the words “ in the place of payment ”.

M. Ekeberg had taken the opinion of M. Percerou, who also considered that the words were superfluous.

M. GIANNINI (Italy) pointed out that the necessity of including the indication of the place of payment had been the object of long discussions and that, in order to provide for certain banking exigencies to which delegates who were at present absent had drawn attention, the Conference had finally voted the present text.

¹ The Drafting Committee adopted the following text :

“ Si la lettre de change a été acceptée par intervention ou si des personnes ayant leur domicile au lieu du paiement ont été indiquées pour payer au besoin, le porteur doit présenter la lettre à toutes ces personnes au lieu du paiement et faire dresser, s'il y a lieu, un protêt faute de paiement, au plus tard le lendemain du dernier jour admis pour la confection du protêt.

“ A défaut de protêt dans ce délai, celui qui a désigné le besoin ou pour le compte de qui la lettre a été acceptée et les endosseurs postérieurs cessent d'être obligés.”

In view of the absence of those delegates, M. Giannini did not consider that he was authorised to accept such a modification of substance. Moreover, he would repeat that it was dangerous to reopen the discussion on questions of principle during the second reading.

The PRESIDENT noted that the proposal of M. Hermann-Otavsky, supported by M. Ekeberg, referred to the second indication of the place of payment appearing in Article 60 and not to the first. In those circumstances, he also considered that the words were superfluous.

M. GIANNINI (Italy) thought he had misunderstood the observation of the representative of Czechoslovakia. In view of the explanation given by the President, he also agreed with his opinion and would accept the suppression of the words.

This proposal was adopted.

Article 60, as amended, was adopted.

ARTICLES 61, 62 AND 63.

Adopted.

M. DUZMANS (Latvia) proposed the addition to Chapter VIII, the consideration of which the Conference had just concluded in the second reading, a sub-heading "Intervention in general", for instance, as a heading to Article 55.

The PRESIDENT proposed the insertion before Article 55 of the following sub-heading: "I. General Provisions." The numbering of the two other sub-headings would naturally be modified.

Agreed.

ARTICLES 64, 65 AND 66.

Adopted.

ARTICLE 67.

M. DE LA VALLÉE POUSSIN (Belgium) asked for explanations in regard to the application of this article, for a question of particular concern to the members of the Belgian delegation, who specially represented credit establishments, was that of photographic copies, the use of which was spreading. In Belgium, photographic copies were documents which concerned only the holder or the drawer, but did not circulate. Was the Conference, however, and particularly the Drafting Committee, of opinion that a photographic copy could be considered as a copy which could be put into circulation? If so, the undoubted objections to the circulation of copies would be even greater.

The PRESIDENT did not understand why a distinction should be drawn on the basis of the text between photographic copies and other copies; the circulation of such copies could not be prohibited.

M. DE LA VALLÉE POUSSIN (Belgium) considered that, in those circumstances, the circulation of any copy would perhaps have to be prevented.

He repeated that, in the opinion of Baron Carton de Wiart, the existence of photographic copies would increase the objection to the authorisation of the circulation of copies, and stated that if they were supported by other delegations the Belgian delegation would ask for the deletion of Article 67.

The PRESIDENT asked whether other delegations supported the proposal for the deletion of Article 67 which M. de la Vallée Poussin had put forward.

The proposal to delete the article was not supported.

The PRESIDENT pointed out that in the first reading he had drawn the attention of the Conference to the fact that the expression "It must specify where the copy ends" was not clear. He had proposed to make use of the 1910 Hague text, which was completed by the words "copy up to here" between brackets. The President asked the Drafting Committee whether it would be able to accept that suggestion.

M. PERCEROU (France) stated that the Drafting Committee had considered that these words would be superfluous.

Article 67 was adopted.

ARTICLE 68.¹

The PRESIDENT pointed out that there was an amendment redrafted by the Danish and Finnish delegations to modify not only the numbering but also the text of the article by the addition of a new paragraph:

"When the original instrument, after the last endorsement before the making of this

¹ The Drafting Committee proposed the following text:

"La copie doit désigner le détenteur du titre original. Celui-ci est tenu de remettre ledit titre au porteur légitime de la copie.

"S'il s'y refuse, le porteur ne peut exercer de recours contre les personnes qui ont endossé ou avalisé la copie qu'après avoir fait constater par un protêt que l'original ne lui a pas été remis sur sa demande."

copy, contains a clause 'beginning from here the endorsement is only valid if made on the copy' or some equivalent formula, a subsequent endorsement on the original is null and void."

M. GRÖNVALL (Finland) stated that it followed from paragraph 1 of Article 68 that the original of a bill of exchange of which a copy had been made could no longer be endorsed. Nothing, however, could prevent the person in possession of the original bill from endorsing it, and in that case the copy would lose all its value, since the holder could not demand the original from the endorsee acting in good faith. The value of the copy depended entirely on the holder's confidence in the probity of the person in possession of the original. But how many times was the confidence of the creditor disappointed?

There was thus a practical necessity to provide the holder of a copy with a means of safeguarding himself against any eventuality by requiring that the original of the bill should stipulate that the person in possession of the bill should be prevented from making a later endorsement. That was the object of the amendment of the Danish and Finnish delegations.

M. GIANNINI (Italy) apologised for raising a question of a general character. The adoption of the rules contained in the chapter under discussion would involve a complete change in the Italian legal system on this point. It also seemed to him that the proposal submitted by the Danish and Finnish delegations did not correspond with the Italian law.

M. Giannini wished to draw the attention of the Conference to a question connected with Article 64. He wished to know exactly what was the system which would be involved by the rules adopted in the article, in order that he would know what attitude to take with regard to the Scandinavian proposal. According to the system which had been adopted, it was not known whether the drawer could, or could not, refuse to issue the instrument in several parts at the request of the holder after the creation of the instrument. Article 64 only allowed issue in several parts, if the parties were in agreement from the beginning. Could the drawer then be asked by the holder to issue the instrument in several parts? In those circumstances, and in view of the fact that the Italian delegation had accepted a system which was not its own, it wished to retain the rule of the Italian law: "When the instrument is issued in one part, the drawer may not refuse to issue other parts if the holder asks for them and himself pays the cost". That paragraph would be placed between the first and second paragraphs of Article 64.

The PRESIDENT asked M. Giannini to explain the relation of his amendment to Article 68.

M. GIANNINI (Italy) said that the uniform law imposed a system which differed entirely from Italian legislation. In order to accept the Scandinavian amendment, which differed entirely from the Italian law, it asked for a small concession on this point.

The PRESIDENT considered that the amendment to Article 64 could be adopted, apart from the whole question of copies. It was reasonable that the drawer should issue the bill in several parts if the holder demanded it and paid the cost.

M. HERMANN-OTAVSKY (Czechoslovakia) supported the amendment. Article 64 would, however, need further modifications if the amendment were accepted. Paragraph 2 said:

"These parts must be numbered, and each of them must indicate in the body of the instrument itself, in addition to its number, the number of parts issued."

That rule was inconsistent with the proposed amendment, for the first part could not specify the number of parts which would be made in the future. The question had been solved in the Hague text in the third paragraph of Article 63:

"Every holder of a bill which does not specify that it has been drawn as a sola bill may, at his own expense, require the delivery of two or more parts. For this purpose. . ."

The Italian amendment was similar to that provision in the Hague Regulation and the Czechoslovak delegation supported it, subject to the drafting alterations which would be necessary in order to harmonise the texts. Perhaps, however, the Italian delegation would be content with simply re-establishing the Hague text, which corresponded with its intention and which might give satisfaction to everyone.

The PRESIDENT read the Hague text:

"A bill of exchange can be drawn in two or more identical parts.

"These parts must be numbered in the body of the instrument, in default of which each part is considered as a separate bill of exchange.

"Every holder of a bill which does not specify that it has been drawn as a sola bill may, at his own expense, require the delivery of two or more parts. For this purpose, he must address himself to his immediate endorser, who is bound to help him in proceeding against his own endorser, and so on in the series until the drawer is reached. The endorsers are bound to reproduce their endorsements on the new parts of the set."

In his opinion, that was slightly different from the Italian amendment. The latter referred to the drawer. If the Conference reverted to the Hague text, the advantage of knowing the number of parts would be lost. It was a great deal more important to know how many parts existed than to stipulate that each part should be numbered.

Thus, if the Conference wished to adopt the Italian amendment, it would be necessary to consider how the second paragraph of the present Article 64 could be put into harmony with the amendment.

M. GIANNINI (Italy) had only asked for the minimum ; but if the Conference was willing to grant him more he would be very satisfied. As a matter of fact, the Italian delegation found no difficulty in accepting the Hague text. Nevertheless, he thought that it would be possible to bring the third paragraph as proposed into harmony with the two first paragraphs. It would be enough to substitute the article " the " for the word " these " at the beginning of the third paragraph.

The PRESIDENT did not think that it was necessary to return to the Hague text, for if they did so they would come back to a point that had already been settled — namely, the number of parts. He thought that the three paragraphs of the article might be brought into harmony with each other by accepting the modification proposed by M. Giannini and by deleting the word " issued " which occurred twice in the third paragraph. The text of the article would then run as follows :

" A bill of exchange can be drawn in two or more identical parts.

" When the instrument is issued in one part, the drawer may not refuse to issue other parts if the holder asks for them and himself pays the expenses.

" The parts must be numbered, and each of them must indicate in the body of the instrument itself, in addition to its number, the number of parts issued. If the number of parts issued is not mentioned on one of them, that part is considered as a separate bill of exchange."

M. GIANNINI (Italy) accepted this text.

M. SULKOWSKI (Poland) drew the attention of the Conference to two possibilities. First, it might happen that a bill of exchange contained the phrase " issued in one part ". If the text proposed by the Italian delegation were accepted, it would be necessary in this case to delete the phrase " indicating that the bill of exchange was issued in one part only ", and to replace it by the phrase " indicating the number of parts issued ". It should, however, be borne in mind that such deletion did not facilitate the circulation of bills of exchange. On the other hand, there was another possibility : that the bill of exchange had already been put into circulation and that it bore endorsements. In such a case, the question was whether the endorsers were compelled to repeat the signatures on the duplicates, or not. That question was not settled by the Italian formula.

In those circumstances, M. Sulkowski saw no other means of coming to a solution than to return to the text of The Hague as it stood, or to maintain the text proposed by the legal experts.

M. QUASSOWSKI (Germany) agreed that it was impossible to bring the second paragraph of Article 64 into harmony with the text of the Italian proposal. He supported M. Sulkowski and declared that either the Conference would have to reject the Italian proposal or return to the text of The Hague.

M. SCHELTEMA (Netherlands) thought that they might find a third solution if it were laid down that when a bill of exchange was issued in one part only the payee might ask for it to be given in several parts. The Netherlands law contained a provision of this nature.

The PRESIDENT wondered if it would not be more practical to leave the text as it stood and to discuss the Scandinavian amendment to Article 68.

M. GIANNINI (Italy) thought that it would be better to find some means of conciliation immediately, for otherwise he would be compelled to vote against the Scandinavian amendment.

M. PERCEROU (France) thought that perhaps the Conference might agree upon a compromise by limiting the holder's right of obtaining several parts until the moment when the first part had received an endorsement. This solution had been proposed by M. Scheltema.

M. GIANNINI (Italy) was able to accept this solution.

The PRESIDENT thought that they must act prudently and beware of improvised texts. He proposed that the Conference should adjourn the discussion of this article for the moment in order to continue the examination of the following articles, at the end of which they could interrupt the meeting in order to allow the Italian delegation, the President of the Committee of Experts and the representatives of the Scandinavian delegations to meet to draw up the text of Articles 64 and 68.

This suggestion was approved.

M. HERMANN-OTAVSKY (Czechoslovakia) made an observation on Article 68. The first sentence laid down that " a copy must specify the *person in possession (détenteur)* of the original instrument ". In his opinion, the expression " *person in possession (détenteur)* " had too wide a meaning ; a thief was also a person in possession. He thought that the word " *depository (dépositeur)* " was more accurate.

The PRESIDENT did not agree. He thought that the word " *depository* " had a completely different meaning from the expression " *person in possession* ".

He asked M. Hermann-Otavsky if he would kindly join the delegations which were going to draw up a text for Articles 64 and 68.

ARTICLE 69.

Adopted.

ARTICLE 70.

M. BIAMONTI (Italy) thought that the words " of recourse " in the third paragraph should be deleted in order to do away with any doubts that might arise concerning the scope of these actions:

The PRESIDENT agreed with M. Biamonti and asked the Conference if it would agree to this deletion.

The suggestion was adopted and Article 70 was adopted.

ARTICLE 71.

Adopted.

ARTICLE 72.

Adopted.

ARTICLES 73 AND 74.

Adopted.

ARTICLES 75 AND 76.

Adopted.

ARTICLE 77.¹

M. WEILLER (Italy) declared that since a promissory note was of so great importance in certain countries, such as Italy, the Netherlands and Latvia, he wished to be given certain explanations concerning this article, explanations which might perhaps lead to some additions.

In the first place, it was necessary that the Conference should stipulate for whom an " aval " was given when nothing was indicated. Apparently, such an " aval " was valid for the maker, but it seemed best to say so directly. Perhaps the following formula might be added to the article :

" An ' aval ' on a promissory note, for want of any indication on whose behalf it is given, is deemed to be given for the maker."

The PRESIDENT quite understood M. Weiller's statement, but wondered whether it was of any use to include a special provision on this subject.

As a matter of fact, Article 77 declared that provisions relating to bills of exchange applied to promissory notes so far as they were not inconsistent with the nature of that instrument ; and " avals " were mentioned in the list. It was quite understood that for bills of exchange, when there was no indication, an " aval " was deemed to be given by the drawer. By analogy, it might be deduced that in promissory notes, for want of indication to the contrary, an " aval " should be deemed to be given for the maker.

M. BIAMONTI (Italy) thought that the question was doubtful ; an " aval " might be deemed to be given for the maker or for the first endorser.

M. DUZMANS (Latvia) supported the Italian proposal and saw no inconvenience in adding the formula proposed by M. Weiller to Article 77.

M. SULKOWSKI (Poland) thought that the maker of a promissory note played a similar rôle to that of the acceptor of the bill of exchange. Article 77 as it actually stood left certain doubts that might be done away with by the formula of M. Weiller.

¹ The Drafting Committee proposed the following text :

" Sont applicables au billet à ordre, en tant qu'elles ne sont pas incompatibles avec la nature de ce titre, les dispositions relatives à la lettre de change et concernant :

" L'endossement (articles 11-20) ;

" L'aval (articles 30-32) ;

" L'échéance (articles 33-37) ;

" Le paiement (articles 38-42) ;

" Les recours faute de paiement (articles 43-50, 52-54) ;

" Le paiement par intervention (articles 55, 59-63) ;

" Les copies (articles 67 et 68) ;

" Les altérations (article 69) ;

" La prescription (articles 70-71) ;

" Les jours fériés, la computation des délais et l'interdiction des jours de grâce (articles 72, 73 et 74).

" Sont aussi applicables au billet à ordre les dispositions concernant la lettre de change payable chez un tiers ou dans une localité autre que celle du domicile du tiré (articles 4 et 27), la stipulation d'intérêts (article 5), les différences d'énonciations relatives à la somme à payer (article 6), les conséquences de l'aposition d'une signature dans les conditions visées à l'article 7, ou celles de la signature d'une personne qui agit sans pouvoirs ou en dépassant ses pouvoirs (article 8) ou la lettre de change en blanc (article 10)."

The PRESIDENT pointed out that that was a question of doctrine. In some countries the matter might raise doubts, but in other States there was no difficulty at all. He was not hostile to the examination of the question and asked the Conference whether it could adopt the suggestion of M. Weiller.

The suggestion of M. Weiller was adopted.

The PRESIDENT said that the question of drafting remained to be settled. The list in Article 77 should be left as it stood and that the formula concerning "avals" should be inserted to the last paragraph.

M. WEILLER (Italy) preferred to leave the article as it stood and to add a third paragraph.

The PRESIDENT asked M. Weiller to present a definite text for this third paragraph after the meeting had adjourned.

M. WEILLER (Italy) wished to ask a second question so as not to leave the task of settling so important a matter as that of *prescription* to national jurisprudences.

At what moment did limitation of action begin to take place against the person who had issued a note at sight? Two cases might occur. The promissory note might, or might not, be presented. If it was presented, it was obvious that it became payable at the moment of presentment. If it was not presented, according to Italian jurisprudence, limitation of action began after a period of one year's delay. The following text might therefore be added to the article :

"In a promissory note at sight, the limitation of actions and the action against the maker come into force immediately after protest for non-payment or, in default of protest, on the last day of the limit of time laid down in Article 34."

He thought that this addition was indispensable.

The PRESIDENT did not yet see any necessity to make this declaration. There were also bills of exchange at sight. Why should not jurisprudence and practice apply the system of the limits of time of the prescription of bills of exchange to promissory notes?

M. WEILLER (Italy) replied that the reason was because usually a promissory note at sight was not accepted. In the case of a promissory note there was an action against the maker, and that question was not dealt with in Article 70. Actually, such cases never occurred in regard to instruments at sight; but they would occur in regard to promissory notes when those had been neither presented nor protested.

The PRESIDENT emphasised the fact that Article 78 said :

"The maker of a promissory note is bound in the same manner as an acceptor of a bill of exchange. Promissory notes payable at a certain time after sight must be presented for the visa of the maker within the limits of time fixed. . ."

The President asked why nothing had been said about promissory notes at sight in Article 78. It was doubtless because in that case there was no difficulty.

M. WEILLER (Italy) replied that this difficulty had probably not been taken into consideration. In Italy, rather complicated cases had occurred. For example, a person might issue a promissory note and might be asked for nothing although a year would pass. The rule laid down a limitation of action of three years; but the point was to know at what moment those three years began to run. Was it at the moment when presentment ought to have been made or at the moment of issue?

M. SCHELTEMA (Netherlands) replied that it was at maturity.

The PRESIDENT pointed out that the holder of a promissory note at sight had a certain period of time at his disposal in which to present this note; but it was not an indeterminate period of time. Promissory notes at sight had to be presented within a certain period.

M. WEILLER (Italy) replied that that was correct so long as it concerned the preservation of the right of recourse, but incorrect from the point of view of the acceptor. The acceptor ought to reply even if the note had been neither presented nor protested. That was an essential and unconditional obligation.

M. SULKOWSKI (Poland) thought that the analogy with Article 34 was sufficient. Article 34 said :

"A bill of exchange at sight is payable on presentment. It must be presented for payment within a year of its date."

If a bill of exchange was not presented for payment within this limit of time, what were the legal consequences?

M. WEILLER (Italy) replied that in that case the right of recourse was lost; but this article said nothing about the acceptor.

M. GIANNINI (Italy) declared, as chairman of the Drafting Committee, that he agreed with M. Percerou that it would be enough to give an explanation of the matter in the report.

The PRESIDENT much preferred this solution. He feared that by accepting the amendment of M. Weiller the Conference would break the harmony of the provisions governing promissory notes and those governing bills of exchange at sight. It seemed to him difficult for the Conference to foresee at the present the consequences of M. Weiller's proposal, and for that reason he was much more willing to accept the suggestion of M. Giannini.

M. VISCHER (Switzerland) pointed out that, in spite of that, the Conference must take a decision. That was a question of substance.

The PRESIDENT replied that the Conference would be enlightened on this point by the report when it was submitted to them.

The proposal of M. Giannini was adopted.

The PRESIDENT said that the final sentence of the third paragraph of Article 77 should run as follows :

“ . . . the consequences of signature under the conditions mentioned in Article 7, the consequences of signature by a person who acts without authority or who exceeds his authority (Article 8) and provisions concerning a bill of exchange in blank (Article 10).”

Article 77 was adopted in this form, subject to drafting modifications concerning the giver of an “aval”.

ARTICLE 78.

The PRESIDENT said that in the second paragraph of this article the words “ in Article 22 ” should be replaced by the words “ in Article 23 ” and the words “ Article 24 ” by the words “ Article 25 ”.

Article 78 was adopted subject to these modifications.

ARTICLE 60 (Continuation).

M. EKEBERG (Sweden) reminded the Conference that in answer to his request it had decided to delete the following words in the fourth line of Article 60, “ at the place of payment ”, but after reflection he doubted whether this modification of the text was justified. If the holder of a bill of exchange had allowed the bill to be accepted by intervention, and if the acceptor by intervention was not domiciled at the place of payment, it was necessary therefore, according to the text adopted, to present the bill at this other place. But the periods of delay within which a protest for non-acceptance could be drawn up were too short. As a matter of fact, the end of the first paragraph of Article 60 said : “ . . . and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for the drawing up the protest”. If the domicile of the acceptor by intervention was at a distance, it was obvious that this period of delay would be too short. For that reason, he thought it necessary to return to a text which was substantially the same as that which had been proposed by the Drafting Committee ; but, in order to give satisfaction to M. Hermann-Otavsky, M. Ekeberg proposed the following text which had been accepted by M. Percerou :

“ If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need, the holder must present the bill to all these persons and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest.”

The effect of this text would be that the holder's obligation would not concern those persons who were not domiciled at the place of payment.

The PRESIDENT thought that the Conference might adopt this slight modification.

M. ARCANGELI (Italy) was able to agree to this text, but wished to know whether the expression “ if persons domiciled. . . ” meant persons who were domiciled at the place of payment.

M. PERCEROU (France) replied in the affirmative and suggested that, in order to avoid ambiguity, this expression should be replaced by the following words : “ or if persons domiciled at this same place. . . ”.

The PRESIDENT repeated that serious inconvenience might result from amendments that were put forward at the last moment and affected the substance of articles. Even in this case the text proposed by M. Ekeberg and M. Percerou, which only appeared to consist of a simple drafting modification in order to clear up this article, would present certain drawbacks if it were applied to the Dutch Indies.

The original text said : “ If a bill of exchange has been accepted by intervention. . . ” (but it was not stipulated that the person intervening ought to be domiciled at the place of payment) “ . . . or if the persons domiciled at the place of payment have been named as referees in case of need. . . ”. Consequently, in so far as the referee in case of need was concerned,

the provisions of the article were limited solely to persons domiciled at the place of payment, whereas, in so far as intervention was concerned, as had been settled by the Italian amendment in the first reading, persons domiciled at the place of payment were not subject to this restriction.

The modification brought about by the proposal of M. Ekeberg and M. Percerou was inconvenient for the Dutch Indies, where special customs of intervention existed.

The President proposed that the original text should not be modified.

M. EKEBERG (Sweden) replied that his proposal did not entail a modification of the substance in the article ; its scope was the same as that of the text of the Drafting Committee, according to which it was only necessary to present the bill to all these persons at the place of payment and to draw up the protest against persons domiciled at the place of payment. That did not include those who might be referees in cases of need. It was certainly quite clear that the original text did not take such cases into consideration, since the period of delay for drawing up the protest was limited at the latest to the day following the last day allowed for drawing up the aforementioned protest. For a case of need in which the domicile happened to be far away from the place of payment, this period of delay would not be sufficient. Consequently, either the anxiety of the Netherlands delegation was not justified or the Netherlands delegation wished to compel a protest to be drawn up in a similar short period of delay also in the case of persons domiciled at a great distance from the place of payment.

M. QUASSOWSKI (Germany) said that in that case it would be necessary to prolong the periods of delay.

M. EKEBERG (Sweden) said that the prolongation of the periods of delay raised a fundamental question. For his part, he had no objection against such an amendment, but if the Netherlands delegation drew up one, the Conference ought to be informed of its scope. On the other hand the text he and M. Percerou had suggested merely reproduced more clearly what was already contained in the text of the Drafting Committee.

M. PERCEROU (France) and M. SULKOWSKI (Poland) agreed.

The PRESIDENT said that, according to the statement of M. Ekeberg, the article as amended excluded no kind of intervention, either at the place of payment by a person domiciled or not at the place of payment ; it only dealt with the periods of delay within which a protest might be drawn up for persons domiciled at the place of payment.

M. SCHELTEMA (Netherlands) considered that the question was not merely one of the period of delay for protests. The amendment proposed made intervention useless for persons who were not domiciled at the place of payment.

M. SULKOWSKI (Poland) drew the following distinction : On the one hand, there was the question of recourse and, in order to preserve the right of recourse, it was necessary, at maturity, to present a bill of exchange only to an acceptor by intervention who was domiciled at the place of payment. On the other hand, if the acceptor by intervention was not domiciled at the place of payment, the holder was not compelled, in order to have recourse against the guarantors, to present the bill to such acceptor at maturity. But it was impossible to agree with M. Scheltema that there was no reason in such a case for acceptance by intervention, because the acceptor by intervention always remained under obligation during three years even if the bill of exchange was not presented at maturity and no protest had been drawn up.

The PRESIDENT proposed that the amendment should be provisionally adopted and that the Conference should continue the discussion during the following meeting.

This proposal was adopted.

42. Discussion of the Reservations : Second Reading. ¹

NOTE. — *The Conference, realising the difficulty of discussing simultaneously a text drawn up in both official languages, decided to adopt the following procedure. The discussion took place entirely on the French texts, and it was only after a provisional or final decision had been taken in regard to these texts that their translation into English as made and submitted to the Conference. For that reason it has been impossible to reproduce the English text in the record of the discussions until that text became final.*

M. GIANNINI (Italy) said that it was necessary to suppress in the original heading — “ Convention. Annex II (Reservations) ” the word “ Reservations ” — for this Annex contained two series of provisions : provisions covering methods of application, and others which constituted what amounted to reservations.

The PRESIDENT proposed that the formal articles of the Convention should be indicated by Roman figures.

These proposals were adopted.

ARTICLE I.

M. MOLENGRAAFF (Netherlands) proposed that the text of this article should be put in harmony with that of Article I of the Uniform Regulation, which was drafted “ La dénomination de ‘ lettre de change ’ ”, in place of “ dénomination ‘ lettre de change ’ ”.

This proposal was adopted.

¹ See note on p. 331.

ARTICLES 2, 3, AND 4.

These articles were adopted.

ARTICLE 5.¹

M. MOLENGRAAFF (Netherlands) asked the meaning of the second paragraph of this article.

M. GIANNINI (Italy) replied that the same rule was found twice — in Article 5 and in Article 15. They should be considered together. There was a general provision in Article 22 which stipulated: "Each of the High Contracting Parties undertakes to recognise the provisions adopted by every other High Contracting Party. . .", apart from Articles 5 and 15. That was to say, in Article 5 as in Article 15, the High Contracting Parties were not bound purely and simply to accept the application which each contracting party might make of the reservation in the article.

The second paragraph of Article 17 said :

"The other High Contracting Parties are entitled to determine the conditions subject to which they will recognise such causes. The same applies to the effect of an action as a means of indicating the commencement of the period of limitation (*prescription*). . ."

In that case, it was considered that, in view of the nature of the Convention, the High Contracting Parties could not be bound simply to accept what was done by another party. Article 5 stipulated that :

"Each of the High Contracting Parties may supplement Article 38 of the Uniform Law so as to provide that the holder of a bill of exchange payable in its territory shall be obliged to present it on the actual day of maturity. Failure to comply with this obligation may only give rise to a right to damages."

If that rule had only a national bearing, no practical result would follow. If it were international, it might affect the other contracting parties. The question was of great importance in connection with Article 16.

In conclusion, M. Giannini drew the attention of the Conference to the fact that several delegations were doubtful about the scope of Article 22. That question would be dealt with later.

M. DE LA VALLÉE POUSSIN (Belgium) proposed that the last sentence of the first paragraph of Article 5 should read : "Failure to comply with this obligation *may* only give rise. . ." in place of "shall only give rise. . .".

Article 5, as amended, was adopted.

ARTICLE 6.

M. VAN NIEROP (Netherlands) asked for an explanation in regard to the sentence : ". . . each of the High Contracting Parties shall designate. . .". What was the meaning of the word "designate"? Was it necessary to say that the national law must stipulate "the institutions which are to be regarded as clearing-houses", or should the national law give only a description of what could be considered as a clearing-house?

M. PERCEROU (France) said that in France the national authority would not intervene in the designation of clearing-houses. In the countries where there was no administrative recognition of those bodies, the State could only give information in regard to the position of its legislation. It could not designate the clearing-houses, since from day to day others might be created.

M. VAN NIEROP (Netherlands) stated that in those circumstances clearing-houses could be freely designated, provided that they fulfilled certain conditions fixed by the national law.

M. GIANNINI (Italy) stated that, in view of the diversity of the organisation of clearing-houses in the various States, the article reserved to the national law the task of deciding which institutions should be regarded as clearing-houses and indicating the persons who should take part and benefit from them. If the word "designate" raised objections, the word "determine" could be substituted.

In answer to M. Helper, who said that in Denmark there were no clearing-houses and asked what action Denmark must take, the PRESIDENT replied that Denmark need take no action.

The substitution of the word "determine" for the word "designate" was adopted.

Article 6 was adopted.

¹ The Drafting Committee proposed the following text :

"Chacune des Hautes Parties contractantes peut compléter l'article 38 de la loi uniforme en ce sens que, pour une lettre de change payable sur son territoire, le porteur sera obligé de la présenter le jour même de l'échéance ; l'inobservation de cette obligation ne devra donner lieu qu'à des dommages-intérêts.
"Les autres Hautes Parties contractantes auront la faculté de déterminer les conditions sous lesquelles elles reconnaîtront une telle obligation."

ARTICLE 7.¹

M. GIANNINI (Italy) said that the Drafting Committee had drawn up Article 7 in the spirit of the Polish proposal. The formula which he proposed was equivalent to that suggested by M. Sulkowski. He drew the attention of the latter to the expression "to derogate from the stipulation". Would it not be better to say "to suspend the stipulation"?

The PRESIDENT pointed out that by the terms of Article 1 of the Introductory Convention the High Contracting Parties were required to make their reservations at the moment of ratification. There were also a second and a third paragraph to the article by the terms of which the High Contracting Parties had the right to make certain reservations even later. It had been understood at the first reading of the Convention that the Conference would have to specify the articles to which these paragraphs applied. If Article 7 were adopted in its present form, it would be necessary to mention it in paragraph 3 of Article 1 of the introductory Convention.

M. GIANNINI (Italy) considered that, since the Conference had reserved the question, it should also consider the article as reserved. That would facilitate the task of the Drafting Committee.

He drew the attention of the Conference to the fact that Article 1 of the introductory Convention covered three situations :

1. The employment of the reservations made at the time of ratification or accession ;
2. The employment of the reservations which might be made after ratification or accession for special reasons ;
3. Reservations made only in urgent cases.

If the Conference agreed that reservations could be made in urgent cases it would seem to M. Giannini to be very difficult to adopt the last paragraph of Article 1 of the Convention, for according to that text such reservations would not take effect before the ninetieth day following communication of them. A State could not be asked to wait three months in urgent cases.

M. Giannini proposed the following formula for reservations in urgent cases :

"Nevertheless, each of the High Contracting Parties may also, in cases of urgency, make the reservations provided by Articles 7 and 21 after ratification or accession. In that case, they should be communicated directly or immediately to all the other Contracting Parties. The declaration of these reservations shall take effect two days after the receipt of the communication by the other Contracting Parties."

That text, which would still have to be reviewed from the point of view of drafting, referred to the procedure which had been adopted for reservations which could be made in cases of urgency.

M. Giannini said in conclusion that the second category included the reservations provided by Articles 8, 11 and 17, while the third category included the reservations provided by Articles 7 and 21.

The PRESIDENT noted that M. Giannini's suggestion introduced a new element into the Convention, Article 1 of which referred to two categories of reservations only : those which could be made at the time of ratification or accession and those which could be made after ratification or accession. M. Giannini wished to draw a distinction in the reservations of the second category by saying that among them there were some the immediate application of which could be justified, and M. Giannini proposed that those reservations should take effect within two days from their communication. The reservation of Article 7 would appear in that category.

M. VAN NIEROP (Netherlands) asked the meaning of the term : "the effect of the stipulation for effective payment in foreign currency". Would that formula also include payment by cheque in the case, for instance, of a bill of exchange drawn in Germany on Amsterdam and payable in dollars by a cheque on New York?

M. WEILLER (Italy) replied that in that case it would not be a bill of exchange.

Mr. GUTTERIDGE (Great Britain) stated that in England the bill would not be considered as a bill of exchange.

M. VAN NIEROP (Netherlands) asked that the statements of M. Weiller and Mr. Gutteridge should appear in the Minutes. He then asked by what name the instrument could be called if it was not a bill of exchange. He requested the President to be good enough to put that question on the agenda, for it was of very great practical importance.

¹ The Drafting Committee proposed the following text :

"Par dérogation à l'article 41 chacune des Hautes Parties contractantes a la faculté d'abroger, si elle le juge nécessaire (en des circonstances exceptionnelles ayant trait au cours de change de la monnaie de cet Etat, les effets de la clause de paiement effectif en une monnaie étrangère en ce qui concerne les lettres de change payables sur son territoire. La même règle peut être appliquée pour ce qui concerne la création des lettres de change en monnaies étrangères sur le territoire national."

THIRTIETH MEETING.

Held on June 3rd, 1930, at 3.30 p.m.

President : M. J. LIMBURG.

43. Absence of Baron Carton de Wiart.

The PRESIDENT informed the Conference that he had received a telegram from Baron Carton de Wiart, member of the Belgian delegation, regretting that he was unable to attend the remaining meetings of the Conference.

44. Examination of the Draft Uniform Regulations on Bills of Exchange and Promissory Notes : Text of the Uniform Regulation drawn up by the Drafting Committee¹ : Second Reading (Continuation).

ARTICLE 43 (Continuation).

The PRESIDENT reminded the Conference that it had to give its opinion on the wording of the third paragraph of this article. The point was whether this paragraph should be kept in its actual form or whether it should be worded in terms similar to those of paragraph 2. In 1910 and 1912, the Hague Conferences had made this distinction, as might be seen from consulting the Acts of these Conferences, volume 1, page 91, volume 2, pages 65 and 66, for the 1912 Conference and pages 300 and 338 for the 1910 Conference. It seemed that the members of those Conferences had shared the idea that there ought to be a difference between the situations of the drawee and drawer. When the drawer had failed and his payments ceased, it was certainly possible for the drawee to accept. In such a case no difficulty arose, and there was apparently no reason for inserting an identical text concerning the drawer and the drawee in the uniform law. On the other hand, when the drawer had not failed but had merely suspended payment, or where execution had been levied without result, it was not impossible for him to pay at maturity in spite of that.

M. PERCEROU (France) said that they had to consider several cases : that in which the drawee had failed, that where payment had been suspended or where execution had been levied without result, and that of the failure of the drawer where two suppositions had to be faced.

In the case where the drawee had failed, recourse was immediately opened against the guarantors, since it was then certain that the principal debtor would be unable to pay. For what reason had both suspension of payment, even if not authenticated by a judgment, and execution levied without result been assimilated in this case? Because it had been possible to do so without raising difficulties of proof. This was the reason why : the holder, before exercising his right of recourse for non-acceptance, ought always to present the bill to the drawee for acceptance, and the protest for non-acceptance would state the reasons why acceptance had not been given. Therefore, the very fact that the protest had been drawn up would be a proof for the holder that non-acceptance was the result of suspension of payment, even if the failure of the drawee or the execution levied against him had not been authenticated by a judgment. There was no difficulty in furnishing proof.

Nor were there any difficulties in the case when the drawer had failed while the bill was acceptable, for then the holder had first to present the bill to the drawee for acceptance. There were then two possibilities : either the drawee gave his acceptance, in which case there was no right of immediate recourse since the principal debtor had given his acceptance ; or he refused his acceptance, in which case immediate recourse could be had for non-acceptance by the drawee.

But the really difficult case was the one where a bill was not acceptable and where the drawer had fallen behindhand in his affairs. The right of immediate recourse had there been limited to cases where the fact that the drawer had failed had been authenticated by a judgment, and this right of recourse had not been extended to cases where there was only a suspension of payment or an execution levied without result. Search would be made in vain among the Minutes of The Hague for the reasons why this distinction had been made. Nevertheless, a perusal of the report presented by M. Wieland with regard to a Communication from the Swiss Government revealed the following explanation : when the drawer had failed and when a judgment of this failure had been declared, it was easy for the holder to furnish proof merely by producing the judgment in question. On the other hand, when a drawer had merely suspended payment or where execution had been levied against him without result, in view of the fact that no protest for non-acceptance had been drawn up against the drawer, the holder found himself deprived of the means necessary to furnish the proof that a suspension of payment had not been authenticated by a judgment or an execution. In this case an action was inevitable, to which the guarantors against whom the holder was claiming would be parties. These guarantors would use the following arguments : " You allege that the drawer has suspended payment, but you must prove it. You also allege that execution has been levied without result ; you must prove that also".

M. Percerou thought the difference between the two texts was due to these considerations. From the practical point of view, he quite understood the grounds of this distinction, but he thought that it was difficult to maintain it from the purely theoretical point of view. When a bill was

¹See note on page 381.

not acceptable, it was the drawer who was the principal debtor until it had been paid ; and, since he was implicated, there was no rational motive for refusing the right of immediate recourse.

M. Percerou left it to the Conference to decide if it wished to take these theoretical considerations into account and to modify the Hague text, or if it wished to maintain it for the practical reasons mentioned above. He did not consider that the matter was of very great importance.

M. SULKOWSKI (Poland) thought that sub-paragraphs 2 and 3 of Article 43 should be brought into harmony with the text of Article 44, which said that in case of failure it was superfluous to draw up a protest. Sufficient proof was provided by the judgment pronouncing the failure. It was a different matter when it was a question of execution levied without result, or suspension of payment. In those cases, the fact had to be announced by protest. No difficulty arose in the case of suspension of payment or execution levied without result at the address of the drawee. On the other hand, the situation was much more complicated when it was a question of the execution or the suspension of payment of the drawer of a non-acceptable bill. If the Conference wished to bring paragraphs 2 and 3 into conformity, would it have to admit that the drawer's suspension of payment or the execution levied against his goods without result ought to be established by protest. From this, the peculiar situation would result that in certain cases a protest would be drawn up against the drawer and not the drawee. That was why the Hague Conferences had given up the idea of bringing paragraphs 2 and 3 into conformity.

M. GIANNINI (Italy) personally thought that the explanations given by M. Percerou were correct. The Minutes of the Hague Conference did, indeed, contain no mention of this subject. The Conference found itself faced by an article that had been voted for the third time as it stood without any indication of the reasons. If the Japanese delegation had not raised the question, all discussion might have been avoided ; but now the matter would have to be cleared up. There were two possibilities : either the Conference must support the Japanese proposal or it must keep the distinction between sub-paragraphs 2 and 3, but mention its reasons for doing so.

M. Giannini thought that the only argument that M. Percerou had been able to find in consulting, not the Minutes of the Hague Conference, but the explanations given by the Swiss Federal Government concerning the drafts of 1912, rested on a question of proof. But did not M. Percerou believe that the difficulties of proof that appeared in sub-paragraph 3 would also occur in sub-paragraph 2 ?

M. PERCEROU (France) replied that usually the matter would be simplified by the fact that the holder's domicile would be near that of the drawee.

M. GIANNINI (Italy) confirmed the fact that, from a logical point of view, the distinction between sub-paragraphs 2 and 3 was not justified. The Conference ought to choose one of the two formulæ ; and if it decided against the Japanese proposal, the delegates who were opposed to bringing these two sub-paragraphs into conformity ought to publish their arguments.

M. Giannini had not been convinced by M. Sulkowski's statement but perhaps he had not exactly understood M. Sulkowski's point of view.

For these reasons, he asked the Conference to take a definite decision by bringing the two sub-paragraphs into uniformity.

M. PERCEROU (France) thought that M. Giannini's statement was not quite correct. Even in the case of the failure of the drawee acceptor, it would be necessary to make a protest. Consequently, there would always be a protest announcing the suspension of payment by the drawee. In this case, there was a simplification of proof in one case which did not exist in the other.

M. GIANNINI (Italy) admitted that this fact certainly simplified proof.

M. SULKOWSKI (Poland) had a statement to make on Article 44. If Article 43 was modified in the way proposed, it would be necessary also to modify the fifth paragraph of Article 44. This concerned the manner of providing proof of the fact that an execution had been levied against goods without result, or of the suspension of payments. So far as the acceptor was concerned, proof resulted from the protest, but how could it be proved that execution had been levied without result or that payment had been suspended when it concerned the drawer of a non-acceptable bill ? In such a case, it would also be necessary to make the statement by protest, but with this peculiarity, that such a protest would be drawn up against the drawer.

M. VISCHER (Switzerland) considered that there was an omission in regard to the fifth paragraph of Article 44. The words " or the drawer of a non-acceptable bill. . ." should be added after the words " acceptor or not ".

M. SULKOWSKI (Poland) did not agree, for Article 44 provided that " if there is a stoppage of payment on the part of the drawee, whether he has accepted or not, or if execution has been levied against his goods without result, the holder cannot exercise his right of recourse until after presentment of the bill to the drawee for payment, and after the protest has been drawn up ". The Conference would therefore have to add a new paragraph stipulating that in the case of the suspension of payment by the drawer of a non-acceptable bill, and in the case where execution had been levied against his goods without result, these facts must be established by a protest drawn up against the drawer, which would be somewhat absurd.

The PRESIDENT thought that if they kept to the strict meaning of the words, M. Sulkowski was right ; but he doubted whether it was necessary to add another paragraph.

M. SULKOWSKI (Poland) pointed out that the Conference was faced by the consequences of the Japanese proposal concerning Article 43.

The PRESIDENT thought that it would have to be proved that payment had been suspended or that execution had been levied without result ; he did not consider it necessary in this case to say that proof should be made by a special protest.

M. VISCHER (Switzerland) pointed out that the last paragraph of Article 44 did not say what would have to be done in the case of suspension of payment.

The PRESIDENT thought that the last paragraph only said that, in the case of failure, it was sufficient to produce the judgment pronouncing this failure ; in other cases, it was a question of fact, and it would be enough to prove the existence of suspension of payment or of execution levied without result.

M. SULKOWSKI (Poland) thought that this proof would give rise to many disputes. In his opinion, it would be convenient to apply a rule to the drawer similar to that which had been adopted for the drawee.

M. QUASSOWSKI (Germany) drew the attention of the Conference to Article 10 of the Convention concerning reservations. This article left the legislation of each of the High Contracting Parties the right to determine the situation at law referred to in Article 43, sub-paragraphs 2 and 3, and in Article 44, paragraphs 5 and 6. It seemed in this way that a part of the difficulties might be eliminated.

M. SULKOWSKI (Poland) thought, on the contrary, that this was not a question of the assimilation of various situations in the case of bankruptcy (*faillite*), but one of proof.

The PRESIDENT agreed with M. Sulkowski. Article 10, which had been referred to by M. Quassowski, concerned the various methods existing in different countries for dealing with the cases of suspension of payment ; for example, winding up by law, composition to avoid bankruptcy, execution levied without result, and what was called in America "homestead".

M. GIANNINI (Italy) thought the question might be settled if the words " or if the drawer of a non-acceptable bill becomes a declared bankrupt " were deleted in the last paragraph of Article 44 and a new paragraph added as follows :

" The provisions of the two preceding paragraphs shall apply in the cases dealt with by sub-paragraph 3 of Article 43."

M. SULKOWSKI (Poland) thought that M. Giannini's formula could not be accepted, since it dealt with non-acceptable bills of exchange which consequently might not be presented in payment to the drawee for acceptance. In his opinion, they ought to add a new paragraph, which might be worded as follows :

" If the drawer of a non-acceptable bill of exchange suspends payment, or if execution has been levied against his goods without result, the holder cannot exercise his rights of recourse until after this fact has been declared by a protest drawn up against the drawer."

The PRESIDENT thought that the best thing would be to leave the text of Article 44 as it stood. When the drawer suspended payment or when execution had been levied without result, it was for the holder to furnish proof. Perhaps that would not be very easy, but apparently no other solution could be found.

M. VAN NIEROP (Netherlands) thought that it very rarely happened in the case of a non-acceptable bill that the holder exercised his right of recourse against the drawer because such a bill was not negotiated.

M. PERCEROU (France) returned to the text proposed by M. Sulkowski and said that he thought the word " protest " had not been correctly employed in this text. A protest was a definite deed, which declared a refusal to pay. This particular case could not refer to a protest, but to a deed which would announce the suspension of payment.

The PRESIDENT thought that the word " protest " might be replaced by " a notary's deed ".

M. VISCHER (Switzerland) thought that, in view of all the difficulties with which the Conference was faced, it would be better to keep Article 43 in its original form. It certainly seemed very difficult to bring the text of Article 44 into harmony with the proposal to modify Article 43.

The PRESIDENT put to the vote the proposal to maintain Article 43 as it had been drawn up by the Committee of Experts.

The Conference decided to keep Article 43 as it stood by 13 votes to 4.

TITLE OF CHAPTER III : ARTICLES 45, 46 AND 48.

The PRESIDENT informed the Conference that M. Percerou wished to propose certain amendments.

M. PERCEROU (France) said that he had come to the conclusion after giving the text of the draft Regulation more careful examination that certain modifications were necessary.

The first dealt with the title of Chapter III. Originally this chapter had been entitled "Acceptance". It had been pointed out that this chapter dealt not only with acceptance but also with the presentment of the bill for acceptance and consequently the title had been completed in the following way: "Presentment and acceptance". M. Percerou thought that this change was, however, to be deprecated. As a matter of fact, presentment implied presentment for acceptance and especially presentment at payment, but this Chapter said nothing about presentment at payment. M. Percerou therefore thought that it would be better to return to the original title "Acceptance". Apart from that, it was obvious that a bill would have had to be presented for acceptance before it could be accepted.

The PRESIDENT agreed with M. Percerou, but thought the matter was not of very great importance.

M. PERCEROU said that his second point concerned the third paragraph of Article 45, which said:

"Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser."

He thought that the solution ought to be the same for the case where the giver of an "aval" had not given his address. From the moment, it had been thought desirable to mention the giver of an "aval" every time that the endorser was mentioned — M. Percerou was not of this opinion himself — it had become necessary to do the same thing here and to say: "Where an endorser or a giver of an 'aval' either has not specified his address. . .".

The PRESIDENT said that this observation of M. Percerou provided a new proof of the inconvenience of introducing questions of substance in the second reading. Personally, he did not approve of specifying the giver of an "aval" in all the articles. But the Conference had judged it expedient to decide otherwise and now found itself faced by the consequences of its decision.

In his opinion, the best thing would be to leave the text as it stood, since it would be impossible to say ". . . it is sufficient that notice should be given to the preceding endorser or giver of an 'aval'".

M. PERCEROU (France) said that he would not insist; he had merely wished to point out the fact.

The third paragraph of Article 45 was maintained unchanged.

M. PERCEROU'S (France) third remark concerned the second paragraph of Article 46, where it was said:

"This stipulation (*retour sans frais*) does not release the holder from presenting the bill within the prescribed time, nor from giving notice of dishonour to a preceding endorser or the drawer. . . ."

M. Percerou pointed out that it would also be necessary to refer to the giver of an "aval", since the Conference had decided to mention him expressly. Further, he thought it best to stop after the words "nor from giving notice of dishonour". The context would show to whom this notice of dishonour ought to be given.

The proposal of M. Percerou was adopted.

M. PERCEROU (France) made the same proposal concerning sub-paragraph 3 of Article 48, for which he proposed the following text:

"3. The expenses of protest and of the notices given by the holder, as well as other expenses".

M. VAN NIEROP (Netherlands) thought it would be better to delete the words "by the holder", for there might be more than one holder. He asked the Conference to imagine four holders: A, B, C and D. Holder D, for example, had given notice to holder C and holder C to holder A. In such a case, confusion might arise between the holders.

M. PERCEROU (France) would accept the following wording:

"3. The expenses of protest and of the notices given, as well as other expenses".

This text was adopted.

ARTICLE 60.

The PRESIDENT asked the Netherlands delegation if it was satisfied by the last wording that had been proposed.

M. VAN NIEROP (Netherlands) reminded the President that he had promised to give them a reply to the following question : Should intervention always be made by a person domiciled at the place of payment? This was a serious question.

The PRESIDENT declared that M. Ekeberg and himself had replied in the affirmative at the previous meeting.

M. Percerou had proposed a simple drafting alteration without any difference of substance to the text amended by M. Ekeberg. The article would then read as follows :

“ If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need, the holder must present the bill to all these persons and, if necessary, have a protest. . .”

The article, as amended, was adopted.

ARTICLE 64.¹

The PRESIDENT said that there was an Italian amendment to Article 64. This article was connected with Article 67 and with Article 68, to which there was a Danish-Finnish amendment.

M. GRÖNVALL (Finland) said that the Danish-Finnish amendment was independent of the Italian amendment and that the Danish and Finnish delegations maintained it.

The PRESIDENT said that the Italian amendment on Article 64 suggested that the following paragraph should be added between the first and second paragraphs :

“ If a bill is issued in one part, the drawer cannot refuse to issue other parts if the holder asks him and pays the expenses.”

Attention should be drawn to the fact that provision had been made first for one part which could be endorsed several times and that after a certain number of endorsements had been made a holder might wish to possess several parts.

M. SULKOWSKI (Poland) foresaw two possibilities : either the Conference should keep Article 64 as it stood or it should return to the text of The Hague (Article 63). It seemed to him that the Italian delegation might be satisfied by the latter step.

The PRESIDENT read the text of The Hague, which was as follows :

“ A bill of exchange can be drawn in two or more identical parts.

“ These parts must be numbered in the body of the instrument, in default of which each part is considered as a separate bill of exchange.

“ Every holder of a bill which does not specify that it has been drawn as a sola bill may, at his own expense, require the delivery of two or more parts. For this purpose, he must address himself to his immediate endorser, who is bound to help him in proceeding against his own endorser, and so on in the series until the drawer is reached. The endorsers are bound to reproduce these endorsements on the new parts of the set ”.

M. QUASSOWSKI (Germany) approved of the reinsertion of the Hague text, which would make it possible to issue several parts of a bill of exchange, even after the issue of the bill.

M. GIANNINI (Italy), in the name of the Italian delegation, accepted this proposal.

The text of The Hague was adopted by 18 votes to 4.

ARTICLE 68.

The PRESIDENT informed the Conference of the Danish-Finnish amendment, which consisted in adding the following paragraph to Article 68 :

“ Where the original instrument after the last endorsement before the making of the copy contains a clause ‘ commencing from here an endorsement is only valid if made on the copy ’, or some equivalent formula, a subsequent endorsement on the origin is null and void.”

M. QUASSOWSKI (Germany) thought that it would be useful to adopt this provision. The legal situation was the following. If an original and a copy existed, the two instruments could both be endorsed. It was obvious that this situation was dangerous for the parties concerned, whether for the holder or the debtor. The provisions proposed gave the holder the possibility of preventing the transfer of the original, since only the copy might be endorsed. From the point of view of safeguarding the circulation of bills, this provision was excellent.

M. GIANNINI (Italy) accepted this proposal.

¹ The Drafting Committee proposed the following text :

“ La lettre de change peut être tirée en plusieurs exemplaires identiques.

“ Ces exemplaires doivent être numérotés et chacun d’eux doit indiquer dans le texte même du titre, outre son numéro, le nombre d’exemplaires émis. Si le nombre d’exemplaires émis n’est pas indiqué sur l’un d’eux, celui-ci est considéré comme une lettre de change distincte.”

Baron MARKS VON WÜRTEMBERG (Sweden) declared in the name of the Swedish delegation that he considered the Danish-Finnish proposal justified.

M. HERMANN-OTAVSKY (Czechoslovakia) was also prepared to accept this proposal.

The Danish-Finnish amendment was adopted unanimously.

The PRESIDENT said that there was a Czechoslovak amendment to Article 68 suggesting that the word "détenteur" (person in possession) should be replaced by the word "dépositaire" (depository).

This amendment was rejected by 9 votes to 5.

Article 68, as amended, was adopted.

ARTICLE 77.

The PRESIDENT declared that this article raised the question of "avals" on promissory notes. The Italian delegation had drawn up an amendment which helped to clear up the situation. It proposed that the following paragraph should be added at the end of Article 77 :

"The following provisions are also applicable to a promissory note : provisions relating to guarantee by 'aval' (Articles 30 to 32); in the case provided for in Article 31, last paragraph if the 'aval' does not specify on whose behalf it has been given, it is deemed to have been given on behalf of the maker of the promissory note."

The amendment was adopted.

The PRESIDENT pointed out that the adoption of this amendment entailed the deletion of the following mention in the list contained in the first paragraph of Article 77 : "Guarantee by 'aval' (Articles 30 to 32)".

This deletion was approved.

Article 77 was adopted.

ARTICLE 45 (Continuation).

The PRESIDENT said that M. Sulkowski had just drawn his attention to a slight omission in connection with Article 45. The first paragraph stipulated that the holder must give notice of non-acceptance or non-payment to his endorsers and to the drawer, but without mentioning givers of "avals". On the other hand, the second paragraph contained the following supplementary provision :

"The same notifications must be brought to the notice of the *avaliseurs*."

The President proposed, therefore, to alter the first two paragraphs as follows :

"The holder must give notice of non-acceptance or non-payment to his endorser and to the drawer within the four business days which follow the day for protest or, in case of a stipulation "*retour sans frais*", the day for presentment. Every endorser must, within the two business days following the day on which he receives notice, notify his endorser of the notice he has received, mentioning the names and addresses of those who have given the previous notice, and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.

"When, in conformity with the preceding paragraph, notice is given to a person who has signed a bill of exchange, the same notice must be given within the same limit of time to his *avaliseurs*."

This text was adopted.

Article 45, as amended, was adopted.

45. Discussion of the Reservations : Second Reading (Continuation).

ARTICLE 7 (Continuation).

The PRESIDENT reminded the Conference that the debate had been adjourned at the moment when it had been discussing the question raised by M. van Nierop concerning Article 7 whether an instrument payable in foreign currency by a cheque drawn on a foreign bank did, or did not, constitute a bill of exchange.

M. VAN NIEROP (Netherlands) said that two reproaches had been made against him ; one, that the question he had raised could not be connected with Article 7 ; and the other, that if he was going to raise this question, he ought to have done so during the discussion on Article 1 or during the debate on the chapter concerning payment.

M. van Nierop thought that the first argument raised a preliminary question. It was necessary to know exactly whether the stipulation for effective payment did, or did not, include payment by cheque. If the Conference agreed on this point, M. van Nierop would deal with the second argument which had been made : that this question should have been raised at the beginning of the work of the Conference or at the time when it had discussed the chapter on payment.

In reply, he said that there had been no reason for him to do so, because personally he had had no doubts that a bill of exchange, containing the stipulation for effective payment when it concerned payment by cheque, was, according to the Regulation which had been drawn up and discussed by the Conference at considerable length, a true bill of exchange. In so thinking, he had been in agreement with all men of business and bankers, not only at this Conference, but all over the world. Before the present meeting, he had consulted several Genevese banks on

this very question. Everywhere the reply had been that there was no doubt that a bill of exchange with the stipulation "payable by cheque" was a true bill of exchange and treated as such. All banks endorsed it, presented it for payment and, if there was need, presented it for protest, in the same way as they exercised their right of recourse for a bill of exchange of this kind.

M. van Nierop emphasised the advantage of drawing up such bills of exchange; they provided protection for the drawer. Suppose, for example, that the drawer was a wine merchant in Bordeaux who sold his wine in the Netherlands, or a fruit farmer of Messina who sent his oranges to Amsterdam, or a manufacturer of Manchester who sold his cotton goods in India, China or the Netherlands, or a manufacturer of leather goods in Vienna. Such manufacturers usually sold their goods abroad in their own currency. If they followed the general rule by writing nothing on the bill, it would be converted in Amsterdam, for example, into Dutch currency. After that, it had to be converted again, since the sum had to be sent abroad by cheque or otherwise to the country of the drawer. The result was that two conversions took place which might be profitable to the banker, but not to the drawer. Moreover, if the bill had been drawn on an unimportant place where there was no exchange market, the drawer ran a greater risk of being defrauded by these two conversions.

Merchants asked for payment in their own currency to avoid such inconvenience. They might ask for effective payment in banknotes; but in Amsterdam, for example, would there be enough French banknotes to pay for the wine that came from France or enough English notes to pay for the cotton goods that came from Manchester, or enough Austrian schillings to pay for the leather goods of Vienna?

It was as a measure of self-protection that foreign business men had to draw up bills of exchange containing the stipulation: payment by cheque on London, on Rome, on Paris, or on Vienna, etc. This stipulation was more and more used, especially since the war, and particularly for bills of exchange drawn on Oriental countries.

It was possible that from a strictly legal point of view an instrument of this kind might be said not to be a bill of exchange; but M. van Nierop did not think that the Dutch Commercial Code stipulated that a bill of exchange ought to be paid in effective currency in hard cash. But even if it was so, was it the Conference's business to codify what was already out of fashion and to draw up a law that would only be put on the shelf? No, it was the desire of the Conference to accomplish practical and useful work for the future. As the Italian delegation had said, this Regulation ought to be infused by the vitality of industry and commerce. Otherwise, what would happen? People would go on creating bills of exchange, but they would be putting paper into circulation of the nature of which they were ignorant, and serious difficulties might result.

Moreover, to take a very pedantic point of view, why had the Conference allowed clearing-houses? M. van Nierop knew quite well that the reply would be: because they were recognised by law. But he would answer that the work these houses did was not payment by set-off (*compensation*) in the strict sense of the words. It was new discount, an operation that was not recognised by the Dutch civil law, and M. van Nierop believed that it was the same in the French civil law. The Conference had therefore agreed that a bill of exchange could be dealt with otherwise than by effective payment, according to commercial customs.

Finally, M. van Nierop considered that it was indispensable for the Conference to give its opinion on this point. If it was unwilling to allow that a bill of exchange with the stipulation "payable by cheque" was a real bill of exchange — and it was certainly its right to do so — they ought to say so in the Regulation itself; otherwise, there would be the risk that business men would not know the exact value of this paper. It was an indisputable fact that cheques were replacing money more and more. If the Conference was unwilling to admit the stipulation in question, they ought to say so clearly.

M. SULKOWSKI (Poland) said that the statement made by M. van Nierop was of great interest. In spite of that, he did not see any connection between this statement and the question actually under discussion — namely, the reservation on Article 41. He thought that the point raised by M. van Nierop ought to have been examined at the moment when the Conference defined the meaning of a bill of exchange. Nevertheless, M. Sulkowski wished, in his turn, to make the following observations. He reminded the Conference that M. van Nierop had quoted the case in which a drawer had stipulated on a bill of exchange that payment ought to be made by cheque and not in hard cash. In the view of M. Sulkowski, an instrument containing such a clause was not a bill of exchange, for the main characteristic of a bill of exchange was that it must be paid in cash. He drew the attention of the Conference to the numerous complications that would doubtless arise if it allowed the point of view of M. van Nierop. He quoted as an example the case where payment had been made by a cheque. Once this payment had been made it might be thought that the matter was over. In spite of that, it could happen that the cheque given by the drawee to the holder had been issued without provision, and it might be noticed later that it had not been paid.

M. VAN NIEROP (Netherlands) pointed out that in that case the holder had the right of recourse for cheques.

M. SULKOWSKI (Poland) agreed that the holder would have this right, but thought that he lost the right of recourse arising from the bill of exchange because the extinction of his rights had in the meantime occurred.

In his opinion, there were two quite distinct questions being discussed at the present moment; that raised by M. van Nierop and that of the reservation to Article 41. In his opinion, there was no connection between the two.

He added that, in the case put forward by M. van Nierop — *i.e.*, payment of a bill of exchange by cheque — this payment was not effected in foreign currency, whereas the reservation to Article 41 provided the stipulation for effective payment in foreign currency. If the Conference admitted the point of view according to which a bill of exchange containing a stipulation that it was payable by cheque was not a true bill of exchange, it was obvious that the reservation on Article 41 would be yet further limited in scope and less dangerous than M. van Nierop seemed to think.

M. VISCHER (Switzerland) did not wish to discuss the substance of the question raised by M. van Nierop, and thought that the Conference would not be justified in settling this question by a vote or in giving, at the last moment, an authentic interpretation on the point in question.

In spite of that, he considered the Conference ought to decide on the reservation put forward by M. Sulkowski. Personally, he wished to make certain objections to this reservation because he thought that the conference ought not to provide *expressis verbis* for the possibility of measures which might injure rights that had at least been indirectly acquired. On the other hand, he understood M. Sulkowski's desire to safeguard himself against the risk of being accused of violating the international Convention. He was therefore quite ready to grant each contracting State full liberty to take such measures as it might deem necessary in exceptional circumstances — but with one reservation. Under Article 22, the contracting parties bound themselves to recognise the provisions adopted under Article 7 by all the other contracting parties. Consequently, each State would be compelled to recognise all the measures taken in virtue of Article 7. M. Vischer thought that this provision would bind the States too closely. He preferred to grant other States entire liberty not to recognise measures taken by a State in exceptional circumstances.

Consequently, a State that wished to take measures because of exceptional circumstances and to suspend the effects of the stipulation of effective payment would be quite free to do so ; but, on the other hand, the other contracting States would reserve the right not to recognise the effects of such measures in their countries. The actual result would be to confirm the present legal situation.

M. Vischer thought that this compromise might satisfy M. Sulkowski and, at the same time, satisfy the other States, which would thereby not be compelled to undertake an obligation that might lead them too far.

M. GIANNINI (Italy) reminded the Conference that two questions had been raised concerning Article 7. The first had been put by M. van Nierop, and, in this connection, M. Giannini reproached his Netherlands colleague for raising the problem at a moment when the Conference was reaching the end of its work. The attention of the Conference ought to have been drawn to this point at the time paragraph 2 of Article 1 was being discussed.

There remained the question of Article 7. Here M. Giannini asked the Conference to allow the word "suspend" to take the place of the words "set aside".

He drew M. Vischer's attention to the fact that if his point of view had been adopted — *i.e.*, if they had admitted that States might, or might not, recognise measures taken by a State in exceptional circumstances — the scope of this article would be severely limited and even annulled. Besides that, this question could be examined at the moment the Conference came to discuss Article 22.

As for the point raised by the Polish delegation, M. Giannini reminded the Conference that the Italian delegation had already declared that all the problems of public law or those concerning States' financial policy could not be regulated by a convention. If the Conference adopted too strict a rule in this matter, it would compel States to denounce the Convention.

It was precisely in order to avoid that grave danger that the formula concerning a temporary suspension of the effective payment clause had been adopted, and it was for that reason that it appeared to M. Giannini to be necessary to substitute the word "suspend" for the words "set aside", since the question was really one of suspension and not of setting aside.

In conclusion, the representative of Italy asked the Conference to be good enough to adopt the Polish proposal, it being understood that the Polish delegation would accept Article 7 as it would be redrafted.

M. PERCEROU (France) considered that the question raised by M. van Nierop was very important. He was of opinion that the Conference should make a recommendation in order that the matter could be studied at the same time as the question of cheques. At present, confusion arose from the fact that it was generally supposed that the cheque was equivalent to a bank-note, which was incorrect. A cheque was not currency, it was an instrument of payment. It was therefore necessary to study the question together with the problem of cheques.

M. DA MATTA (Portugal) was of M. Percerou's opinion. He recognised that the question raised by M. van Nierop was very important. Everyone who was familiar with commerce knew very well that the stipulation of payment by cheque was extremely frequent. At the same time, the problem could not be solved immediately ; time would have to be devoted to it, and the best plan would be to draft a recommendation on the subject which would appear in the Final Protocol of the Conference.

M. SULKOWSKI (Poland) accepted M. Giannini's suggestion to substitute the word "suspend" for the words "set aside". Nevertheless, he wished it to be understood that the word "suspend" implied the possibility of enacting provisions other than those laid down in Article 41, it being understood that those provisions might be only of a temporary character.

M. VISCHER (Switzerland) asked the President to be good enough to take a vote on whether Article 22 was applicable to Article 7. Personally, it was only in the negative that he would be able to accept the latter article.

M. SULKOWSKI (Poland) accepted M. Vischer's suggestion that the other States should not be bound to recognise measures taken by a State in exceptional circumstances.

The PRESIDENT asked the Conference whether it accepted the substitution of "suspend" for "set aside".

M. DA MATTA (Portugal) feared that the introduction of the verb "suspend" would create confusion in regard to the rights of a State. He would prefer to retain the words "set aside" or the words "suspend or modify the effects".

The PRESIDENT proposed the following formula :

"Each of the High Contracting Parties shall have the right . . . to derogate from the stipulation. . ."

M. Deoclecio DE CAMPOS (Brazil) considered that "derogation" was of a definite character, whereas "suspension" was of a temporary character.

The PRESIDENT was not of that opinion ; a State might derogate temporarily from a stipulation.

The formula suggested by the President was adopted.

The President pointed out that since M. Sulkowski had accepted M. Vischer's point of view that the other contracting parties were not bound to recognise the measures enacted by a State in exceptional circumstances, it was unnecessary to vote on whether Article 7 should be mentioned in Article 22.

The Président pointed out that the question raised by M. van Nierop remained open ; moreover, he had suggested that it should be considered in connection with the question of cheques.

M. GIANNINI (Italy) suggested that the Netherlands delegation should prepare a memorandum on the problem, which would be submitted to the Conference when it took up the question of cheques.

M. VAN NIEROP (Netherlands) personally accepted that suggestion, while making a reservation in regard to the opinion of the members of his delegation.

The PRESIDENT stated that for reasons of style it would be better for the article to read as follows :

"Each of the High Contracting Parties shall have the right . . . to derogate from the stipulation contained in Article 41 for effective payment. . ."

Article 7, as amended, was adopted.

ARTICLE 8. ¹

The PRESIDENT pointed out that the article had been completed by paragraph 2 :

"In the case provided for in the preceding paragraphs, an undated endorsement is presumed to have been made prior to the protest."

M. WEILLER (Italy) said that Article 8 referred to a simplification of the protest which was necessary in some cases. More correctly, it was the replacing of the protest by another formality. It concerned the declaration of the drawee who refused to pay.

The question was important for the Netherlands, but it was also important for Italy. Moreover, the same question had been settled in Article 9 of the Hague Reservations. There was, however, a difference. At The Hague it had been asked that the declaration should not only be dated, written on the bill and signed by the drawee, but also inscribed in a public register. The difference was very important from the technical point of view, since inscription in a register made the date certain and prevented incidents between the drawer and the drawee. It would, however, be logical to ask that the Hague stipulation should be adopted. There were certain States which did not make use of public registers. M. Weiller therefore proposed the addition of the following paragraph :

"Each of the High Contracting Parties may also prescribe that the said declaration shall be inscribed in a public register within the limit of time fixed for protests."

That addition might be useful to certain States and would inconvenience no one.

This proposal was adopted.

Article 8, as amended, was adopted.

¹ The Drafting Committee proposed the following texts :

"Article 8. — Chacune des Hautes Parties contractantes a la faculté de prescrire que les protêts à dresser sur son territoire peuvent être remplacés par une déclaration datée et écrite sur la lettre de change elle-même, signée par le tiré, sauf dans le cas où le tireur exige dans le texte de la lettre de change un protêt par acte authentique."

ARTICLE 9.¹

The PRESIDENT said that this article should read as follows : " By way of derogation from Article 44, paragraph 3. . . ". In several reservations, the words " of the uniform law " were incorrect. Why should they not be suppressed everywhere, since it was understood that the articles of the uniform law were always intended?

M. GIANNINI (Italy) considered, on the contrary, that the indication should be included everywhere.

Prince VARNVAIDYA (Siam) was of the same opinion.

The PRESIDENT agreed that the expression " Article . . . of the Uniform Law " should be inserted in each case, except in several articles which the Conference had still to consider and which referred to the Convention and not to the Uniform Regulation.

Article 9, as amended, was adopted.

ARTICLE 10.²

The PRESIDENT asked the Drafting Committee whether the text proposed had been accepted.

M. PERCEROU (France) wished to add the word " exact " after the words " to determine the ". It was necessary to know what fact represented stoppage of payment. It would therefore be advisable to determine the exact situation.

Article 10, as amended, was adopted.

ARTICLE 11.³

M. DUZMANS (Latvia) stated that there was no reason for limiting to paragraph 1 alone the reference to Article 45 of the Uniform Regulation. The words " paragraph 1 " should be suppressed and reference made to Article 45 as a whole.

This proposal was adopted.

The PRESIDENT drew attention to the fact that it seemed to be neither necessary nor expedient to say in this article " or promissory note ". In Article 19 of the Reservations, it was stated that the provisions of Articles 1 to 16 relating to bills of exchange also applied to promissory notes.

M. DUZMANS (Latvia) considered that that proposal affected Article 12.

The PRESIDENT replied that he would make the same proposal in regard to Article 12.

M. DUZMANS (Latvia) thought that Article 19 should read : " The provisions of Articles 1 to 10 and 13 to 16 ", instead of " 1 to 16 ". The question could be settled either by a revision of Article 19 in that sense or the adoption of the President's proposal.

The PRESIDENT explained that the system adopted by the Drafting Committee was as follows : In Article 19, it was indicated which articles in the reservations referred also to promissory notes. When the Conference considered Article 19, the question raised by M. Duzmans would be taken into account. If the system of the experts was adopted, it would not be necessary to refer to promissory notes in a special article.

M. DUZMANS (Latvia) agreed.

M. VAN NIEROP (Netherlands) asked why the words " maintained or introduced " had been used. In the Hague system, " maintain " only was used. The States, however, which did not follow that system were not obliged to adopt it. Indeed, if a public officer forgot to give the

¹ The Drafting Committee proposed the following texts :

" Article 9. — Par dérogation à l'article 44, alinéa 2 de la loi uniforme, chacune des Hautes Parties contractantes a la faculté de prescrire que le protêt faute de paiement doit être dressé soit le jour où la lettre de change est payable, soit l'un des deux jours ouvrables qui suivent."

² " Article 10. — Il est réservé à la législation de chacune des Hautes Parties contractantes de déterminer les situations juridiques visées à l'article 43 N^{os} 2 et 3 et à l'article 44 alinéas 5 et 6."

³ " Article 11. — Par dérogation de l'article 45, alinéa premier de la loi uniforme, chacune des Hautes Parties contractantes a la faculté de maintenir ou d'introduire le système d'avis à donner par l'Officier public, savoir : qu'en effectuant le protêt faute d'acceptation ou faute de paiement, le notaire ou le fonctionnaire qui, d'après la loi nationale, est autorisé à dresser le protêt est tenu d'en donner avis par écrit à celles des personnes obligées dans la lettre de change ou dans le billet à ordre dont les adresses sont soit indiquées sur la lettre de change ou le billet à ordre, soit connues par l'Officier public dressant le protêt, soit indiquées par les personnes ayant exigé le protêt. Les dépenses résultant d'un tel avis sont à ajouter aux frais de protêt."

requisite notice, the right of recourse might be lost. That was the case in England. He was often, however, a minor official from whom damages could not be recovered.

The suppression of the words " or introduced " was rejected by 7 votes to 7.

M. VAN NIEROP (Netherlands) asked why reference was made to the addresses " known to the public official drawing up the protest ", while in Article 45 it was stipulated that when an endorser had not specified his address or had specified it in an illegible manner it sufficed that notice should be given to the preceding endorser. Why was reference not made also to the addresses which were known to the holder ?

The PRESIDENT replied that it was much easier for a public official to know the address than any holder.

Article II, with the suppression of the two references to promissory notes, was adopted.

ARTICLE 12.¹

The PRESIDENT proposed that here also the mention of promissory notes should be suppressed.

Approved.

M. QUASSOWSKI (Germany) noted that when under a national legislation there was only one legal rate of interest in force applicable to all situations, it was that rate which was also valid in exchange matters.

If, however, there were several legal rates of interest, among which was a special rate for exchange matters, M. Quassowski presumed that it was the special exchange legal rate which was applicable under Article 12.

The PRESIDENT replied in the affirmative.

M. QUASSOWSKI (Germany) had considered it desirable that that interpretation of the article should be established for States, such as Germany, which had several legal rates of interest.

M. VISCHER (Switzerland) observed that Article 12, paragraph 2, of the Hague Convention contained rules relating to the rate of interest running from the commencement of an action at law (*intérêts de procès*). M. Vischer did not ask that a similar passage should be inserted in the present Convention on reservations, but that it should be noted that the States were free to fix the interest.

M. GIANNINI (Italy) said that it was not for the Drafting Committee to prepare a formula for with nobody had asked. Indeed the Conference had merely proposed the paragraph reproduced in Article 12. The question raised by M. Vischer would lead to numerous difficulties. In that paragraph, it was laid down that there should be an ordinary rate of 5 per cent or 6 per cent, while it had been considered preferable not to fix a rule in this matter. If it were desired to take that factor into consideration, it would be necessary to modify the system laid down in the paragraph. The question was, however, too complicated to be solved hurriedly at the end of the Conference.

M. VISCHER (Switzerland) simply desired to have it stated that the question was not settled.

M. GIANNINI (Italy) confirmed that that was the case.

Article 12, as amended, was adopted.

ARTICLE 13.

The PRESIDENT stated that there was a new article containing a reservation in regard to commission. He proposed first of all, however, to consider the present Article 13.

Article 13 was adopted.

ARTICLE 13 (New).

The PRESIDENT opened the discussion on the new Article 13, which was as follows :

" By derogation from Article 48 of the Uniform Law, each of the High Contracting Parties reserves the right to insert in its national law a rule prescribing that the holder may claim from the party against whom he is exercising his right of recourse a commission, the amount of which shall be determined by the national law.

" The same applies by derogation from Article 49 to a person who, having taken up and paid the bill of exchange, claims the amount from the parties liable to him."

M. DA MATIA (Portugal) considered that the formula " by derogation from Articles 48 and 49 " was not correct. In reality, it was not a derogation but a possibility for which provision was not made in the aforementioned articles.

¹ The Drafting Committee proposed the following text :

" Chacune des Hautes Parties contractantes a la faculté de prescrire, en ce qui concerne les lettres de change et billets à ordre qui sont à la fois émis et payables sur son territoire, que le taux d'intérêt, dont il est question à l'article 48, N° 2, et à l'article 49, N° 2 de la loi uniforme, pourra être remplacé par le taux légal en vigueur dans le territoire de cette Haute Partie contractante."

The PRESIDENT did not believe that the question was very important. If the amounts indicated in Articles 48 and 49 were considered as restrictive, it could be said that there was a derogation from Article 48.

M. DA MATTA (Portugal) would not press the point.

Article 13 (new) was adopted.

M. GIANNINI (Italy) observed that for the final text it would be necessary to note that Article 13 of the printed text would become Article 11, Article 11 would become Article 12, and Article 12 would become Article 13. The article which the Conference had just adopted would be Article 14, and the rest of the numbering would have to be modified in consequence.

The PRESIDENT took note of this observation.

ARTICLE 15 (former Article 14).

This article was adopted.

ARTICLE 16¹ (former Article 15).

The PRESIDENT asked the Drafting Committee whether, in its opinion, it was desirable to maintain this article.

M. GIANNINI (Italy) replied in the affirmative.

The PRESIDENT observed that in the Convention on Conflicts of Laws there was an Article 6 which corresponded with Article 14 of the Hague Convention.

M. GIANNINI (Italy) thought that it would be desirable to suppress the words " and of the Convention . . . signed this day ".

The PRESIDENT was of that opinion, but believed that it would have been better to suppress the whole article.

M. PERCEROU (France) did not agree that Article 16 of the present Convention and Article 6 of the Convention on Conflicts of Laws concerned two distinct questions.

The article was maintained with the amendment proposed by M. Giannini.

ARTICLE 17² (former Article 16).

M. MOLENGRAAFF (Netherlands) considered that, in view of the explanations given by M. Giannini at the preceding meeting in regard to the second paragraph of Article 5, it would be preferable to modify the second paragraph of the new Article 17 and to say : " The other High Contracting Parties are entitled not to recognise such clauses." If, on the contrary, the article read : " The other High Contracting Parties are entitled to determine the conditions subject to which they will recognise such clauses ", it would appear to indicate that they were bound to recognise them, subject to conditions which they would determine. It followed, however, from the explanation furnished at the previous meeting by M. Giannini that they were free to recognise or not to recognise them.

The PRESIDENT stated that when M. Giannini had submitted his observation on Article 5 he had had the same impression as M. Molengraaff in regard to Article 17. Evidently it would be possible to employ the subterfuge of fixing impossible conditions, but it was none the less true that, in principle, according to the article, the other High Contracting Parties would have to recognise such causes. The President believed that the intention of the Conference was that the other High Contracting Parties had a right either to recognise or not to recognise the causes.

M. GIANNINI (Italy) considered that the other High Contracting Parties were not entitled not to recognise such causes, but that they had to recognise them under certain conditions.

The PRESIDENT replied that if that was the case it would be advisable to maintain the text.

¹ The Drafting Committee proposed the following text :

" La question de savoir si le tireur est obligé de fournir provision à l'échéance et si le porteur a des droits spéciaux sur cette provision reste en dehors de la loi uniforme et de la convention... signée en date d'aujourd'hui.

" Il en est de même pour toute autre question concernant le rapport sur la base duquel a été émise la traite."

² The Drafting Committee proposed the following text :

" C'est à la législation de chacune des Hautes Parties contractantes qu'il appartient de déterminer les causes d'interruption et de suspension de la prescription des actions résultant d'une lettre de change dont ses tribunaux ont à connaître.

" Les autres Hautes Parties contractantes ont la faculté de déterminer les conditions auxquelles ils reconnaîtront de pareilles causes. Il en est de même de l'effet d'une action comme moyen de faire courir le délai de prescription prévu par l'article 71, alinéa 3 de la loi uniforme."

M. MOLENGRAAFF (Netherlands) would confine himself to asking for an explanation. In his opinion, the present text was not in conformity with the explanation given by M. Giannini at the previous meeting in regard to Article 5.

M. GIANNINI (Italy) replied that the Conference was at liberty to do what it desired. The formulæ adopted at the first reading were those of The Hague, but what was the Hague system? There were certain reservations in regard to which the States had no freedom of choice and which they were compelled to recognise.

There were two — precisely those which were the object of the existing Articles 5 and 17 — which the States had to recognise, but in regard to which they were entitled to make certain conditions.

The PRESIDENT pointed out that that was exactly what followed from the text.

M. MOLENGRAAFF (Netherlands) said that he had not asked for the modification of the text, but that he had wished to know its exact meaning.

The PRESIDENT asked whether the Conference was in agreement that Articles 5 and 17 should be considered as involving an obligation to recognise the causes in question. It was understood that in that case the High Contracting Parties might lay down very embarrassing conditions. At the same time, they could not refuse to recognise those causes.

M. GIANNINI (Italy) added that they might, for instance, lay down the condition of reciprocity.
Article 17 was maintained.

ARTICLE 18 (former Article 17).

M. VISCHER (Switzerland) pointed out that the Conference had decided to insert in the Convention a provision similar to the third paragraph of Article 24 of the Hague Convention, which was as follows :

“ The States also will give to the said Government a list of the legal holidays and other days when payment cannot be demanded in their respective countries.”

M. Vischer wished the Conference to insert a recommendation in order to ensure the communication of these lists.

The PRESIDENT replied that M. Vischer would be able to propose a recommendation to that effect for insertion in the Final Act.

Article 18 was adopted.

ARTICLE 19¹ (former Article 18).

The PRESIDENT considered that it would be preferable to use the word “ titres ” in the French text instead of “ effets ” in order to avoid any misunderstanding.

M. Deoclecio DE CAMPOS (Brazil) proposed that the text should be drafted as follows :

“ ...For the instruments referred to in Article 75 (1), or may exempt *them* from any special denomination...”

M. QUASSOWSKI (Germany) observed that it would be necessary to say : “ referred to in Article 75 (1) of the Uniform Law ”, as in Article 10.

Article 19 was adopted in the following form :

“ Each of the High Contracting Parties may determine the denomination to be adopted in the national laws for the instruments referred to in Article 75 of the Uniform Law, or may exempt them from any special denomination, provided that they contain an express mention that they are drawn to order.”

ARTICLE 20² (former Article 19).

The PRESIDENT remarked that, in view of the changed numbering of the articles, it would be necessary to consider whether the first words of Article 20 : “ The provisions of Articles 1 to 16. . . ” should not be changed. In the Drafting Committee's original text, the reservation in regard to cover referred also to promissory notes. The President at first sight thought that the question of cover did not apply to promissory notes. Article 21 of the Hague Convention stated : “ The provisions of Articles 2 to 13 and 15 to 20 . . . apply equally to promissory notes ”, but Article 14, which referred to cover, was not mentioned.

¹ The Drafting Committee proposed the following text :

“ Chacune des Hautes Parties contractantes peut déterminer la dénomination à adopter dans les lois nationales pour les titres visés à l'article 75, N° 1, ou dispenser ces effets de toute dénomination spéciale, pourvu qu'ils contiennent l'indication expresse qu'ils sont à ordre.”

² The Drafting Committee proposed the following text :

“ Les dispositions des articles 1 à 16, relatives à la lettre de change, s'appliquent également au billet à ordre.”

Returning to Article 20 (former Article 19) the President asked whether it would be advisable to say : " The provisions of Articles 1 to 16 " or " the provisions of Articles 1 to 18 ".

M. PERCEROU (France) proposed that Articles 1 to 18 should be mentioned.

M. GIANNINI (Italy) asked that, in order to avoid any confusion, the words " of the present annex " should be added after " the provisions of Articles 1 to 18 ".

With these amendments, Article 20 was adopted.

ARTICLE 21¹ (former Article 20).

In order to avoid any misunderstanding, the PRESIDENT asked that the words " of the Convention " should be added after " in Article 1 " to indicate that the latter did not refer to the uniform law.

On the other hand, the first part of the second paragraph did not seem to the President to be very clear. He wondered whether it would not be possible to find a better text.

M. PERCEROU (France) was of the same opinion and proposed the following text :

" Each of the High Contracting Parties further reserves the right to embody the provisions concerning promissory notes in a special regulation. . . "

This text was adopted.

The PRESIDENT did not think that the articles enumerated in this paragraph were correct.

M. GIANNINI (Italy) replied that the old numbering had been used. The reference was actually to Articles 75, 76, 77 and 78 of the Uniform Law and Article 20, not of the present Convention, but of the present annex.

Article 21, as amended, was adopted.

ARTICLE 22² (former Article 21).

The PRESIDENT noted that this article did not appear in the Hague Convention. He could not remember whether it had been discussed by the Conference at a first reading. He enquired in what conditions and in what circumstances it had been drafted.

M. PERCEROU (France) explained that the article was intended to authorise a State in the event of earthquakes, floods, etc., to call a moratorium. It often happened that in such circumstances a country was obliged for the time being to suspend maturities, or in any case the time-limit fixed for protest, in the region affected.

M. Deoclecio DE CAMPOS (Brazil) considered that the drafting of the article was too general and that it would be necessary to explain its terms.

The PRESIDENT was not certain that that question had been discussed in plenary meeting, nevertheless he was willing to allow it. He was of opinion that the article was not very clear.

M. PERCEROU (France) proposed the following formula, in order to give satisfaction to the President and to M. Deoclecio de Campos :

" Each of the High Contracting Parties has the right to adopt exceptional measures of a general nature. . . "

M. GIANNINI (Italy) proposed the following formula in order to put the provision in harmony with the other articles :

" Each of the High Contracting Parties has the right to adopt exceptional measures of a general nature relating to the extension of the limits of time for conservatory measures in relation to recourse (*actes conservatoire des recours*) and to the extension of maturities ".

This wording was adopted.

¹ The Drafting Committee proposed the following text :

" Chacune des Hautes Parties contractantes se réserve la faculté de restreindre l'engagement mentionné dans l'article premier aux seules dispositions sur la lettre de change et de ne pas introduire dans son territoire les dispositions sur le billet à ordre contenues dans le titre II de la loi uniforme. Dans ce cas, la Haute Partie contractante qui a profité de cette réserve ne sera considérée comme partie contractante que pour ce qui concerne la lettre de change.

" Chacune des Hautes Parties contractantes se réserve également la faculté de faire des dispositions concernant le billet à ordre un règlement spécial qui sera entièrement conforme aux stipulations du titre II de la loi uniforme et qui reproduira les règles sur la lettre de change auxquelles il est renvoyé, sous les seules modifications résultant des articles 77, 78, 79 et 80 de la loi uniforme et de l'article 18 de la présente convention. "

² The Drafting Committee proposed the following text :

" Sont réservées à la législation de chacune des Hautes Parties contractantes, les dispositions exceptionnelles d'ordre général relatives à la prorogation des délais concernant les actes conservatoires des recours et à la prorogation des échéances. "

M. WEILLER (Italy) thought that the Conference had forgotten to consider a very important point — amortisation. That question should be the object of a reservation. It would be desirable to adopt Article 15 of the Hague Convention and to insert it after the questions of general interest.

The PRESIDENT said that that reservation had not been discussed during the first reading. In the experts' draft of the Uniform Regulation, there was absolutely nothing on the point. Article 9 of the Convention on Conflicts of Laws read :

“ The steps to be taken in case of the loss or theft of a bill of exchange or promissory note are determined by the law of the country in which the bill of exchange or promissory note is payable.”

The words “ or in case of the holder's bankruptcy ” had been suppressed in accordance with an Italian amendment. It was therefore unnecessary to adopt the reservation in question.

M. WEILLER (Italy) said that there was a reservation in the Regulation in regard to cover. If the Conference desired to adopt the proposal which he had made in regard to amortisation, some words of explanation could appear in the report.

M. GIANNINI (Italy) said that it would be necessary to point out in the report that the uniform law did not settle the whole matter and that certain questions were reserved to the national laws. The case of amortisation could be mentioned.

The PRESIDENT considered that it was not sufficient simply to say in the report that certain questions were outside the scope of the Uniform Regulation and to instance amortisation as an example. Moreover, Article 9 would appear to govern the question.

M. GIANNINI (Italy) asked what would happen if a State signed the Uniform Regulation but not the Convention on Conflicts of Laws.

The PRESIDENT replied that the report could state that for States which did not accede to the Convention on Conflicts of Laws the question remained open.

M. SULKOWSKI (Poland) asked that an express provision should state that this question was reserved to the national legislations. He did not consider that the Conference should confine itself to mentioning the matter in the report, for that might give rise to misunderstandings. It would be desirable to draw up a new article and to revert to the reservation appearing in the Hague Convention.

The PRESIDENT read Article 15 of the Hague text.

M. QUASSOWSKI (Germany) stated that it was not possible to make reservations on every question. Some questions could obviously be settled by the national law, even if that were not stated in express reservations. That was so in regard to the regulating of the form of the protest. It could therefore be stated in the report that certain questions could be settled by the national law, even if they were not the object of reservations.

The PRESIDENT thought that the Committee of Experts was of that opinion, since they had made no provision in that connection in the Uniform Regulation. The question of amortisation was therefore, in his view, reserved to the national law.

M. GIANNINI (Italy) said that certain articles of the uniform law had been adopted for reasons of expediency and not of necessity. If it were stated that certain questions remained outside the scope of the uniform law, that would not mean that the list of matters on which States had entire freedom was exhausted. There was no objection to saying in the report that all questions not dealt with in the uniform law were reserved to the national law.

Article 22 was adopted.

ARTICLE 23¹ (former Article 22).

M. GIANNINI (Italy) drew the attention of his colleagues to the mention of Article 18. He also drew attention to Article 22, which referred to the same situation as that in Article 7. Since it had been agreed to leave Article 7 on one side, M. Giannini thought that the same action should be taken in regard to Article 22.

The PRESIDENT thought it would be preferable to mention Articles 18 to 21.

M. ALBRECHT (Germany) proposed to suppress Article 23. He was in doubt as to its meaning. If the article meant merely that the States which made use of one or other of the reservations were not acting in violation of the Convention, that was obvious and the provision was superfluous. If, however, the provision contained an undertaking by States to see that all the measures taken by the other States in virtue of the reservations mentioned in Article 23 were acted upon by their courts, that clause would appear to be very dangerous.

¹ The Drafting Committee proposed the following text :

“ Chacune des Hautes Parties contractantes s'engage à reconnaître les dispositions adoptées par toute Haute Partie contractante en vertu des articles 1 à 4 et 6 à 22.”

There were three kinds of reservations. Some permitted the contracting parties to introduce, by derogation from certain articles of the uniform law, a different system, as, for instance, in Article 3 and certain other articles. The States would decide at the time of ratification whether they would avail themselves of that right. Other reservations referred to the future legislation of the contracting parties by derogation from certain provisions of the uniform law — for instance, in Article 8 and Article 22. It was not possible at present to say what measures States might take in virtue of Article 8 or Article 22.

Finally, there were in this chapter some provisions in virtue of which certain questions remained outside the uniform law and would be settled by the national legislations. After the first reading of this chapter, the Conference had adopted the Convention on Conflicts of Laws, which would deal also with the acknowledgment of measures to be taken in the territories of the contracting parties.

It seemed that, if the article were accepted, there would be two different systems for the States which accepted the Convention and for the States which did not accept it, but which desired that the rules should be recognised by the other States in virtue of Article 23.

It would be advisable to encourage States to adopt the Convention on Conflicts of Laws and for that reason to suppress Article 23.

In regard to the questions not settled in the Convention on Conflicts of Laws, Governments could not undertake in advance to recognise the unknown measures which other States might take in future. Such recognition could in fact be compared with a bill of exchange in blank, signed by one State which could be completed by other States.

In regard to the category of reservations which left certain matters to the national legislations, it seemed that the recognition of those measures should be stipulated in Article 23. States could not be compelled to recognise the whole legislation of another State in regard to a certain matter. The engagement undertaken in Article 23 would be quite vague and would give rise to international difficulties which should be avoided.

For those reasons, he asked that Article 23 should be suppressed.

M. SULKOWSKI (Poland) was of opinion that it was extremely important to maintain the principle established by Article 23 — namely, that the reservations of a State had to be recognised by other States. For instance, there was a reservation which provided that protest could be replaced by a declaration made by the drawee. According to M. Albrecht's suggestion, Germany, for instance, might say: "The protest not having been drawn up in an authenticated document, the bill of exchange must be considered forfeited".

To take another example, Article 19 contained the reservation that an instrument which did not contain the denomination "bill of exchange" should be considered as a promissory note, provided that it contained the clause "to order". A State might say, however: "An instrument which does not contain the denomination 'bill of exchange' is not equivalent to a promissory note".

Such would be the consequences of the suppression of Article 23. There was every necessity for maintaining the article, with the exceptions suggested by M. Giannini. The reservations which had to be recognised by other States were of the same nature. If the case were otherwise, what purpose would they serve?

M. ALBRECHT (Germany) pointed out that M. Sulkowski had quoted the article referring to the replacing of the "protest by authenticated document" by a written declaration. M. Albrecht considered that the example proved that Article 23 could very well be suppressed. If the Conference adopted that point of view, the result would be that the national legislation of each State on private international law would have to decide whether a State could, or could not, recognise such protest. On the other hand, the Conference had settled the question in the Convention on Conflicts of Laws in connection with the provision concerning the form of the protest. In M. Albrecht's opinion, the second example quoted by M. Sulkowski relating to the denomination of the promissory note was also convincing. It was the national legislation of each State on private international law which would decide the matter of promissory notes issued abroad.

In conclusion, M. Albrecht stated that if the Conference wished to give Article 23 a wider meaning than that which he had explained it would be dangerous to retain it and expedient to suppress it.

The PRESIDENT asked the Conference whether it accepted the article which M. Giannini had read.

The proposal to suppress Article 23 was rejected by 9 votes to 8.

The article was maintained.

M. SMETS (Secretary of the Conference) said that it would be better to add "Article 19" to the last line of Article 21 and to say: ". . . and of Articles 19 and 20 of the present Annex".

This addition was adopted.

The Annex was adopted as a whole at a second reading.

THIRTY-FIRST MEETING.

Held on June 4th, 1930, at 10.30 a.m

President: M. J. LIMBURG.

46. Discussion of the Draft Convention providing Uniform Regulations on Bills of Exchange and Promissory Notes : Second Reading.¹

INTRODUCTORY CONVENTION.²

The PRESIDENT proposed the insertion after the names of the various heads of States of the following text :

“ Being desirous of avoiding the difficulties caused by differences in the laws of countries in which bills of exchange circulate and of thus giving more security and stimulus to international trade relations ;

“ Have appointed. . . ”

This addition was adopted.

ARTICLE I.³

The PRESIDENT pointed out that during the discussion of the reservations at the previous meeting the chairman of the Drafting Committee, in alluding to the blank which had to be filled in in Article I, had announced that a text had already been prepared which established three kinds of reservations :

1. Reservations to be presented at the latest at the time of ratification ;
2. Reservations which could still be presented after ratification ;
3. Among the latter reservations, there were two which would take effect not on the ninetieth day but two days after notification.

According to that proposal, Article I would be drawn up as follows :

First and second paragraphs, no change.

Third paragraph, the blank would be completed by the inclusion of Articles 8, 12, and 18.

Finally, it would be advisable to add a fourth paragraph as follows :

“ Each of the High Contracting Parties may, in urgent cases, make use of the reservations contained in Articles 7 and 22, after ratification or accession. In such cases, they must immediately notify direct all other High Contracting Parties and the Secretary-General of the League of Nations. The notification of these reservations shall take effect two days following its receipt by the High Contracting Parties.”

Thus, the reservations which could be made after ratification were those in Articles 8, 12 18, 7 and 22. The first three could take effect after the ninetieth day following notification. The two latter would take effect two days after the receipt of notification by the High Contracting Parties.

The reference in Article I to the three Articles 8, 12 and 18 and to the two Articles 7 and 22 was adopted.

M. ALBRECHT (Germany) said there was a slight alteration in the wording of the first paragraph of Article I. The previous wording ran :

“ The High Contracting Parties undertake to introduce in their respective territories, either in the original text or in their own languages, the Uniform Law. . . ”

The present wording read :

“ The High Contracting Parties undertake to introduce in their respective territories, either in one of the original texts or in their own languages, the Uniform Law forming Annex I of the present Convention.”

¹ See note on p. 221.

² The Drafting Committee submitted the following text :

“ The President of the German Reich.
have appointed as their plenipotentiaries the following :

“ Who, having communicated their full powers, found in good and due form, have agreed upon the following provisions.”

³ The Drafting Committee submitted the following text :

“ The High Contracting Parties undertake to introduce in their respective territories, either in one of the original texts or in their own languages, the uniform law forming Annex I of the present Convention.

“ This undertaking shall, if necessary, be subject to such reservations as each High Contracting Party shall notify at the time of its ratification or accession. These reservations shall be chosen from among those mentioned in Annex II of the present Convention.

“ The reservations referred to in Articles 1, . . . of the said Annex II may be made after ratification or accession, provided that they are notified to the Secretary-General of the League of Nations, who shall forthwith communicate the text thereof to the Members of the League of Nations and to the States non-Members on whose behalf the present Convention has been ratified or acceded to. Such reservations shall not take effect until the ninetieth day following the receipt by the Secretary-General of the above-mentioned notification.”

In his opinion, the original wording was the better, for the following reasons: The Conference was to draw up an international Convention expressed in two languages, French and English. If there were any discrepancy between the two texts, their combined effect would determine the exact meaning of the international Convention. According to the practice adopted in Germany, whenever there was a convention expressed in two languages, the text was published in the German Law Gazette in the two languages and was accompanied by a translation into German, which served as a guide to the courts and to the administrative authorities which had to apply the convention. If the Conference adopted the first paragraph of Article I in its present wording, it would be impossible to follow the above procedure, and in that case each High Contracting Party would be compelled to choose which of the two texts — French or English — they wished to introduce if they did not want to avail themselves of the option to introduce a text in their own language. In his opinion, it followed from the first paragraph of Article II that the French and English texts would be equally authentic, and it must be laid down in Article I that each contracting party undertook to introduce the uniform law in the original text. Original text in this connection would mean original text in two languages that was to say, French and English. Of course those countries which were in the happy position of having English or French as their national language might avail themselves of the optional clause when introducing the uniform law in their own language — that was to say, either only in English or only in French.

The PRESIDENT, on the contrary, thought that the amendment was an improvement. The Hague text was as follows:

“ The High Contracting Parties undertake to introduce into their respective territories, *either in the original text or in their national tongues.* . . . ”,

but it should not be forgotten that at The Hague there was only one text, while for the Convention there would be two original texts, a French text and an English text.

M. ALBRECHT (Germany) proposed the re-establishment of the original text.

This proposal was rejected by 12 votes to 4.

M. VISCHER (Switzerland) observed that paragraph 2 of Article I stipulated that the High Contracting Parties should notify their reservations at the time of ratification or accession, apart from a few exceptions.

In Annex II, even when it was not a question of true reservations, all the articles were designated as reservations — among others, Articles 16 and 17. A misunderstanding might arise in the sense that it might be thought that the High Contracting Parties had no right to make use of the provisions laid down in that article. It was not a question there, however, of true reservations.

For his part, M. Vischer thought that the High Contracting Parties could solve these questions as they desired, without making express mention of them at the time of ratification or accession. Perhaps it would be desirable to say so in the report.

The PRESIDENT said that M. Vischer's observations would appear in the Minutes.

M. GIANNINI (Italy), Chairman of the Drafting Committee, pointed out that, at the beginning of the report relating to Annex II, it was stated that the annex included the reservations and the provisions to be applied.

M. VISCHER (Switzerland) stated that he was satisfied.

Prince VARNVAIDYA (Siam) said that, inasmuch as it had not been possible to read the English text a second time, he requested that the French text should be very carefully translated.

The PRESIDENT replied that the Secretariat would certainly do so.

Mr. GUTTERIDGE (Great Britain) was sure that Prince Varnvaidya would be one of the first to recognise that the translation was a very difficult task, which had to be carried out sometimes under conditions of pressure. The matter had been gone into very thoroughly, a great deal of work had been put into the translation by the staff of the Secretariat, and he had done all he possibly could to assist them in making the English translation accurate.

Prince VARNVAIDYA (Siam) paid a tribute to the English translation informally communicated to the English-speaking delegates. In his opinion, it was a good and accurate translation, so much so that some of the amendments proposed and adopted for the French text had no need to be made in the English text. What he had in mind, however, were the modifications which had been adopted as subsequent amendments in the Conference; it was not so much a question of translation, as of putting the English text into harmony with the French.

The PRESIDENT replied that every time a text was amended it was submitted to the Translation Service of the Secretariat and immediately incorporated in the English text.

He took advantage of the opportunity — and believed he was interpreting the wishes of the Conference in doing so — to thank Mr. Gutteridge for the trouble which he had taken in that connection.

Mr. GUTTERIDGE (Great Britain) thanked the President for his observations, adding that he would do all in his power to help the work of the Conference.

Article I was adopted

ARTICLE II.¹

The PRESIDENT thought that it would be desirable to draft the second paragraph of Article II as follows :

“ It may be signed thereafter until August 6th, 1930.”

He had received the following letter from the Japanese delegation :

“ The Japanese delegation has telegraphed a report to its Government on the results of the first reading of the Introductory Convention in connection with the time-limits for signature and ratification. As a result of that report, the Japanese Government has informed us by telegraph that, in order to make possible a suitable examination of the new regulation, it would appear to be necessary to increase the time-limit for signature to three months.

“ On the other hand, if the Regulation is to be adopted in Japan, it will be necessary to modify the Commercial Code at present in force, and that modification will have to be approved by the Diet. That will involve a lengthy procedure and much time.

“ For those reasons, it is almost impossible to ratify the Convention in two years.

“ The Japanese delegation expresses its great regret at having to ask the President and the delegates to reconsider these questions and to be good enough to consider the possibility of changing the time-limits at present laid down.

“ The Japanese delegation therefore wishes to propose that the time-limit for signature be increased to three months, and that in regard to the time-limit for ratification, Article 25 of the Hague provision, which says that ‘ the Convention shall be ratified as soon as possible ’, be adopted.”

The President added, that if he made any suggestion to the Conference, he would be obliged to say that he could not accept the Japanese proposal. If it were only a question of increasing the time-limit for signature from two or three months, it might be possible to consider giving satisfaction to the Japanese delegation. It seemed to the President, however, that it was impossible for the Conference to satisfy the second request of the Japanese delegation. To agree that the Convention should be ratified as soon as possible would be to consent to a very much delayed ratification. Moreover, the President observed that countries could always begin by signing and could then consider whether they could also ratify.

M. OHNO (Japan) replied that the Japanese Government almost always ratified a Convention which had been signed by its delegation. It was therefore a question of honour for the Japanese delegation. It did not wish to sign a Convention without being sure that it could be ratified.

The PRESIDENT understood the very conscientious position taken up by the Japanese delegation and paid it a tribute. He pointed out, however, that there was still the possibility that Japan would accede. It was not possible to delay the ratification and the putting into force of the Convention for the sole reason that Japan needed more time than other countries.

M. OHNO (Japan) replied that the United States and Great Britain would not accede to the Convention. With those two countries, however, Japan had the closest commercial relations. Consequently, the Japanese delegation did not know whether its Government would be able to accede to the Convention.

The PRESIDENT very well understood the point of view which the delegate of Japan had just explained. It could be found, moreover, in the Preparatory Documents. He did not contest the view that the Japanese Government would perhaps need three years to examine very conscientiously the regulations which the Conference would have to adopt, but it would be impossible to put that in the Convention.

M. Deoclecio DE CAMPOS (Brazil) pointed out that the situation was difficult for countries other than Japan. He proposed a prorogation of six months. The Brazilian National Congress sat from May to December. According to the rules of procedure of the Congress, the Chamber of Deputies and the Senate, ratification involved a whole series of measures which necessitated time. Considerable delay had therefore to be expected in carrying out the formalities required by the rules after the executive authority had referred the documentation to be examined to the parliamentary committees for the drawing up of the bill of ratification.

He therefore thought that the period of two years should be extended and asked the Conference to take into account what he had said and to be good enough to increase the period of time allowed for ratification by the Governments. The Brazilian delegation proposed a prolongation of six months — that was to say, until December 31st, 1932.

M. GIANNINI (Italy) stated that the date fixed in Article III could be September 1st, 1932, instead of July 1st 1932. Moreover, in Article II, September 6th could be fixed as the date of signature instead of August 6th.

M. Deoclecio DE CAMPOS (Brazil) accepted this amendment.

¹ The Drafting Committee proposed the following text :

“ The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

“ It may be signed thereafter until (*date of the expiry of a period of sixty days from the date of the Convention*) on behalf of any of the League of Nations or non-Member States ”.

M. OHNO (Japan) considered that a prolongation to six months was insufficient, in view of the preparatory work which would be necessary.

M. QUASSOWSKI (Germany) stated that the fixing of a time-limit for ratification was justified, but that that unusual procedure should not result in excluding some States from ratification. The Conference would have to consider whether it was not possible to prolong the time-limit in order to enable all States to ratify the Convention.

The PRESIDENT put Article II to the vote with the mention of September 6th as the time-limit for signature.

Article II, as amended, was adopted.

ARTICLE III. ¹

The PRESIDENT pointed out that M. Giannini had proposed that the date should be fixed as September 1st, 1932, instead of July 1st, 1932.

This proposal was adopted by 12 votes to 2.

M. OHNO (Japan) asked the Conference whether it would not be able to make an exception on behalf of Japan in regard to the time-limit for ratification.

The PRESIDENT replied that that would be impossible ; it would upset the whole Convention.
Article III, as amended, was adopted.

ARTICLE IV.

The PRESIDENT pointed out that the date should be September 6th, 1930.

Article IV was adopted.

ARTICLES V AND VI.

Adopted.

ARTICLE VII. ²

The PRESIDENT pointed out that the words between brackets should be deleted and the end of the first sentence should read : " in respect of that Member of the League of Nations or non-Member State denouncing it ".

Article 7 was adopted.

ARTICLE VIII.

Adopted.

ARTICLE IX. ³

Mr. GUTTERIDGE (Great Britain) suggested that in the second paragraph of Article 9 the words " the High Contracting Parties may " should be followed by the words " at any time ".

¹ The Drafting Committee proposed the following text :

" The present Convention shall be ratified.

" The instruments of ratification shall be deposited before July 1st, 1932 (*date of expiry of a period of twenty-four months from the date of the Convention*), with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States Parties to the present Convention."

² The Drafting Committee proposed the following text :

" Except in urgent cases, the present Convention may not be denounced (on behalf of a Member of the League of Nations or non-Member State) before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or Non-Member State ; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

" Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

" In urgent cases, a High Contracting Party which denounces the Convention shall immediately notify direct all other High Contracting Parties, and the denunciation shall take effect two days after the receipt of such notification by the said High Contracting Parties. A High Contracting Party denouncing the Convention under these circumstances shall also inform the Secretary-General of its decision.

" Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made."

³ The Drafting Committee proposed the following text :

" The High Contracting Parties may declare at the time of signature, ratification or accession that it is not their intention in accepting the present Convention to assume any liability in respect of all or any of their colonies, protectorates or territories under suzerainty or mandate, in which case the present Convention shall not be applicable to the territories mentioned in such declaration.

" The High Contracting Parties may subsequently inform the Secretary-General of the League of Nations that they intend to apply the present Convention to all or some of their territories referred to in the statement provided for in the preceding paragraph. In this case, the Convention shall apply to the territories referred to in the notification ninety days after its receipt by the Secretary-General of the League of Nations. They further reserve the right to denounce it, in accordance with the conditions of Article 7, on behalf of all or some of their colonies, protectorates or territories under suzerainty or mandate."

In his opinion, the insertion of these words would remove any possible doubt as to when this could be done.

Article 9, as amended, was adopted.

ARTICLE 10.

Adopted.

The Convention as a whole was adopted at a second reading.

47. Discussion of the Protocol of the Convention.

PROVISION I.

The PRESIDENT pointed out that September 1st, 1932, should be inserted instead of July 1st, 1932.

Provision I was adopted.

PROVISION II.

The PRESIDENT pointed out that September 1st would become November 1st.

Provision II was adopted.

PROVISION III.

Provision III and the concluding sentence were adopted.

48. Discussion of the Recommendations.

The following recommendation was adopted:

“ The Conference further recommends that the Parties to the Convention providing Uniform Law for Bills of Exchange and Promissory Notes should communicate to one another the text of the most important judgments given in their respective territories coming under the application of the said Convention.”¹

The PRESIDENT proposed that this recommendation, together with the other recommendations, should be put in the Final Act of the Conference.

This proposal was adopted.

The PRESIDENT stated that among the recommendations to which he had alluded was a Swiss recommendation as follows :

“ The Conference recommends that the High Contracting Parties should communicate to one another a list of the legal holidays and other days on which payment cannot be demanded in their respective countries.”

The recommendation was adopted.

The PRESIDENT pointed out that, in those circumstances, there would be included in the Final Act of the Conference : (1) the recommendation in regard to the communication of legal decisions ; (2) the recommendation addressed to the Institute of Private International Law at Rome ; (3) the recommendation of the Swiss delegation ; (4) the Italian recommendation that the translation of the text in the countries which had the same language should be made in common by the countries concerned.

It would also be necessary to insert in the draft Convention a transitional provision stipulating that, when a State put its new national law into force in conformity with the provisions of the uniform law, the uniform law would not apply to bills of exchange already in circulation. That provision had not been laid down at the Hague Conferences. He proposed that the Conference should insert between Articles 1 and 2 of the Convention a new article as follows :

“ In each contracting State, the Uniform Law shall not apply to the bills of exchange and promissory notes already issued and still in circulation at the time of the coming-into-force of the convention but only to the bills of exchange and promissory notes subsequently issued.”

M. DA MATTA (Portugal) considered that only the first part of this provision was necessary and that the words “ but only to the bills of exchange. . . ” could be deleted.

The PRESIDENT agreed.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that the meaning of such a provision was very doubtful. The situation in regard to bills of exchange themselves was very clear, but it was less clear in regard to subsequent transactions — for instance, acceptance, conservatory measures, etc.

The PRESIDENT was not of that opinion. He considered that under this provision bills of exchange, as well as subsequent transactions concerning bills already created, would be governed by the old law.

¹ See Austrian Proposal, Annex n° 18.

M. HERMANN-OTAVSKY (Czechoslovakia) thought that it would be preferable not to insert the provision, but to leave the national legislation of each State to settle the question.

M. STUB HOLMBOE (Norway) thought that the question was too complex to be settled so rapidly. The general principles of the law would operate, and the provision proposed would therefore appear to be unnecessary, and even dangerous.

The PRESIDENT was of the contrary opinion. If the Conference did not adopt an article of that kind, each State would act on its own account, and everyone was aware that transitional law was one of the most difficult problems of law in general.

He proposed that the Conference should adopt the provision in the following form :

“ In the territories of each of the High Contracting Parties, the Uniform Law shall not apply to bills of exchange and promissory notes already issued at the time of the coming into force of the present Convention.”

This article was adopted by 17 votes to 6 and became Article II of the Introductory Convention.

49. Discussion of the Convention laying down Rules governing Certain Conflicts of Laws in connection with Bills of Exchange and Promissory Notes : Text prepared by the Drafting Committee : Second Reading ¹.

NOTE. — *The Conference, realising the difficulty of discussing simultaneously a text drawn up in both official languages, decided to adopt the following procedure. The discussion took place entirely on the French texts, and it was only after a provisional or final decision had been taken in regard to these texts that their translation into English was made and submitted to the Conference. For that reason, it has been impossible to reproduce the English text in the record of the discussion until that text became final.*

ARTICLE I.

Adopted.

ARTICLE 2. ²

Mr. GUTTERIDGE (Great Britain) objected to the use of the word “ State ”. Owing to the difficult circumstances in which it was placed, it would be impossible for the British Empire to accept the word “ State ”, since that would cause it to stumble into a constitutional morass from which escape would be impossible.

The PRESIDENT proposed that the word “ State ” should be replaced by the word “ country ” in the first and second paragraphs.

This amendment was adopted.

M. GIANNINI (Italy) urged the Conference to delete the last paragraph.

M. PERCEROU (France) was unable to support the proposal to delete the last paragraph. He observed, however, that in the report of M. Diena, the Rapporteur, the scope of the article was strictly limited. The explanation contained in the report would allay the uneasiness which might be caused in this matter.

Article 2, as amended, was adopted.

ARTICLE 3.

The word “ State ” was replaced by “ country ”.

Article 3, as amended, was adopted.

ARTICLE 4. ³

The PRESIDENT drew attention to the amendment submitted by the Latvian delegation to replace the word “ effets ” by the word “ titres ” in the last line of the first paragraph in order

¹ See note on p. 221.

² The Drafting Committee proposed the following text :

“ La capacité d'une personne pour s'engager par lettre de change et billet à ordre est déterminée par sa loi nationale. Si cette loi nationale déclare compétente la loi d'un autre Etat, cette dernière loi est appliquée.

“ La personne qui serait incapable, d'après la loi indiquée par l'alinéa précédent, est, néanmoins, valablement tenue, si elle s'est obligée sur le territoire d'un Etat d'après la législation duquel elle aurait été capable.

“ Chacune des Hautes Parties contractantes a la faculté de ne pas reconnaître la validité de l'engagement pris en matière de lettre de change et de billet à ordre par l'un de ses ressortissants et qui ne serait tenu pour valable dans le territoire des autres Hautes Parties contractantes que par application de l'alinéa précédent du présent article ”.

³ The Drafting Committee proposed the following text :

“ Les effets des obligations de l'accepteur d'une lettre de change et du souscripteur d'un billet à ordre sont déterminés par la loi du lieu où ces effets sont payables.

“ Les effets que produisent les signatures des autres obligés par lettre de change ou billet à ordre sont déterminés par la loi de l'Etat sur le territoire duquel se trouve le lieu désigné comme étant celui où cette signature est donnée. Si aucun lieu n'est indiqué, la législation applicable est celle de l'Etat sur le territoire duquel les signatures ont été souscrites.”

to avoid a confusion of terms, seeing that, in the first line of the same paragraph, the word "effets" was used in an entirely different sense.

This amendment was adopted.

M. DIENA (Italy) said that the Italian delegation was not satisfied with paragraph 2 of Article 4. He believed that, in a spirit of conciliation, the German delegation would be prepared to accept the possibility of improving the paragraph by shortening it and saying simply :

"The effects of the signatures of the other parties liable on a bill of exchange or promissory note are determined by the law of the country in which is situated the place where the signatures were affixed."

M. Diena considered that the application of the second paragraph as it appeared in the draft might have very grave consequences, even from the point of view of capacity. He instanced as proof the following example : An Italian aged 20 signed a bill of exchange at Milan, but knowing that in Milan he was considered to lack capacity in view of his age, he mentioned Geneva on the bill of exchange instead of Milan. That would suffice to make the bill of exchange valid and productive of legal effects if the present text of Article 4 were retained. It would not be the case with the text as amended by M. Diena.

M. QUASSOWSKI (Germany) was of opinion that the question was settled in Article 2 and that Article 4 did not refer to capacity.

M. DIENA (Italy) replied that the provisions were closely connected. When a bill of exchange was signed at Milan, it must be considered as an Italian bill of exchange.

Viscount POULLET (Belgium) said that the observation of the German delegate was well founded. In Article 4 it was not a question, either directly or indirectly, of capacity. That point was settled by Article 1. Whether the signature was given at Geneva or at Milan, the bill of exchange would have no value if the party lacked capacity by virtue of Article 1.

Nevertheless, Viscount Poulet approved the text proposed by M. Diena. A bill of exchange drawn up and signed at Milan could not be allowed to indicate Geneva.

M. GIANNINI (Italy) asked the German delegation to consider that, should Article 4 appear to facilitate fiscal frauds, the ratification of agreements would be made very difficult. With the provision proposed by the German delegation, however, there was a risk of facilitating fraud.

M. QUASSOWSKI (Germany) did not believe that the Italian proposal was an improvement. The present text took into consideration the intention of the parties. For instance, a business man found himself in London. He signed there a bill of exchange, but he indicated "Berlin", because he had his residence and his offices in that town. Obviously, it was normal in such a case that the German legislation should apply. Such was the object of the formula.

Nevertheless, M. Quassowski was prepared, in order to facilitate agreement, to accept M. Diena's proposal.

He wished, however, to make a remark concerning the text. The end of Article 4 read : ". . . the country in which is situated the place where the signatures were affixed". On the other hand, the second paragraph of Article 2 read : ". . . if the obligation is entered in to on the territory of a State". It would be preferable to say : "...if his signature has been given in any territory. . .".

M. ASSER (Netherlands) was in favour of maintaining the original text. It was necessary to distinguish between two questions : the question of private law and the fiscal question. In regard to private international law, everyone knew that, in regard to obligations, the principle of the autonomy of the parties was sanctioned. The parties could agree to the law which would govern their relations. Therefore, when a person had added to his signature the name of a place which was fictitious and the subsequent holder accepted the bill of exchange, that indicated that there was agreement between the parties that the legislation to be applied should be that of the place mentioned. That was permitted and offered greater security.

From the fiscal point of view, M. Asser considered that the exchequer had always the right to prove that the mention of the place was fictitious, and if it could prove that the party who issued the bill of exchange had specified a fictitious place with a view to defrauding the exchequer, he would have to pay not only the fiscal duties but also a fine.

M. DIENA (Italy) observed that the same question had already been raised in connection with Article 3. The German delegation had made a proposal which had been rejected. To be logical, it would be necessary to act in the same way in regard to Article 4, and the more so in that the German delegation had agreed to withdraw its proposal.

M. Diena proposed, nevertheless, to say, in place of "in which is situated the place where the signatures were affixed", "in which is situated the place where each of the signatures was affixed". Indeed, the signatures might be given in several different territories.

The PRESIDENT observed that that would not be expressed by "each of the signatures", but by "each of the territories". It would be better to retain the first text.

M. QUASSOWSKI (Germany) thought that it would be possible to find a compromise. He referred to the draft of the experts which took into consideration cases in which a place was specified in the bill itself as that at which undertakings should be carried out. Perhaps it would

be possible to add to the second paragraph of Article 4 as modified by the Italian delegation :
“ . . . are determined by the law of the country in which is situated the place where the signatures were affixed, unless another place has been specified in the instrument as the place where the undertaking of the signatory shall be carried out”. There would then be a very clear regulation. He considered that it was necessary to specify a place at which the undertaking of the signatory should be carried out.

Viscount POULLET (Belgium) supported the observations of M. Quassowski.

M. GIANNINI (Italy) considered that M. Quassowski's proposal was a return to the original text. It was simply an inversion of the two questions, and no longer a compromise.

The PRESIDENT did not agree. The new text which had been proposed meant that, in general, the territory on which the signature had been given was decisive. There might, however, be an exception. It might be that the parties had agreed to designate a certain place at which the engagement made in the instrument should be carried out.

M. GIANNINI (Italy) pointed out that if the German proposal were accepted the following case might arise. A person who could not draw a bill of exchange in Italy would come to an agreement with persons of another country in which he could draw a bill of exchange. He would deliver the instrument in Italy, but it would be specified that it had been delivered elsewhere. By virtue of the application of Articles 2 and 4, such a bill of exchange would not be valid in Italy, but in the country in which it was supposed to have been drawn.

Viscount POULLET (Belgium) did not believe that M. Giannini's observation was well founded. Indeed, M. Giannini had alluded to the possibility of a person lacking capacity having put his signature to a bill of exchange. The case of persons lacking capacity, however, was governed by Article 1. It was unnecessary to regulate in Article 4 the effects of the obligation of a person lacking capacity, for actually there was no obligation.

On the contrary, Viscount Poulet thought that the German amendment could be accepted. For his part, he would hesitate to admit that the obligations of the signatories to a bill of exchange depended on the autonomy of the intention, for public credit was at stake. He noted, however that most delegates were favourable in principle to that idea. In those circumstances, the value of Article 4, however, was that when the autonomy of the intention was not expressed, it would show clearly to the judges what law was applicable. In principle, it was the law of the country in which the signature had been affixed. The German delegation, however, asked that it should be added that if the signatories had expressly specified which law should be applied, satisfaction should be given to that intention. The addition proposed by the German delegation was very reasonable if it was agreed that the autonomy of the intention governed the question. Ultimately, the great value of the proposed text was that the courts would know which law had to be applied.

M. SULKOWSKI (Poland) asked for an explanation in regard to endorsements. The validity of the endorsement did not depend on the specification of a date. If, however, the endorser had specified the date and place of endorsement, would the obligation be subject to the legislation of the said place, or would it be necessary to add that that place was designated as the place for the carrying-out of the obligation? In his opinion, the specification of the place in the endorsement was sufficient to show the intention of the signatories to submit the obligation to the legislation in force in that place.

M. QUASSOWSKI (Germany) was not of that opinion. It was necessary that the intention of the parties should be expressed.

Viscount POULLET (Belgium) agreed with M. Sulkowski, but pointed out that there were two hypotheses. The first was that in which the parties had not formally indicated their intention. In that case, the place of signature applied. If they did not wish to be subject to the law of that place, they should say so expressly, as was proposed by the German delegation.

M. SULKOWSKI (Poland) imagined the following situation. He signed an endorsement at London and specified that the endorsement should be subject to the German legislation. An enormous amount of complication would result, and it would be preferable to consider that the specification of the place of endorsement was sufficient to indicate that the endorsement should be subject to the legislation of the said place.

M. Giannini and M. Diena had raised the question of frauds in connection with the exchequer. He did not believe that that should be taken into consideration. The Conference should adopt a purely impartial point of view and disregard all fiscal considerations.

Viscount POULLET (Belgium) thought that, if two Germans in London signed a bill of exchange in that city, it should be possible for them to say that the carrying out of the undertaking would be governed by the German legislation.

M. SULKOWSKI (Poland) replied that in that case they could put “ Berlin ” and not “ London ” beside their signatures. Incorrect specifications should not be encouraged. The advantage of the German amendment was that it permitted the autonomy of the parties without any necessity for specifying a false place of issue.

Viscount POULLET agreed.

M. WEILLER (Italy) stated that it could be specified in the bill of exchange that the obligation should be subject to another law. A bill of exchange could not be conditional. It should never be possible to say: "I am bound in accordance with the French law and the German Law" in the same bill of exchange. Nevertheless, that would be the consequence of the German amendment.

M. PERCEROU (France) wondered whether the necessities involved by the unity of the instrument would not be an obstacle to the autonomy of the intention of the parties.

M. VAN NIEROP (Netherlands) asked how the third holder would know where the bill had been issued. He would know as the place where the bill was issued only the place indicated on the bill of exchange. That indication should be made in good faith. The case put forward by the German delegate in which the parties indicated *expressis verbis* a place for the carrying-out of the signatory's undertaking did not arise in practice. The holder would never know, so to say, whether the bill was or was not drawn at the place indicated on the instrument.

In the interests of the security of trade, therefore, the place indicated on the bill should be considered as the place where the bill was created, even if that place was fictitious.

M. PERCEROU (France) replied that the third holder would have the information if the bill was drawn up on a slip bearing an English stamp.

M. VAN NIEROP (Netherlands) replied that that was the only case of the kind. Apart from that case, the holder would only see the words "Paris, Berlin", without any other specification.

M. VISCHER (Switzerland) asked the Conference to accept the Italian proposal, which was the simplest. As M. van Nierop had just explained, cases might always arise in which the parties had specified a place other than the place of signature, and the exchequer could not prevent such practices. M. van Nierop was of opinion that, in the interests of the security of trade, the place specified on the bill should be considered as the place where it was created, even if it was fictitious. M. Vischer did not think that such a *praesumptio juris* and *de jure* were to be recommended. In the first place, the Conference wished to affirm the principle of the application of the law of the place at which the signatures were affixed. If a place was specified on the bill, there should also be a presumption in favour of signature at that place. That presumption, which was necessary because there was always a presumption in favour of the literal meaning of the instrument, sufficed to protect the holder in good faith. It was true that the presumption might be refuted by the person who could prove that the place specified on the bill was fictitious, but such proof would rarely be possible and, in cases where it was possible, the signatory who had specified a place other than that of signature would be liable to make good the damage possibly suffered by the holder in good faith.

The PRESIDENT put to the vote the Italian amendment, combined with the German amendment.

The combined amendments were rejected by 15 votes to 8. The British delegation abstained from voting.

The Italian amendment alone was adopted by 11 votes to 10.

Article 4, as amended, was adopted.

ARTICLE 5.¹

M. GRÖNVALL (Finland) wished the words "The person who has issued the promissory note" to be replaced by the words "The signatory of the promissory notes".

M. DIENA (Italy) thought it would not perhaps be necessary to consider that proposal, for the Italian delegation proposed the following text:

"The limits of time for the exercise of rights of recourse shall be determined for all signatories by the law of the place where the instrument was created."

This proposal was adopted.

Article 5, as amended, was adopted.

ARTICLE 6.¹

The PRESIDENT pointed out that the delegations which had proposed reservations had held conversations for the purpose of endeavouring to reach an agreement.

They had provisionally agreed to the deletion of Article 11 of the Convention and the replacing of Article 6 by the following text:

"The question whether there has been an assignment to the holder of the debt which has given rise to the issue of the instrument is determined by the law of the place where the instrument was issued."

¹ The Drafting Committee proposed the following texts:

"Article 5. — Les délais de l'exercice de l'action en recours restent déterminés pour tous les signataires par la loi du domicile du tireur ou de celui qui a émis le billet à ordre."

"Article 6. — La loi du pays où la lettre de change est payable détermine si le bénéficiaire et les porteurs successifs ont des droits spéciaux sur la provision et quelle est la nature de ceux-ci."

Baron MARKS VON WÜRTEMBERG (Sweden) pointed out that, as he had already had the honour of stating, the delegations of the Scandinavian countries had been obliged to consider the necessity for submitting a reservation in regard to the text of Article 6 as adopted by the majority of the Conference, or of providing an article of the nature of Article 11.

The text which had just been submitted to the Conference, and which was the result of long private discussions between the delegates of several countries, did not completely satisfy the delegations of the Scandinavian countries, but in view of the obvious advantage of settling the question of conflicts of the laws on cover, the Danish, Norwegian and Swedish delegations had decided to accept the text which had just been read.

M. GRÖNVALL (Finland) stated that, as he had just explained to the group of delegations which had drawn up the new text of Article 6, the possible future result of the proposed provision would be the violation of the rules on bankruptcy at present in force in Finland. As he had no instructions on the subject, M. Grönvall was compelled to refuse to accept the new text, as he had already been compelled to refuse to accept the text of the experts.

M. VAN NIEROP (Netherlands) asked why Article 6 had been amended. He did not very well understand the new text. There were a great many drafts, bills of exchange, etc., which were drawn to credit. Was it possible to speak of a debt?

M. WEILLER (Italy) explained that it was not an exchange question, but one of fact. Whether a mandate which had been accepted did or did not give rise to a debt was an individual question which could not be settled in a uniform manner. The present text did not settle it, and M. van Nierop need not be uneasy about the matter.

M. VAN NIEROP (Netherlands) stated that he was satisfied.

The new text of Article 6 was adopted by 20 votes to 1.

ARTICLES 7 AND 8.

Adopted.

ARTICLE 9.

M. DIENA (Italy) stated that he had been requested to explain that in the report "loss" should be understood to include destruction. Would it not be advisable to insert the word "destruction" in Article 9?

The PRESIDENT stated that after discussion it had originally been decided not to say "destruction" in the article.

Article 9 was adopted.

ARTICLE 10.¹

The PRESIDENT pointed out that the beginning of the article should read: "Each of the High Contracting Parties reserves. . .". Sub-paragraph No. 1 should read: "An obligation undertaken outside the territory of one of the High Contracting Parties", and sub-paragraph No. 2 should read: "Any law which may be applicable in accordance with these principles and which is not a law in force in the territory of any High Contracting Party."

Article 10, as amended, was adopted.

ARTICLE 11.¹

This article was deleted.

M. QUASSOWSKI (Germany) asked whether the transitional provision which it was proposed to insert in the uniform law should not also be inserted in the Convention on Conflicts of Laws. M. Quassowski considered that such a provision would be useful. Without it, the courts would be obliged suddenly to apply an entirely new system.

M. OHNO (Japan) thought that, although they did not appear in the Convention, the formal articles of the Convention on the uniform law were also applicable. In those circumstances, the Japanese delegation proposed that the time-limit for ratification should be three years. He pointed out that, when the Conference had been good enough to agree to that time-limit for ratification of the Convention, the Japanese delegation were not satisfied, because it had wished it to be increased to five years. Nevertheless, in a spirit of conciliation, it now wished to accept the time-limit of three years and would make every effort to persuade its Government to accept that point of view.

¹ The Drafting Committee proposed the following texts:

"Article 10. — Les Hautes Parties contractantes se réservent la faculté de ne pas appliquer les principes de droit international privé consacrés par la présente convention en tant qu'il s'agit:

1° D'un engagement pris hors des territoires des États contractants;

2° D'une loi qui serait applicable d'après ces principes et qui ne serait pas celle d'un des États contractants."

"Article 11. — En signant ou ratifiant la présente convention ou en y adhérant, chacune des Hautes Parties contractantes pourra exclure telle ou telle des dispositions de la présente convention au moyen de réserves expresses."

The PRESIDENT pointed out that the Secretariat could be entrusted with the task of drawing up the formal articles of the Convention, which would be exactly the same as those adopted for the draft Convention on the uniform law. The time-limits would also be the same. It was not necessary to discuss the question again.

M. SMETS (Secretary of the Conference) said that only one article would be different, that relating to denunciation. He had, however, already prepared a text.

Prince VARNVAIDYA (Siam) said that it was nowhere stated, as was the case in the Hague Convention, that the Convention and the uniform law should come into force simultaneously. He would like a statement to that effect to be made in the report.

M. SMETS (Secretary of the Conference) pointed out that Article 1 of the draft Convention on the uniform law stipulated that :

“ The High Contracting Parties undertake to introduce in their respective territories . . . the uniform law forming Annex I of the present Convention. . . ”

Only the Convention would have to be ratified. The documents forming the Annex would be adopted automatically at the same time as the principal Convention.

The PRESIDENT explained that the Annexes would not be ratified, but only the Convention. It was therefore unnecessary to make a stipulation in the report in that connection. It was sufficient that the exchange of views which had taken place should appear in the Minutes.

The President pointed out that M. de la Vallée Poussin had undertaken to draw up the report on the Convention on the Stamp Laws.

M. OHNO (Japan) stated that in the Convention on Conflicts of Laws the word “ signature ” should be interpreted in the same manner as in the text of the uniform law.

The Convention and the formal articles were adopted at the second reading.

THIRTY-SECOND MEETING.

Held on June 4th, 1930, at 4.30 p.m.

President: M. J. LIMBURG.

50. Entry into Force of the Convention and Uniform Regulation.

The PRESIDENT returned to the statement made at the previous meeting by Prince Varnvaidya and said that there was no doubt that at the moment a State put the Convention and Protocol into force it would bind itself to introduce the Uniform Regulation at the same time in its country. That was undoubtedly the meaning of the Convention, as was clear from its first article as well as from the various reservations.

The President had decided to return to this point in order to satisfy Prince Varnvaidya and to enable mention of it to be made in the Minutes.

Prince VARNVAIDYA (Siam) thanked the President for his statement, which gave him complete satisfaction. He would like to point out that, if the Hague text had not expressly stipulated simultaneous entry into force, he would not have raised the question.

51. Discussion of the Draft Convention on Stamp Laws.

The following article proposed by the experts and the note upon it were read :

“ If their laws do not already make provision to this effect, the contracting States undertake to alter their laws so that the validity of obligations arising out of a bill of exchange or a promissory note or the exercise of the rights that flow therefrom shall not be subordinated to the observance of the provisions concerning the stamp.

“ Nevertheless, the contracting States may suspend the exercise of these rights till the stamp laws have been complied with. They may also provide that the quality and effects of an instrument ‘ immediately executory ’ which, according to their legislation may be attributed to a bill of exchange, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.

“ *Note.* — The above is a reproduction of Article 19 of the Hague Convention. All the experts, with one exception, recommend its adoption and emphasise the extreme importance of this question. The Committee of Experts which met in December 1926 was of the same opinion when it stated ‘ that it attached the greatest importance to the adoption and application by the greatest possible number of countries of the provisions of Article 19 of the Hague Convention ’.”

Mr. GUTTERIDGE (Great Britain) submitted the following proposals :

“ The British delegation proposes :

“ 1. That a separate convention be drawn up consisting solely of provisions relating to penalties for the non-observance of Stamp Laws ;

“ 2. That the operative part of the text of the Convention should read as follows :

“ *Article 1.* — In so far as concerns cheques, each of the High Contracting Parties undertakes, if the laws in force in those of his territories to which the present Convention applies do not already make provision to this effect, to alter them so as to provide that the validity of obligations arising out of such instruments or the exercise of the rights that flow therefrom shall not be subordinated to the observance of provisions concerning the stamp.

“ Nevertheless, the High Contracting Parties may suspend the exercise of these rights till the stamp laws have been complied with. They may also provide that the quality and effects of an instrument “ immediately executory ”, which, according to their legislation, may be attributed to a cheque, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.

“ *Article 2.* — In so far as concerns bills of exchange, each of the High Contracting Parties undertakes if the laws in force in any of his territories to which the present Convention applies do not already make provision to this effect, to alter them in the sense indicated in Article 1, so far as relates to such of the bills of exchange in question as are presented for acceptance or accepted or payable elsewhere than in the territory in question.

“ Nevertheless, the High Contracting Parties may suspend the exercise of these rights till the stamp laws have been complied with. They may also provide that the quality and effects of an instrument ‘ immediately executory ’, which according to their legislation may be attributed to a bill of exchange, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.

“ *Observations.*

“ (a) The above proposal, so far as it permits of separate treatment of the question of the non-observance of stamp laws, is one which it is hoped will commend itself to the Conference on grounds of general expediency, though it is also brought forward for the purpose of facilitating the adherence of Great Britain.

“ (b) It is also submitted that it will be convenient that this separate Convention should deal with the stamping of cheques as well as other instruments. In the case of cheques, Great Britain is willing to accept the proposals of the experts.

“ (c) The separation of the treatment of the failure to stamp cheques (Article 1) from that of the failure to stamp bills of exchange (Article 2) is prompted by the consideration that this will meet the objections of the Government of any country which desires to maintain its present laws as to the effect of a failure to stamp bills of exchange which are not accepted or payable abroad, but which circulate only within its own territory.

“ (d) The omission of any reference to promissory notes is intentional.

“ (e) In the event of the above proposal not being acceptable to the Conference, the British delegate asks that reservations should be permitted to a separate Convention dealing with stamp laws and that they should be to the following effect :

“ 1. It is agreed that, in so far as concerns the United Kingdom of Great Britain and Northern Ireland, the provisions of this Convention shall only apply : (a) as regards bills of exchange and (b) as regards bills of exchange presented for acceptance or accepted or payable elsewhere than in the United Kingdom.

“ 2. A similar limitation shall apply in the case of any colonies, protectorates or territories under suzerainty or mandate of His Britannic Majesty to which the Convention may become applicable in virtue of Article . . . , provided that a notification claiming such limitation is addressed to the Secretary-General of the League of Nations before the date on which the application of the Convention to such territory takes effect.

“ 3. It is further agreed that, in so far as concerns Northern Ireland, the provisions of this Convention shall only apply with such modifications as may be found necessary.

“ 4. The Government of any Member of the League of Nations or State non-Member which is ready to accede to the Convention under Article . . . , but desires to be allowed the limitation specified in paragraph 1 above, may inform the Secretary-General of the League of Nations to this effect, and the Secretary-General shall forthwith communicate this notification to the Governments of all Members of the League and non-Member States on whose behalf the Convention has been signed or accessions thereto deposited and enquire if they have any objection thereto. If within (six months) of the date of the communication of the Secretary-General no objections have been received, the limitation shall be deemed to have been accepted.”

The PRESIDENT suggested that the Conference should begin the examination of the British proposal at Article 2, because that article dealt with bills of exchange, whereas Article 1 dealt with cheques.

This was decided.

The PRESIDENT said that this article should read as follows :

“ In so far as concerns bills of exchange, each of the High Contracting Parties undertakes, if the laws in force in any of his territories to which the present Convention applies do not already make provision to this effect, to alter them so as to provide that the validity of obligations arising out of such instruments or the exercise of the rights that flow therefrom shall not be subordinated to the observance of provisions concerning the stamp, so far as relates to such of the bills of exchange in question as are presented for acceptance or accepted or payable elsewhere than in the territory in question.

“ Nevertheless, the High Contracting Parties may suspend the exercise of these rights till the stamp laws have been complied with. They may also provide that the quality and effects of an instrument ‘ immediately executory ’, which according to their legislation may be attributed to a bill of exchange, shall be subject to the condition that the stamp law has, from the issue of the instrument, been duly complied with in accordance with their laws.”

The President added that, a few details excepted, this text corresponded to that which the Committee of Experts had intended to draw up, as expressed in Article 1 of the Convention on the Conflicts of Laws (draft of the Committee of Experts) ; only now it had been made the subject of a separate convention.

Mr. GUTTERIDGE (Great Britain) said that, when he had prepared the proposal before the conference, his desire had been to obtain a separate convention on the question of stamp duties, and for that reason he saw no other way of bringing the matter before the Conference. He fully realised the fact that he must fall into line with the wishes of the Conference. If the Conference desired to go further than he had gone in the text of his proposal, then he would ask to be allowed to make certain reservations in signing the convention. His instructions on the subject were somewhat rigid, and he asked the Conference to permit him to sign a *protocole de signature* containing the terms which the British Government was prepared to accept.

Dealing with the stamping of bills in England, Mr. Gutteridge pointed out that there was a marked distinction between bills drawn in England and payable abroad and bills drawn abroad and payable in England. Where the bill was drawn in England, it had to be drawn upon a bill-form which must bear an embossed stamp before signature. On the other hand, in cases where the bill came from abroad it need not bear a stamp in the first instance, but within a certain period of time after arrival in England it must be stamped with an adhesive stamp.

If he were asked why he was not prepared to go as far as was indicated in the text of the experts' report, his answer would be because of purely fiscal considerations. The British Government did not see its way to make a general concession on the lines indicated in the report of the experts, but they were prepared to legislate for the purpose of removing what was felt to be an undoubted grievance. There was a difference between a bill issued in England and intended to circulate abroad, and one which came to England from abroad. For instance, if a bill were issued in London to be acceptable or payable in Berlin or Milan, or anywhere else, persons in foreign countries might become parties to that bill, and it was felt to be an injustice in those circumstances to penalise foreigners who had become parties to the bill because the bill had not been previously stamped in accordance with English law. That was one grievance which the British Government was ready to remove. But it was not considered that the converse position was the same where the foreigner abroad drew on England, for the reason that there was an easy way of getting out of the difficulty by stamping the bill after receipt in England. Therefore the British Government proposed, with the consent of the Conference, to sign the Convention on those terms ; that so far as bills drawn in England on a foreign place were concerned, those bills should not be void merely because they were not stamped. They could be stamped, if proceedings became necessary in an English court, on payment of the stamp duty, together with the fine exacted by the law.

As regards cheques, Mr. Gutteridge was entirely in the hands of the Conference. If the Conference wished the Convention to include cheques, he would gladly agree. If, on the other hand, it preferred to have a separate convention dealing with stamps on cheques, he was quite willing to fall in line.

Promissory notes had been excluded because those drawn in England did not circulate abroad ; therefore the question was of no importance. For that reason the British Government did not desire any mention of them to appear against its signature.

M. PERCEROU (France) pointed out that, as the Conference only dealt with bills of exchange and promissory notes, there would seem to be no necessity to legislate on cheques, were it only from the fiscal point of view. He thought it would be better to reserve this question of the stamp on cheques until the Conference came to draw up a uniform regulation on cheques. Apart from that, stamp duties were much lighter in practice for cheques than for bills of exchange, and fiscal infractions were much less frequent.

As for the substance of the matter, it was obvious that the restrictions on which the British Government made its accession conditional very appreciably restricted the scope of the reform, since only one category of bills of exchange fell under the new provision. Bills of exchange drawn on Great Britain abroad would remain subject to the civil penalties attached to the non-observance of stamp laws. Only one category of bills of exchange would escape these penalties : those that had been drawn in England on countries abroad.

The Conference therefore found itself in rather a complicated situation. Other States were inclined to go further, in which case a special situation would arise for the British Government

and a different one for other States. M. Percerou could not clearly see how these different solutions could be reconciled.

M. SULKOWSKI (Poland) wished to draw the Conference's attention to the following fact it appeared from Mr. Gutteridge's speech that there were fundamental differences between the proposal made by the experts and that of the British Government — that was to say, the unification proposed by the experts went much further. According to the experts, States would bind themselves not to make the validity of bills of exchange depend on the discharge of stamp duties, whereas the British proposal only wished to make this concession for bills which had been accepted or paid abroad.

Mr. Gutteridge had received formal instructions from his Government and could not adopt a different point of view. In spite of that, the Conference ought not to abandon the idea drawn up by the experts for the realisation of a wider unification. The experts' formula ought to be adopted with the proviso of a reservation in favour of Great Britain. At the same time, the question of cheques could be dealt with, since that raised no difficulties for Great Britain.

M. QUASSOWSKI (Germany) thought there was a difference of form and substance between the text of the experts and the text proposed by the British delegate, on the one hand, and the text of The Hague, Article 19, on the other.

Article 19 of the Hague Convention said :

“ The Contracting States cannot subordinate the validity of obligations . . . to the observance of the provisions concerning the stamp.”

The text of the experts said :

“ If their laws do not already make provision to this effect, the contracting parties undertake. . . .”

The text of the experts therefore only provided an undertaking for States which did not already possess such a law. Other States were not included in the obligation and were free to alter their laws.

The undertaking under Article 19 of the Hague Convention was stricter and more useful than the engagement provided by Article 1 of the text of the experts.

M. SRB (Czechoslovakia) agreed with M. Sulkowski and M. Quassowski concerning the first paragraph of the text submitted to the Conference by the experts. He was against the limitations proposed by the British delegate and consequently favoured the reinstatement of the text of the Hague Convention and of the experts.

There was a Czechoslovak amendment which suggested that the second paragraph of the article drawn up by the experts should be omitted. This amendment should be understood to omit the second paragraph of the text proposed by Mr. Gutteridge.

M. Srb would lay special emphasis on the views of the experts expressed in the note to the article before the Conference. It was most important that the provisions of Article 19 of the Hague Convention should be put into force.

As the Czechoslovak Government had already pointed out, it seemed necessary, in order to assure the freest possible circulation of bills of exchange and promissory notes for all the effects of the obligations arising out of the bills of exchange and promissory notes, and the exercise of the rights derived therefrom, to be kept entirely separate from questions relating to the stamp. This principle, as expressed in the first paragraph of Article 19 of the Hague Convention, or in Article 1 of the Convention of the Experts suffered a derogation by reason of the provisions of paragraph 2. The subterfuge of Article 2 certainly made it possible for contracting States to maintain, at least in a certain measure, the practices which they had renounced when they adopted paragraph 1.

The Czechoslovak delegation quite recognised the fact that the provisions of Article 2 were a compromise. In spite of that, it seemed reasonable that these provisions should not be adopted without being the subject of fresh discussion.

M. Srb asked the Conference once more if it did not prefer, in order to favour a freer circulation of bills of exchange and of promissory notes, to omit Article 2 of the British proposal — *i.e.*, to do away with the possibility of States making certain exceptions in their national legislation to the principle which had been laid down in the first paragraph in a style that was almost solemn.

The PRESIDENT thought that it was more expedient to take as a point of departure, not the British amendment, but the text of Article 1 of the draft Convention drawn up by the Committee of Experts.¹ The text of Article 1, “ Penalties for the non-observance of stamp laws”, would be the subject of a separate convention. It was preferable to take it as a point of departure, because the President thought that after hearing the views of various members it seemed unlikely that the Conference would agree to the more restricted system of Great Britain. The Conference, as a whole, certainly seemed to favour the system of Article 1, with the exception of questions of drafting — *i.e.*, with the exception of the point raised by M. Quassowski. The Conference could discuss whether it should agree to a reservation that would allow the British Empire to accede to Convention with certain restrictions.

M. Quassowski had pointed out that, if the article proposed by the experts was compared with Article 19 of the Hague Convention of 1912, it was clear that the latter said, once and for all, that the contracting States could not subordinate the validity of obligations arising out of a bill

¹ Document C.334.M.83.1929.II (C.I.I.C.1), page 79.

of exchange, or the exercise of rights that flowed therefrom, to the observance of the provisions concerning the stamp. The article of the experts merely said :

“ If their laws do not already make provisions to this effect, the contracting States undertake to alter their laws so that the validity of obligations arising out of a bill of exchange or a promissory note, or the exercise of the rights that flow therefrom, shall not be subordinated to the observance of the provisions concerning the stamp.”

That raised a question of drafting. The President was convinced that in drawing up this article the Committee of Experts had had in every way the same intention as the authors of the Hague Convention in Article 19. It would therefore be easy to settle this question of drafting in conformity with the observation of M. Quassowski ; but, first, there was a Czechoslovak amendment to omit the second paragraph of the article proposed by the experts, which article would now form a separate draft convention.

M. GIANNINI (Italy) said that the Italian delegation was prepared to accept the text of the experts provided that it was accepted in its entirety. It could also accept the amendment proposed by the French delegation. Finally, it agreed to the proposal to settle the special problem raised by the British Empire in a separate protocol.

M. DUZMANS (Latvia) said that the Latvian delegation had put forward neither a written amendment nor a formal proposal of reservation concerning promissory notes as mentioned in the draft of the experts. No mention had been made of promissory notes on purpose. Perhaps it would be possible to do without an amendment by allowing a reservation ; but if a reservation were not allowed, the Latvian delegation would be compelled to present an amendment to exclude promissory notes from the draft of the experts. Perhaps the majority of members had no wish to modify the text ; but in that case a reservation would become necessary. The Latvian delegation was ready to enter into an engagement concerning the question of the stamp in the sphere of bills of exchange, but it was unable to bind itself where promissory notes were concerned.

The position of the Latvian delegation was the following : It was quite prepared to sign the Convention on the Stamp Laws if provision were made either for the exclusion of promissory notes in the actual text or for a reservation that would allow the Latvian delegation only to commit itself where bills of exchange were concerned. The Conference would have to choose which way seemed to it the best.

The PRESIDENT, in reply to M. Duzmans, said that he did not understand the point of view of the Latvian delegation very well so far as promissory notes were concerned. The Committee of Experts had certainly dealt with bills of exchange and promissory notes at the same time, and rightly so, and it had laid down that the exercise of the rights that flowed from a bill of exchange or a promissory note should not be subordinated to the observance of the provisions concerning the stamp.

What was a promissory note in Latvia was a bill of exchange in other countries. Therefore, if the Latvian delegation agreed to the principle that the rights which flowed from instruments drawn to order, bills of exchange or promissory notes should not be subordinated to the observance of the provisions concerning the stamp, it might perfectly well accept the first paragraph of the article proposed by the Committee of Experts.

The British delegate had declared in his amendment that he would not speak on promissory notes properly so called, since they did not usually leave their country. But in exceptional circumstances, when they did leave their country, it would be necessary to bring this provision into play. In Latvia, this exception was valid for bills of exchange. Consequently, if M. Duzmans was prepared to accept this principle, there would be no need to propose either an amendment or a reservation.

M. DUZMANS (Latvia) replied that promissory notes were not mentioned in the text of the Hague Convention. The Latvian proposal was that the Conference should return to the text of the Hague Convention.

He could not allow the Conference to think that this question was not so important for Latvia as he had suggested. He found himself unable to agree with the President, and the Latvian delegation would only sign the Convention if the Conference accepted one or other of the Latvian amendments. Considerations based on the economic and exchange life of Latvia compelled M. Duzmans to maintain his proposal.

The PRESIDENT thought that it was rather the fiscal requirements of Latvia that had dictated the preceding proposals. Fiscal laws, however had nothing to do with the validity of a document. In the case of a law suit, if an instrument had not been stamped, the judge might insist on the affixing of stamps and even the payment of a heavy fine ; but he would none the less base his judgment on the document, the validity of which was incontestible.

The President asked the Conference to vote on the Czechoslovak amendment to omit the second paragraph.

The Czechoslovak amendment was rejected by 17 votes to 4.

The PRESIDENT submitted the following amendment proposed by the French delegation :

“ The French delegation requests that the first sentence of the second paragraph of Article 1 of the Convention should be supplemented by the addition of the words “ and any fines paid ”.

“ *Reasons.* — The consequence of the provisions of Article 1 of the Convention is to modify the civil penalty laid down by Article 5 of the French Law of June 5th, 1850, in the case of an unstamped bill of exchange.

“ This penalty consists in barring the right of recourse, and its effect has been to prevent certain frauds which were very frequent before the Law of 1850.

“ At the same time, the French Government realises the difficulty of introducing such strict provisions in an international convention, especially as the text proposed by the legal experts constitutes a sufficiently effective guarantee, since, until the stamp duties have been paid, it suspends the exercise of action by the holder of an instrument which is at variance with the fiscal law of each of the contracting States.

“ It is, however, essential that the first sentence in the second paragraph of Article 1 should be completed by the addition of the words : ‘ and any fines paid ’.

“ The same addition should be made, if necessary, in regard to cheques at variance with fiscal law.”

M. PERCEROU (France) said that at the present moment the inadequate payment of stamp duties involved severe penalties in France, since it entailed the loss of the right of recourse. The French Government was prepared to abandon these civil penalties. It asked that the legal exercise of recourse should be subject to the discharge of stamp duties and the pre-payment of fines.

To some extent, a fine was the complement of the principal claim. It was accessory to it, and it would be logical to apply to it the same system. It might even be wondered, in view of the silence of the Convention on that point, whether this solution would not stand by itself, but he thought that it would be advisable expressly to affirm it in order to avoid any difficulty of interpretation.

M. DA MATTA (Portugal), with the aim of simplifying the formula, proposed that the Conference should adopt the text of the British proposal, and say :

“ Nevertheless, the High Contracting Parties may suspend the exercise of these rights till the stamp laws have been complied with.”

That provision would also cover the payment of fines.

M. DE LA VALLÉE POUSSIN (Belgium) hesitated to agree to the proposal of M. Percerou, because it did not take exact account of the consequences that might arise from the subordination of the exercise of the rights of recourse to the preliminary payment of fines. In any case, it was the drawer who had to pay the fine after creating the instrument without duly observing the provisions concerning the stamp. The application of the provision proposed by M. Percerou would paralyse the exercise of the rights of the holder and, in the end, of all those persons who should have recourse against the guarantors. That was a very strict penalty. If certain States punished deficiency of stamp duties by very high fines, they would run the risk of returning indirectly to the state of nullity which the Conference wished to avoid. In any case, this decision would have very serious effects from the point of view of safeguarding circulation, which was the principal end that the Conference was trying to reach by the means of this Convention.

M. PERCEROU (France) said that the French Government attached considerable importance to this interpretation of the law. He asked that stamp duties and fines should be complied with before taking action.

M. QUASSOWSKI (Germany) thought that the French amendment would entail a considerable restriction, which had not been adopted at The Hague. It was certainly possible to fix a fine at a level as high as the amount of the bill itself and so to make the final part of the provision contained in paragraph 1 null and void.

M. GIANNINI (Italy) pointed out that the acceptance of this rule had already brought about appreciable progress in legislation and that it was impossible to ask for further concessions in this matter without putting certain States in the difficult position of being unable to sign the Convention. It was in nobody's interest to draw up a draft which, in the end, would not be signed.

The French amendment was adopted by 12 votes to 5.

The PRESIDENT asked the Conference to give its opinion on the proposal of the Latvian delegation.

M. DUZMANS (Latvia) said that he withdrew all his amendments, but presented the following reservations :

“ Each of the High Contracting Parties reserves the right to restrict the undertaking mentioned in Article . . . of the present Convention to the provisions on bills of exchange alone.”

The PRESIDENT said that M. Quassowski preferred Article 19 of the Hague text, which was as follows :

“ The Contracting States cannot subordinate the validity of obligations arising out of a bill of exchange, or the exercise of the rights that flow therefrom, to the observance of the provisions concerning the stamp.”

That was a provision that ought to operate immediately after the Convention had entered into force.

In order to satisfy M. Quassowski, the President proposed that the Conference should take the first paragraph of Article 19 of the Hague text as the first paragraph of the article. The second paragraph would be formed by the present paragraph 1, which read as follows :

“ If their laws do not already make provision to this effect, the contracting parties undertake to modify their laws so that the validity of obligations arising out of a bill of exchange or a promissory note, or the exercise of the rights that flow therefrom, shall not be subordinated to the observance of the provisions concerning the stamp.”

Paragraph 3 would consist of the present paragraph 2, together with the French amendment. The President considered that this article might be still further reduced, but the essential point was to come to an agreement upon the question of principle, and to reserve the possibility of returning at a later date to questions of drafting.

M. PERCEROU (France) wondered whether the text of the experts was not the best in the end ; he thought that M. Quassowski might be content with that. Certainly the first paragraph of the experts stipulated that, if their laws did not make such provision, the contracting States undertook to alter their laws. He thought it was self-evident that the contracting States whose laws were already in conformity with the text would undertake not to modify them in an opposite sense. An accurate interpretation required that solution.

The PRESIDENT pointed out that there was a difference between paragraph 1 of Article 19 of the Hague text and paragraph 1 of the article proposed by the experts. The provision of The Hague would operate immediately after the entry into force of the Convention, whereas the article proposed by the experts stipulated that States undertook to modify their laws, and that might take a certain number of years.

Mr. GUTTERIDGE (Great Britain) pointed out that, in view of what had just been said, he ought to call attention to the fact that the British Government could not undertake to legislate within any definite period on that matter. That was not because they did not wish to legislate, but because of the unfortunate position in which parliamentary legislation found itself at the present moment in England. He could only say that the British Government would legislate as soon as possible. He believed there was something to be inserted in the Convention itself which would possibly get over this difficulty. His instructions were very definite that he must not agree to any period.

The PRESIDENT made it clear that he had in no way spoken of a fixed period of time. He had merely pointed out that the text of The Hague, if adopted by the Conference, would enter into force at the same time as the Convention.

Mr. GUTTERIDGE (Great Britain) replied that he did not think that could be done in England without legislation. He wanted to be quite certain that there was nothing which compelled the Government to introduce immediate legislation.

M. SMETS (Secretary to the Conference) pointed out that there was a period provided for ratification, and that the President had said that under that provision in the experts' text the sole obligation was to ratify at some time ; it was not stated exactly when.

Mr. GUTTERIDGE (Great Britain) said that he could accept the experts' text, but he would have to ask for further instructions before accepting the Hague text. It might upset the whole of the business of the House of Commons if he were to sign. The British Government would legislate as soon as they could, but they did not want to commit themselves to any definite period, because nobody knew what the position might be.

The PRESIDENT observed that if Article 19 of the Hague text were accepted, then immediately after the ratification a bill was valid although not duly stamped.

Mr. GUTTERIDGE (Great Britain) said that that was precisely what he could not accept.

The PRESIDENT thought that the statement of Mr. Gutteridge ought not to prevent the Conference from adopting the Hague text, because, whether the Hague text or that of the experts was adopted, Great Britain would have to make a reservation in both cases, since it wished to restrict the provisions on the stamp to a certain kind of bill of exchange.

Since there would be a British reservation in any case, it was of small importance whether it was an extensive one or not.

Mr. GUTTERIDGE (Great Britain) said that he would be satisfied if the Protocol of Signature contained a provision concerning the British reservation.

The PRESIDENT thought that, in order to cause the Convention to be signed by Great Britain, it was necessary to agree to this reservation. He repeated that, from the moment this reservation came into being, it was of little importance whether it was extensive or not.

M. DE LA VALLÉE POUSSIN (Belgium) thought that it would be better to take the first paragraph of Article 19 of the Hague draft, which was formal in content, whereas the draft of the experts postponed the execution of the engagements entered into by the States. The difficulties

raised by Mr. Gutteridge did not exist so far as the public law of most of the States was concerned. The adoption by the States of such a provision as the first paragraph of the draft of The Hague would entail the obligation to alter in due course the existing legal provisions which would be contrary to the engagement undertaken by these States. No difficulty arose from the point of view of constitutional law. In those circumstances, M. de la Vallée Poussin did not see the use of choosing the text of the experts, which made provision for States to enter into an agreement at a later date. Such an engagement was certainly undertaken by the mere fact of accession. The way in which States would modify their respective legislations was a question which did not concern the Conference and of which the States themselves were the sole judges.

M. GIANNINI (Italy) drew the attention of the Conference to the fact that the result would be the same whether it voted the Hague text or that of the experts. The meaning of the Hague text was that, at the moment the Convention entered into force, the contracting States would be obliged to modify their respective legislations to the extent of bringing them into harmony with this international obligation ; whereas the text of the experts said that : “ if their laws do not already make provision to this effect, the contracting parties undertake to alter their laws . . . ”. The result was that, if a contracting State had not modified its legislation at the moment when the Convention entered into force, it would violate the Convention.

M. Giannini thought that, if certain delegations attached particular importance to this point, the Conference could abide by the formula proposed by the experts and add “ at the latest, before the entry into force of the present Convention ”, after the words “ to alter their laws ”.

In the PRESIDENT'S opinion, a certain difference did exist between the two texts, but he thought it was of small importance. Personally, he was prepared to accept the proposal of M. Giannini.

Not to prolong the debate, he therefore proposed to take the second paragraph of Article 1 of the Committee of Experts, together with the French amendment that the Conference had just adopted, and to add to the first paragraph the words proposed by M. Giannini : “ at latest, before the entry into force of the present Convention ”.

M. QUASSOWSKI (Germany) pointed out that this formula only concerned States that did not yet possess stamp laws ; therefore a State with such laws remained completely free.

The PRESIDENT disagreed. It was obvious that States with stamp laws had already declared that the validity of the bill of exchange or a promissory note was independent of the provisions on the stamp. Such was the meaning of the article.

M. QUASSOWSKI (Germany) insisted on the fact that, in his opinion, States that already had stamp laws were not covered by this provision and were consequently absolutely free. This was a result that the Conference could not accept.

M. VISCHER (Switzerland) agreed with the interpretation given by the President ; but he thought that there was a reason for adopting M. Quassowski's proposal, for it was not desirable in an international convention to bind indirectly and *a contrario* those States that had no provision contrary to such a convention. It was better to bind positively all the signatory States, beginning with the general engagement which was contained in the Hague Convention.

M. SULKOWSKI (Poland) thought that the objections of M. Quassowski were not justified. The article proposed by the experts made it quite clear that if a State had legislation, according to which the validity of its engagements did not depend on the observance of the provisions concerning the same, then there was no need for it to modify its legislation.

The PRESIDENT added that, if such a State altered its legislation, it would be violating the Convention.

M. SULKOWSKI (Poland) declared that, in spite of that, he would prefer the formula proposed by the President. In his opinion, the two cases were slightly different. In the first case, there was no reason to change the financial legislation at the moment of ratification, because it was altered by the fact of ratification itself. In the case that M. Giannini had taken into account, an alteration would have to be made which could not be done without difficulty, since Parliaments would not confine themselves to altering the general principle, and the result would be a great waste of time.

Granted that M. Giannini considered that the idea that the President had just put forward had not been clearly expressed in Article 19, this article might be altered by saying that the validity of engagements arising out of a bill of exchange, or the exercise of the rights that flowed therefrom, was not subordinate to the observations of the provisions on the stamp. The result would be that this provision would come into play without making any change in national legislations necessary.

M. GIANNINI (Italy) thought that it was clear from the engagement that there was no necessity for States whose legislation was in conformity with the Convention to modify their legislation. Further, there was nothing to prevent them still from mentioning this matter in the report.

The PRESIDENT pointed out that in that case the Conference would have to add that those States whose legislation was in conformity with the principle of the article proposed by the experts might not alter their legislation. This had been pointed out by M. Quassowski. Personally, he thought that if the aforementioned States modified their legislation they would be violating the Convention.

Prince VARNVAIDYA (Siam) proposed to omit the sentence : " If their laws do not already make provision to this effect ", and to say instead : " The contracting States undertake, if need be, to alter their laws . . . "

The PRESIDENT replied that that would not be so clear.

Mr. GUTTERIDGE (Great Britain) pointed out that there again the word " State " would have to be replaced by the word " country ".

The PRESIDENT said that, personally, he preferred to take the first paragraph of Article 19 of the Hague Convention of 1912 and paragraph 2 of the text of the experts ; but the same result could be achieved by adopting the text of M. Giannini, not only because an interpretation would be available in the report, but also because it would then be a question of a separate convention endowed with a preamble of such a nature as to give full satisfaction to M. Quassowski.

The President therefore proposed that the Conference should vote upon the proposal of M. Quassowski. He added that, if it was rejected, they would have to return to the text of The Hague.

M. QUASSOWSKI (Germany) admitted that M. Giannini might be right, but in order to arrive at his conclusions it was necessary to use guile. The formula of Article 19 of the text of The Hague was shorter and clearer ; consequently, M. Quassowski formally proposed to keep paragraph 1 of Article 19 of the text of The Hague.

The PRESIDENT declared that since M. Quassowski had made this proposal the Conference would have to take the text of The Hague, paragraph 1 of Article 19, and to add to it the words " or a promissory note ", in order to clear up the matter on which it was voting. It would then have to take paragraph 2 of the text of the experts which had just been amended by the proposal of the French delegation.

M. DUZMANS (Latvia) said that the Latvian delegation was quite convinced that the text of The Hague and that of the experts would both lead to the same result. He would vote for the text of The Hague, since that was the shorter.

Paragraph 1 of the text of The Hague, with the addition of the words " or a promissory note ", and the second paragraph of Article 1 of the experts were adopted, together with the amendment of the French delegation, by 20 votes to 4.

The PRESIDENT reminded the Conference that there was a proposal of the Latvian delegation before it in the following terms :

" Each of the High Contracting Parties reserves the right to restrict the undertaking mentioned in the present Convention to the provisions concerning bills of exchange alone."

M. DUZMANS (Latvia) emphasised the psychological side of the question. The history of promissory notes showed that, first of all — for example, a century ago — the legal capacity necessary for their issue had been limited to those classes of society that were less likely to lose their way upon a path that was beset by certain dangers. In Imperial Russia, the peasant class had been debarred from the right to issue promissory notes. In Latvia, where the population was more forward, this prohibition had not existed. The result of this was that bills of exchange usually circulated in circles that were well informed — among men of business or financiers, and especially exporters or importers of bills. Promissory notes, on the other hand, were current in all circles.

M. Duzmans emphasised the lack of confidence that might be engendered if a promissory note could be drawn up on any kind of paper.

These historical, psychological and traditional considerations were of great importance for those circles that were not very well informed on commercial and financial procedure.

M. Duzmans asked the Conference to be so good as to accept this reservation, and added that motives of fiscal order certainly applied to Latvia as much as to all the other States.

M. ALBRECHT (Germany) thought that if the Conference were going to accept such a reservation there ought to be a reciprocity clause ; in other words, if one of the High Contracting Parties wanted to restrict its obligation not to demand the stamp, other parties should have the liberty to restrict their obligations in the same way.

M. VISCHER (Switzerland) thought that this Convention contained a most important provision for trade, and therefore it ought to be as little limited as possible. He did not wish a general reservation to be inserted in favour of all the contracting parties. That would be going too far. Therefore he would not vote for the reservation in question. In his opinion, Latvia should reserve the right of applying this Convention only to bills of exchange. The British delegate was to make a similar reservation covering only the case of Great Britain. Without that, there would be the risk that other States would begin to do the same thing.

The PRESIDENT said that though the proposed reservation was general in character, in practice it would probably only come into force as far as Latvia was concerned. As for the reciprocity clause, he thought that some confusion had arisen there.

The Latvian reservation was adopted by 14 votes to 5.

M. ALBRECHT (Germany) proposed that :

“ Subject to reciprocity, each High Contracting Party reserves to itself the right to restrict the undertaking referred to in the present Convention to the provisions of bills of exchange alone.”

The PRESIDENT said that M. Albrecht's proposal seemed to consist in adding the words “ subject to reciprocity ” to the reservation that had already been adopted.

M. DUZMANS (Latvia) asked what was the meaning of this addition.

M. ALBRECHT (Germany) replied that States could not claim all the advantages of this Convention and give on their part only restricted advantages.

The PRESIDENT explained that if Latvia used this reservation, other States would be able to use the same reservation and insist that the Latvian promissory notes should also be stamped before becoming valid.

M. DUZMANS (Latvia) asked if that was a theoretical point of view.

M. GIANNINI (Italy) said that in practice nothing would be done.

The addition of the words “ subject to reciprocity ” was adopted by 12 votes to 4.

M. DE LA VALLÉE POUSSIN (Belgium) had not quite understood the amendment which had just been adopted and was not without apprehension in regard to the consequences which might be involved.

The meaning which it seemed to him should be given to it, was that the States which wished to make use of reciprocity would have a right to declare null and void bills of exchange issued on their territory and payable in one of the countries which had adopted the Latvian reservation.

Was that really the meaning which should be attributed to the amendment? If that were the case, it was essential to explain the meaning of this amendment and to indicate the strict limits within which it should be applied. Apart from that the most divergent interpretations would arise.

The PRESIDENT was sorry that M. de la Vallée Poussin had not made this statement before the vote, because in that case the result might have been different.

The Latvian proposal had been more or less improvised during discussion. The President quite understood that when the German delegate had heard this reservation moved and remembered the text of other Conventions, he might have said: “ There ought to be a reciprocity clause like those that already exist in many other Conventions.” The Conference had not had the time to ask itself whether it would be easy to contemplate about reciprocity in regard to matters concerning bills of exchange. There were many difficulties concerning the place of a bill's creation, endorsements, the circulation of the instrument, etc., and perhaps the Conference should return to this question later.

Mr. GUTTERIDGE (Great Britain) said that, in view of the alterations that had taken place, he was not sure that it was much good asking for any reservations. He did not say this in any sense of pique, but he had been wondering whether the simplest course would not be for him to abstain from signing. The position had become extremely complicated. Article 19 of the Hague Convention of 1912 had been adopted, which brought this Convention immediately into force. That was an utterly impossible position for Great Britain, because Parliament had to legislate before any change could take place. Moreover, he was not quite sure whether this last amendment did not cause considerable difficulty. Considering the other reservations he would have to make, he was beginning to wonder whether it was really any good for Great Britain to sign this Convention at all.

The last amendment caused him particular difficulty, because he was not quite sure that there was not some way of getting over the difficulty caused by the introduction of the Hague rules. But even if the Conference did so, it would find itself faced with this new difficulty. He had been trying to sketch out some way of drawing up a reserve which would avoid that ; but he did not think it was possible, because if the first paragraph of Article 1 was excluded, there was nothing left which bound him in any way. In other words, the Convention had assumed such an entirely different shape from that which it had possessed when he had received his instructions from England that he did not see that there was anything to which he could put his signature.

The PRESIDENT considered that the reservations of Great Britain would restrict the scope of the Convention to bills of exchange submitted for acceptance and payable elsewhere than in the territory of Great Britain. If those reservations were adopted as well as the system of reciprocity, a very difficult situation would result.

Mr. GUTTERIDGE (Great Britain) replied that that was exactly what he felt. The British Government did wish to remedy this injustice as soon as they had time to do so. He had no doubt that they would do so, but he thought he would be rendering a disservice to the cause of unification if he tried to reconstruct a Convention which he could sign. Probably the greatest service he could render would be to refrain from signing.

The PRESIDENT noted that there was no reservation by the British delegation.

He proposed that the Convention should be called : " Convention on the Stamp Laws in connection with Bills of Exchange and Promissory Notes".

This proposal was adopted.

The PRESIDENT asked whether the Conference intended to maintain its vote on reciprocity.

M. SULKOWSKI (Poland) asked whether it would not be possible to reach an understanding before the second reading.

The whole value of the Convention on the stamp laws depended on the accession of Great Britain. An effort should therefore be made to reach an understanding. To that end, M. Sulkowski suggested that the discussion should be adjourned in order that a compromise might be found.

Mr. GUTTERIDGE (Great Britain) said that if the Conference did not like the suggestion he was about to make it could reject it. It had occurred to him that if this matter could be adjourned until the Conference dealt with cheques, he might be able to obtain further instructions from his Government which would enable the matter to be carried through.

M. SULKOWSKI (Poland) proposed that the discussion should be adjourned until the following meeting.

Meanwhile it would be possible to reach agreement.

Mr. GUTTERIDGE (Great Britain) said that, in that case, it might be possible to have one convention covering both cheques and bills of exchange, but he did not know whether the Conference would agree to that.

M. Giannini had proposed an all-embracing reservation in the Convention on the Conflicts of Laws. If something of that kind were adopted, Mr. Gutteridge might apply for further instructions, but it was not a proceeding which commended itself to him.

The PRESIDENT replied that it was not possible to consider such a proceeding.

Mr. GUTTERIDGE (Great Britain) realised that it was not a practical proposal. Therefore he thought that, unless it was possible to adjourn the question, he would have to abandon it.

The PRESIDENT asked Mr. Gutteridge whether, apart from Article 19, paragraph 1, of the Hague Convention, which was a secondary matter for the other States, he would be able to sign the Convention with reservations.

Mr. GUTTERIDGE (Great Britain) replied that he might be able to sign the Convention with the reservations which he had indicated, which would be drawn up in a protocol of signature,

The Conference adjourned for twenty minutes.

On resumption, the PRESIDENT made the suggestion that the Conference should return to the text of the experts with M. Percerou's amendment, and should admit the reservations by the British and Latvian delegates in the Protocol of Signature.

He made that proposal after having consulted various delegates in particular, and explained that M. Quassowski had drawn up a proposal of the same kind based on another system.

Mr. GUTTERIDGE (Great Britain) replied that he gladly accepted the President's proposal and thanked him for his personal intervention which had helped to bring about a settlement. He took it that the clause, which provided that if, for any reason, Great Britain should be unable to ratify by the time mentioned in the Convention, they would communicate with the Secretary-General of the League of Nations explaining their reasons, would be incorporated in the Convention itself.

The PRESIDENT pointed out that the text he had submitted would need a slight amendment. In other words, it would be necessary to add in the second paragraph after the words " to bills of exchange " the words " and promissory notes ".

The reservations presented by the British delegation for insertion in the protocol of signature were then read once more (see beginning of the meeting, page 275).

These reservations were adopted.

The PRESIDENT pointed out that the members of the Conference would still have an opportunity of examining the text of the draft Convention when it had been printed.

He had before him a proposal by the German delegation to be inserted in the Final Act at the conclusion of the recommendations. The text of the proposal was as follows :

" The Conference for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques, having concluded the first part of its programme, decides to postpone to another session the discussion of the draft Convention on Cheques, and asks the President of the Conference to fix, with the authorisation of the Council of the League of Nations, the date of the second session of the present Conference, if possible, in January 1931.

“ Meanwhile, and in order to facilitate subsequent work :

“ 1. The Governments represented at the present Conference will, in the light of the experience of this first session, devote further examination to the draft Conventions on cheques submitted to the Conference and will, if necessary, consult circles technically concerned. This examination might deal, in particular, with the present state of legislation and with the following points :

- “ Must the drawee be a bank or a banker ?
- “ Must there be a previous agreement between the drawer and the drawee ?
- “ Must the drawer have funds in the hands of the drawee, and at what moment : at the time of presentation or at the time of payment ?
- “ Must a cheque always be payable on demand ?
- “ Must a cheque always be accepted or provided with a visa, and what shall be the effects ?
- “ How must the time-limits for presentation be fixed ?
- “ May the cheque be withdrawn temporarily and with what effect ?
- “ Prohibition to delete the crossing.
- “ What are the effects of crossing ?
- “ Is the drawer liable even if the cheque has not been presented within the fixed period of time ?
- “ If the cover is transferred to the holder, upon whom do the risks of forgery and alteration fall ?
- “ Can the drawee refuse partial payment of a cheque when there are not sufficient funds to meet it ?
- “ A typewritten cheque.
- “ Loss or theft of a cheque.
- “ Amortisation.
- “ Conflicts between transmission clauses.
- “ Domiciled cheques.
- “ Duplicates.
- “ Limitation of actions.
- “ Release of the endorser from his liability.

“ The Bureau would consider how the two lists should be combined. The second list included the following points :

- “ Is it desirable to prohibit the drawing of cheques on persons who do not carry on the profession of banking ?
- “ Must the drawer be given the right to object to payment of the cheque, and how far ?
- “ Withdrawal.
- “ Is it not desirable to prescribe special rules to meet the case in which an instrument, which otherwise satisfies all the conditions required for the validity of a bill of exchange, stipulates that it is payable not in money but by a cheque, especially by a cheque drawn on a bank abroad ?
- “ Would it not be possible to combine in a single type the crossed cheque and the cheque only for collection in use by certain countries ?

“ 2. The delegations will communicate to the Secretary-General of the League of Nations, before September 15th, 1930, the result of the examination referred to in I, adding thereto any amendments, proposals or considerations they may deem fit.

“ 3. The additional documentation thus obtained would be co-ordinated, classified and incorporated in a single document on the instructions of the Secretary-General.

“ The President of the Conference is requested to revise the document prepared by the Secretariat and to furnish the latter with any useful instructions before the document is transmitted to the Governments represented at the present Conference.

“ 4. The Conference requests the Council of the League of Nations to authorise the Secretary-General of the League to undertake the duties necessary for the execution of the above provisions.”

The PRESIDENT pointed out that, in regard to item II of the proposal it should be observed that September 15th was too soon and that it would be preferable to substitute October 15th.

M. DUZMANS (Latvia) did not think that the next session of the Conference could be fixed for January 1931 until it was known what meetings and conferences the League of Nations had in mind for that time.

The PRESIDENT pointed out that the date had been fixed in agreement with the Secretariat of the League of Nations.

M. DUZMANS (Latvia) was personally not in favour of the date, but he would accept it if the Conference considered that January was an opportune moment. He himself thought that the date was too soon.

The PRESIDENT observed that the date would not be too soon for considering the draft Convention on Cheques, since that question should have been considered at the present session of the Conference.

M. SMETS (Secretary of the Conference) stated that when the Conference would be able to meet depended on a variety of circumstances which were to some extent unforeseeable. That was why the text which the President had read contained the words "if possible, in January 1931". It was also stated that the Conference requested the President to fix, with the authorisation of the Council of the League of Nations, the date on which the Conference should meet, which obviously implied that the various authorities concerned would be consulted and their assent obtained.

Thus M. Duzmans' preoccupations had already been taken into consideration.

M. DUZMANS (Latvia) objected to January, because at that time the delegates would be detained in their respective countries on account of various obligations.

The PRESIDENT said that it was understood that, if possible, the Conference would be at the end of January.

The French, Italian, Brazilian, Portuguese, Czechoslovak, British, Greek and Polish delegations stated that they accepted the German proposal.

M. GIANNINI (Italy) would like the position of the legislations of the various countries to be added to the points to be studied by Governments.

M. QUASSOWSKI (Germany) would like the question of post-dated cheques and inequitable gain to be added to that on cover.

M. SULKOWSKI (Poland) asked that the following questions should be added : acceptance, certification and visa.

These proposals were adopted.

The PRESIDENT opened the discussion on the following recommendation submitted by the Polish delegation relating to the unification of the general principles governing the payment of stamp duties :

" The Conference,
" Considering the practical difficulties caused by the diversity of general principles applying to the payment of stamp duties,

" Recommends :

" That the Fiscal Committee of the League of Nations should study the question of *unifying the general principles* to be applied to the payment of stamp duties."

The President suggested that the Polish delegation should withdraw its recommendation for the moment. He feared that its adoption would somewhat frighten various countries whose signature to the Convention on Stamp Laws which the Conference had just adopted with so much difficulty would have to be obtained.

M. SULKOWSKI (Poland) did not insist on a vote on the recommendation. He would be satisfied if it were noted in the Minutes that such a recommendation had been submitted by the Polish delegation.

The PRESIDENT informed the Conference that Mr. Gutteridge and M. Percerou had reached agreement on an improved text for the British reservation as follows :

" It is agreed that, in so far as concerns the United Kingdom of Great Britain and Northern Ireland,

" The only instruments to which the provisions of this Convention shall apply are bills of exchange presented for acceptance or accepted or payable elsewhere than in the United Kingdom."

Mr. GUTTERIDGE (Great Britain) said that when he had thanked the President for his intervention he should also have thanked the members of the Conference for the conciliatory spirit in which they had met his difficulties. He highly appreciated their action.

THIRTY-THIRD MEETING.

Held on June 5th, 1930, at 8.30 p.m.

President: M. J. LIMBURG.

52. Discussion of the Report of the Drafting Committee.

The PRESIDENT proposed the addition, after the heading " Report of the Drafting Committee", of the names of the Chairman, the Rapporteur and the members of the Committee — that was to say, M. Giannini, M. Percerou, M. Ekeberg, M. Quassowski and M. Sulkowski respectively.

This proposal was adopted.

M. SMETS (Secretary of the Conference) pointed out that, when the report had been approved, it would be desirable to number not each paragraph but each new idea in order to facilitate reference.

This suggestion was approved.

M. GIANNINI (Italy) (Chairman of the Drafting Committee) wished to say that the work of the Drafting Committee had been carried out in a spirit of very cordial collaboration. Each chapter had been drafted by one of the members. In view, however, of the short time at the disposal of that Committee, he had asked for the collaboration of several delegates who were not members of the Drafting Committee. He desired to thank these collaborators for their valuable assistance.

M. Giannini wished publicly to thank the members of the Drafting Committee who had been required to make a particularly intensive effort. The Conference had itself worked very hard and it had had, in addition, to accomplish a really heavy task. M. Giannini's thanks went, first of all, to the general Rapporteur of the Committee and the two other Rapporteurs whom the Conference had appointed — M. Ekeberg, M. Quassowski and M. Sulkowski. His special thanks also went to the Secretary of the Drafting Committee.

The object of the note to Article 76 was to give satisfaction to the Japanese delegation, which had expressed the desire that the observations relating to signature should be repeated in regard to promissory notes.

M. Giannini added that the Drafting Committee would be the first to acknowledge that its work was imperfect, but in view of the extremely short time at its disposal it was unable to do better. He relied on the spirit of conciliation of his colleagues and asked them to point out to him or to the general Rapporteur any material errors which they might find.

In conclusion M. Giannini thanked the Conference for the confidence which it had shown in the Drafting Committee.

I. GENERAL REMARKS.

This chapter was adopted with a number of formal amendments.

II. CONVENTION PROVIDING A UNIFORM LAW FOR BILLS OF EXCHANGE AND PROMISSORY NOTES.

Paragraphs 7, 8, 9, 10, 11, 12, 13 and 14 were adopted with a number of formal amendments.

ANNEX I.

ARTICLES 1, 2 AND 3.

Adopted.

ARTICLE 4.

M. SRB (Czechoslovakia) pointed out that reference should be made to Article 22 and not Article 21 in paragraph 27.

Article 4 was adopted with a number of formal amendments in the Explanations.

ARTICLES 5, 6, 7, 8 AND 9.

Adopted.

ARTICLE 10.

Article 10 was adopted with a formal amendment.

ARTICLES 11, 12, 13, 14, 15, 16, 17 AND 18.

Adopted.

ARTICLE 19.

M. SCHELTEMA (Netherlands) recalled that the Conference had decided that the second paragraph of the article should refer to the holder of the pledge (*porteur gagiste*). Should not a sentence to that effect be inserted in the report?

M. PERCEROU (France) replied that the idea was explained in paragraph 49, where it was stated: "It is very important that the person holding the bill as collateral security should be able to transmit the bill by means of an ordinary endorsement."

M. SCHELTEMA (Netherlands) considered that the passage did not refer specially to the holder mentioned in the second paragraph of the article. The paragraph concerned the defences which might be set up and it was in that connection that the observation to which M. Scheltema had referred had been made.

NOTE. — In order to avoid unnecessary printing, only the final text of the report of the Drafting Committee appears in the first part, page 125. The changes made in the Committee's draft report will be found in the record of the discussions.

The PRESIDENT proposed that the text of the report should be completed by the addition of the following paragraph 52 :

“ It is understood that the holder referred to in the second paragraph is the pledgee. ”

This addition to the Explanations was adopted.

Article 19 was adopted.

ARTICLES 20, 21, 22, 23, 24, 25 AND 26.

Adopted.

ARTICLE 27.

M. SHIMADA (Japan) asked that the following text should be added at the end of the explanation of Article 27 :

“ It is also laid down that, in the case mentioned in paragraph 2, when the drawer has not specified a third party at whose address payment must be made, the drawee may name such third party at the time of acceptance (Paragraph 68). ”

M. Shimada explained that that interpretation had been accepted by the Conference, which had decided that it should appear in the report. He would refer in that connection to the Minutes of the discussions.

The PRESIDENT agreed and proposed that this insertion should be made.

The insertion in the Explanations proposed by the Japanese delegation was approved.

Article 27 was adopted.

ARTICLE 28.

Adopted.

ARTICLE 29.

Article 29 was adopted with a formal amendment in the Explanations.

CHAPTER IV.

ARTICLES 30, 31, 32 and 33.

Adopted.

ARTICLE 34.

M. EISNER (Yugoslavia) proposed the deletion of the words “ or extend ” in the sentence “ the endorser has the right to abridge or extend the period of presentment ”. The endorser was only entitled to abridge the period.

Article 34 was adopted with this amendment to the Explanations.

ARTICLES 35, 36 AND 37.

Adopted.

ARTICLE 38.

The article was adopted with a number of formal amendments in the Explanations.

ARTICLE 39.

M. VISCHER (Switzerland) asked that the words “ in general ” should be inserted in the sentence “ As against this, it was pointed out that, *in general*, a creditor is not obliged to accept partial payment...” The common law of all countries did not provide that the creditor was obliged to accept partial payment.

Article 39 was adopted with the amendment proposed by M. Vischer in the Explanations.

ARTICLE 40.

M. VISCHER (Switzerland) did not agree with the following sentence of the Explanations (paragraph 90) :

“ When paragraph 2 was being discussed, the point was raised as to how payment by the drawee, after maturity, but before protest, should be regarded. . . ”

If the bill had been presented on the day when it matured and payment had been made later, the moratory interest (*intérêts moratoires*) ran from the day of maturity.

M. PERCEROU (France) replied that it was not the question of interest which had been considered, but the verification of the identity of the party who has presented the instrument.

M. SRB (Czechoslovakia) pointed out that not only gross negligence, but proof of this, had been mentioned during the discussion.

The PRESIDENT replied that the sentence : " It is, however, not sufficient that the drawee should have a doubt regarding the holder's *bona fides*; his doubts must be backed up by proof", could perhaps be deleted. It might be thought that there was an ambiguity there. It could be explained on the grounds of gross negligence or *culpa levis*.

M. QUASSOWSKI (Germany) considered that the sentence in question was essential.

The PRESIDENT proposed that, in those circumstances, the text should be maintained as it stood.

The article was adopted without change in the Explanations.

ARTICLE 41.

M. MOLENGRAAFF (Netherlands) asked for the insertion in the report of a reservation which had been made in regard to Article 41.

After a short exchange of views, the following paragraph (98) was inserted :

" A reservation to this Article 41 was adopted (Annex II, Article 7).

Article 41 was adopted with the addition to the Explanations.

ARTICLE 42.

Adopted.

ARTICLE 43.

The PRESIDENT pointed out that the final sentence of paragraph 103 should read :

" This text, as maintained, therefore implies that the right of recourse *before maturity* can only be exercised in the event of the drawer of a non-acceptable bill of exchange becoming a declared bankrupt, etc."

Article 43 was adopted with this change in the Explanations.

ARTICLE 44.

Article 44 was adopted with a number of formal amendments in the Explanations.

ARTICLE 45.

Adopted.

ARTICLE 46.

Article 46 was adopted with a formal amendment in the text and in the Explanations.

ARTICLES 47, 48, 49, 50, 51, 52 AND 53.

Adopted.

ARTICLE 54.

M. PERCEROU (France) (Rapporteur of the Drafting Committee) pointed out that the Czechoslovak delegation had asked that the following paragraph (124) should be added at the end of the Explanations :

" Lastly, attention should be drawn to an addition to paragraph 5 of Article 54 (corresponding to paragraph 5 of the Hague text). It is stated that in the case of bills of exchange drawn at a fixed period after sight, the time-limit of thirty days is added to the period after sight specified in the bill of exchange."

Article 54 was adopted with this addition to the Explanations.

ARTICLES 55, 56, 57, 58, 59, 60, 61 AND 62.

Adopted.

ARTICLE 63.

M. SRB (Czechoslovakia) asked the Conference to amend the second sentence of the explanations (paragraph 137) in order to give satisfaction to the Czechoslovak delegation, which had submitted an amendment concerning the rights of the intervener against the acceptor.

M. PERCEROU (France) (Rapporteur of the Drafting Committee) proposed that the sentence quoted by M. SRB should be drafted as follows :

" The Conference also modified paragraph 1 in order to adopt a more precise formula and one which would include the recognition of the rights of the person intervening even against the acceptor."

Article 63 was adopted with this amendment in the Explanations.

ARTICLES 64, 65, 66, 67, 68, 69, 70, 71, 72, 73 AND 74.

Adopted.

ARTICLE 75.

M. GIANNINI (Italy) (Chairman of the Drafting Committee) proposed that the following paragraph (151) should be added :

“ The remarks relating to the signatures on bills of exchange must be regarded as applying to promissory notes.”

M. SRB (Czechoslovakia) considered that, if that observation were made in connection with the signatures on promissory notes, it should be pointed out that the observation regarding the language used for the text of the instrument also related to promissory notes.

M. GIANNINI (Italy) (Chairman of the Drafting Committee) considered that that addition was unnecessary. He would, however, like to give satisfaction to M. Srb.

M. SRB (Czechoslovakia) proposed the addition of the following words : “ and to the language employed in drawing up the instrument ”.

Article 75 was adopted with these amendments in the Explanations.

ARTICLES 76, 77 AND 78.

Adopted.

ANNEX II.

The PRESIDENT pointed out that the word “ reservations ”, which appeared in the title, should be deleted.

This proposal was adopted.

ARTICLES 1, 2 AND 3.

Adopted.

ARTICLE 4.

M. MOLENGRAAFF (Netherlands) proposed that the words “ a concession to French law ” in paragraph 159 of the explanations should be changed to read :

“ . . . And is a concession to the law of the countries which allow an ‘ aval ’ to be given by a separate instrument.”

There were several countries which allowed an “ aval ” to be given by a separate instrument.

M. GIANNINI (Italy) (Chairman of the Drafting Committee), asked that the words “ a tthe request of the Italian delegation ” in paragraph 160 should be replaced by “ at the request of one delegation ”. The same observation applied to Article 17.

These amendments to the Explanations were adopted.

Article 4 was adopted.

ARTICLE 5.

M. GIANNINI (Italy) (Chairman of the Drafting Committee) said that paragraph 162 of the explanations should read : “ Contrary to the general provision in Article 23 of Annex II. . . ”, instead of “ . . . the present Annex. . . ”.

Article 5 was adopted with a formal amendment in the Explanations.

ARTICLE 6.

Adopted.

ARTICLE 7.

M. DUZMANS (Latvia) wished to make an important declaration. The attitude of the Latvian delegation would be determined by the interpretation which the Conference gave to Article 7, and the report might help that delegation in endeavouring to obtain the ratification of the Convention.

It was the explanations which were the cause of the Latvian delegation's intervention. It was stated :

“ This article permits each of the High Contracting Parties, in exceptional circumstances connected with its rate of exchange, to derogate from the clause . . . for effective payment in foreign currency.”

The Rapporteur's explanation thus reproduced the text of the article as it stood. At the end of the explanations was to be found an idea which, in the opinion of the Latvian delegation, was the real idea of the Conference, as was clear from the Minutes.

The Rapporteur said :

“ These provisions were adopted in order to enable contracting parties to deal with certain economic situations which may arise at certain times in their countries . . . ”

During the discussion of the reservations submitted by the Polish delegation, M. Sulkowski, M. Giannini and others had stated that the question affected the whole economic and financial situation of countries. In Article 7, however, were to be found the words : “ . . . in exceptional circumstances connected with the rate of exchange in such State ”. The exceptional circumstances were therefore limited to the sole case of the rate of exchange. The interpretation of the real idea of the Conference might be that the State concerned was free to appreciate its economic situation as a whole. Moreover, Article 7 stipulated :

“ Each of the High Contracting Parties shall have the right, if it deems fit . . . ”

The explanations of the Drafting Committee, however, limited the interpretation of the article.

In order to explain the anxiety of his delegation, M. Duzmans took an example. The monetary unit in Latvia had been stabilised for eight years. There was therefore no monetary crisis, no exchange crisis. Nevertheless, the parties who issued bills of exchange could always insert the clause for effective payment for one reason or another. That reason might be justified or, on the contrary, the drawer might be disloyal and insert a clause for a reason which had no relation to the economic situation of the country. It might happen that the country, especially if it was small and had recently issued a new currency, would find itself suddenly deprived of foreign currency. In a great many new States, however, the cover for the national currency consisted partly in gold and partly in foreign currency. Apart from any exchange crisis, it might thus happen that one of these small States found itself suddenly deprived of the second half of its cover.

Could the High Contracting Parties interpret the possibility of derogating from the clause in question in a wide sense — that was to say, not only in the event of an exchange crisis — but also, for instance, in the event of an economic crisis preceding an exchange crisis? That was not specified in the text.

After long reflection, the Latvian delegation thought that it was still possible to avoid the difficulty even at the last moment. Indeed, the work of the Conference had been extremely hurried. The task of the Drafting Committee had been overwhelming and M. Duzmans wished to pay a tribute to the work of his colleagues. In the circumstances, however, a slight modification of the text of the article might be permitted. In view of the fact that the Conference did not intend to limit the right to derogate to crises connected with the rate of exchange, the sentence in question of Article 7 might be drafted as follows : “ in exceptional circumstances, connected, *for example*, with the rate of exchange in such State ”, or, “ in exceptional circumstances, connected with the rate of exchange of that State ” etc. That addition would enable the article to be interpreted in a wide sense. Moreover, it would be desirable not to limit the commentary to quoting the article, but to give a wider interpretation in it also.

M. Duzmans added that if in spite of the goodwill of everyone it was not possible for the Conference to give satisfaction to the Latvian delegation, the latter would greatly regret its inability to recommend its Government to sign and ratify the Convention. That conclusion would not appear exaggerated if the example which M. Duzmans had quoted, and which might occur in any small country, were taken into consideration.

M. GIANNINI (Italy), Chairman of the Drafting Committee, stated that at the beginning of M. Duzmans' statement he had been very anxious, fearing that a disaster would occur. He then realised that there would be no disaster and that the question raised could be reduced to very modest proportions.

If any reproach could be addressed to the Rapporteur in connection with the article, it was that he had extended rather than decreased the scope of the problem by stating in the commentary that the provisions were adopted in order to enable contracting parties to deal with certain *economic situations*. Indeed, if he had kept to the article adopted by the Conference, he should have stated “ certain monetary situations ”. The word “ economic ” had been employed for the purpose of allowing a certain flexibility in the interpretation of the article.

M. Duzmans would certainly admit that Article 41 referred only to monetary questions and that the reservations could only apply to the solution of problems connected with Article 41. The addition of “ etc. ” as proposed by M. Duzmans would entirely upset the system. It would change the meaning of Article 41, for it would give States such freedom that by making a reservation they could do as they liked.

Was not the case instanced by M. Duzmans still a monetary crisis? It was a crisis which had not yet occurred, but which would occur. It fell precisely within the interpretation of the article, for it was not stated that the country should wait until a crisis had occurred ; it could act when that crisis was threatened.

On the other hand, the commentary on the article should satisfy M. Duzmans, because it stated that the provisions were adopted in order to enable contracting parties to deal with certain economic difficulties which might arise at certain times in their countries.

M. Duzmans had drawn the attention of the Conference to the fact that the explanations opened with the words “ This article permits each of the High Contracting Parties . . . ” ; M. Giannini would observe that that beginning was only a textual reproduction of the beginning of Article 7. It was not really an explanation. It was added, however, that the provisions had been adopted.

Moreover, if the words "monetary situation" were employed instead of "economic situations", the article would also be applicable to the example given by M. Duzmans.

In conclusion, M. Giannini was certain that the Latvian representative could be satisfied and could sign without anxiety.

Article 7 was adopted.

ARTICLE 8.

M. SCHELTEMA (Netherlands) proposed the addition of the following paragraph (166) at the end of the comments:

"Paragraph 3 gives countries the right to make a presumption corresponding to that contained in Article 20, paragraph 2, of the Uniform Law."

Article 8 was adopted with this amendment in the Explanations.

ARTICLES 9, 10 AND 11.

Adopted.

ARTICLE 12.

Article 12 was adopted with a formal amendment in the Explanations.

ARTICLES 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 AND 23.

Adopted.

CONVENTION FOR THE SETTLEMENT OF CERTAIN CONFLICTS
[OF LAWS IN CONNECTION WITH BILLS OF EXCHANGE AND PROMISSORY NOTES.]

The PRESIDENT proposed the addition, after the title: "Report submitted by M. Diena". M. Diena had been officially appointed by the Conference as Rapporteur.

M. DIENA (Italy) thanked the President, but added that he would be grateful to the Conference if it could dispense with the mention of his name.

M. GIANNINI (Italy) (Chairman of the Drafting Committee), considered that M. Diena's request should be refused. The names of the Rapporteurs should be indicated in the two reports, since they had been expressly appointed by the Conference.

M. DIENA (Italy) thanked the Chairman and the Conference.

The proposal was adopted.

Paragraphs 184 to 205 inclusive were adopted.

CONVENTION ON THE STAMP LAWS IN CONNECTION WITH BILLS
OF EXCHANGE AND PROMISSORY NOTES.

The sentence "Report submitted by M. de la Vallée Poussin" was inserted after the title.

Paragraphs 206 to 218 inclusive were adopted.

The PRESIDENT wished especially to thank M. Diena and M. de la Vallée Poussin, both of whom had been appointed as Rapporteurs at the last moment and who had submitted very complete reports in a very short time.

THIRTY-FOURTH MEETING.

Held on June 6th, 1930, at 9 a.m.

President: M. J. LIMBURG.

53. Discussion of the Final Text of the Convention providing Uniform Regulations for Bills of Exchange and Promissory Notes (With Protocol, Annexes and Final Act).

Prince VARNVAIDYA (Siam) said that in order to save time he proposed to examine the corrections in the English text with Mr. Gutteridge after the meeting.

Mr. GUTTERIDGE (Great Britain) agreed, and thanked the delegates who had already sent in observations.

Adopted.

CONVENTION.

M. SMETS (Secretary of the Conference) pointed out that a sub-title, " Title 1 — Bills of Exchange ", should be added after the title " Convention ".

This suggestion was approved.

The text of the Convention was adopted.

ANNEX I.

M. EISNER (Yugoslavia) pointed out that the second paragraph of Article 13 should read : " In the latter case ", instead of " In such cases ", because it referred only to the second case.

This amendment was approved.

M. SRB (Czechoslovakia) observed that the first paragraph of Article 46 should read : " written on the instrument " and not " in the instrument ".

This amendment was approved.

M. ALBRECHT (Germany) said that there was an omission in the French text of the second paragraph of Article 46, which should read : " . . . dans les délais prescrits *ni des avis à donner*¹".

This amendment was approved.

The text of Annex I was approved.

ANNEX II.

M. GIANNINI (Italy) reminded the Conference that it had been decided to omit the brackets in the first two lines of Article 7 and to replace them by commas.

This amendment was approved.

M. GIANNINI (Italy) pointed out that in the second line of the French text of Article 19 the words " Ces titres " should be added after the word " dispenser " .¹

This amendment was approved.

The text of Annex II was approved.

PROTOCOL TO THE CONVENTION.

The text of the Protocol was adopted.

FINAL ACT.

RECOMMENDATIONS.

The recommendations were adopted.

AGREEMENT TO DEVOTE FURTHER EXAMINATION TO THE DRAFT CONVENTIONS
ON CHEQUES SUBMITTED TO THE CONFERENCE.

M. SRB (Czechoslovakia) pointed out that in paragraph II the date " September 15th, 1930 " should be replaced by " October 15th, 1930 ".

Mr. GUTTERIDGE (Great Britain) had experienced the very greatest difficulty in finding English translations for questions 3, 14 and 15 in paragraph 1. The matter was rather important, because the text was going into a questionnaire addressed to Governments which would have to rely on the English version. Did " conflicts de clauses de transmission " in Question 15 mean endorsements?

The PRESIDENT suggested the wording " conflicts regarding transmission clauses ".

Mr. GUTTERIDGE (Great Britain) agreed. The case was apparently one which did not arise in English law.

He added that it puzzled him as an English lawyer to see " amortisation " after " perte ou vol du chèque " in Question 14.

The PRESIDENT said that Question 14 referred to a special procedure ; it should read " loss or theft of a cheque (amortisation procedure) ".

Mr. GUTTERIDGE (Great Britain) agreed.

He asked for a translation of " Guthabenklausel " in Question 3.

M. ALBRECHT (Germany) pointed out that the German word appeared in the French as well as in the English text.

¹ English text, no change.

Mr. GUTTERIDGE (Great Britain) said he would like to have an explanation between brackets in the English text.

M. PERCEROU (France) explained that, according to information that had been given him, it happened in certain countries — for example, in Austria and Germany — that it was necessary to specify on a cheque that cover existed. Therefore, “ mention obligatoire de la provision ” should be added in brackets after the word “ Guthabenklausel ”.

Mr. GUTTERIDGE (Great Britain) suggested the wording “ compulsory mention of cover in the cheque ”.

This suggestion was approved.

The Final Act was adopted.

54. Discussion of the Final Text of the Convention for the Settlement of Certain Conflicts of Laws in connection with Bills of Exchange and Promissory Notes (With Protocol).

M. DIENA (Italy) pointed out that there was missing from Article 3 a paragraph as follows, to be inserted between the first and second paragraph :

“ If, however, the obligations entered into by means of a bill of exchange or promissory note are not valid according to the provisions of the preceding paragraph, but are in conformity with the laws of the territory in which a subsequent contract has been entered into, the circumstance that the previous contracts are irregular in form does not invalidate the subsequent contract.”

The insertion of this paragraph was approved.

M. SRB. (Czechoslovakia) reminded the Conference that Article 11 should be struck out.

Further, the Conference, on the President's suggestion, had agreed to introduce the transitory provision in Article 2 of the main Convention relating to the Uniform Law into the Convention on the Conflicts of Laws. This provision could be inserted in the place of Article 11, which should disappear. In that way, the numbering of the following articles would not be changed.

M. GIANNINI (Italy) wished to have explanations on the bearing of this provision in the Convention on the Conflicts of Laws. What difficulty would there be to prevent the putting of the Convention into immediate application in the case of conflicts?

M. QUASSOWSKI (Germany) thought account must be taken of actions being carried on at the time of the introduction of the Convention.

M. GIANNINI (Italy) wished in these circumstances that the application of this transitory provision should be limited to actions being carried on at the time of ratification. It was obvious that where an action had been begun, it would be continued under the old regulations.

The PRESIDENT reminded the Conference that the German delegation had proposed that a transitory provision should be adopted for the Convention on the Conflicts of Laws. The Conference had agreed to this proposal, which would be applied not only to procedure but also, for example, to capacity. For a country with the system of “ renvoi ”, the new provisions would not apply to bills of exchange issued before the date of the ratification of the Convention.

M. GIANNINI (Italy) feared that judges might have a very difficult task when they came to apply this provision.

M. QUASSOWSKI (Germany) thought, on the contrary, that it would make their work easier.

M. DIENA (Italy) said that this question presented a very delicate and difficult aspect of transitory private international law. It would be better to avoid prejudicing anything by a hasty decision ; it would be preferable to say nothing, since otherwise the solution might be a bad one.

The PRESIDENT asked M. Diena what he meant by “ a hasty decision ”. Did he mean the decision that the Conference was about to take now or that which it had previously taken ?

M. DIENA (Italy) replied that he meant both.

M. QUASSOWSKI (Germany) thought that it was exactly because the transitory situation in this sphere was so very delicate that the Conference should adopt as clear a transitory provision as possible ; in other words, that already approved during the debates.

The PRESIDENT said that his impression at the time of the discussion of the German proposal had been that the decision taken would not be of very great importance, since the provision adopted would probably be only applicable during a period of about six months. He suggested that the Conference should adhere to the aforementioned provision and insert it in the place of Article 11, which would then disappear.

The Conference agreed.

Mr. GUTTERIDGE (Great Britain) asked if there was any difference in French between the words "émis" and "créé".

The PRESIDENT replied that there was no difference.

The Convention was adopted.

55. Discussion of the Final Text of the Convention on the Stamp Laws in connection with Bills of Exchange and Promissory Notes (With Protocol)

The Convention was adopted.

56. Second Report by the Committee on Credentials.

M. DUZMANS, (Chairman of the Committee) read the following report :

" On behalf of the Committee on Credentials, I have the honour to submit the second report to the Conference.

" Before the various delegates proceed to sign the acts that have been adopted by the Conference, the Committee on Credentials, on the invitation of the President of the Conference, has examined the documents by which the delegates to the Conference are accredited and which have been received by the Secretary-General of the League of Nations since the Committee's, first report, which was submitted to the Conference at its third meeting on May 14th. The Committee has observed that, in addition to the thirteen delegations mentioned in the first report as being in possession of full credentials both for the negotiations and for the signature of the acts, other delegations have since been authorised to sign the aforementioned acts, either by full credentials addressed to them in writing by their Prime Minister or by a telegram or letter addressed by their Government to the Secretary-General of the League of Nations.

" The delegations in possession of these powers are the following : Austria, Belgium, Great Britain, Brazil, Colombia, Czechoslovakia, Denmark, Free City of Danzig, Ecuador, Finland, France, Germany, Greece, Italy, Japan, Latvia, Luxemburg, Netherlands, Norway, Poland, Portugal, Siam, Spain, Sweden, Switzerland, Turkey — twenty-six in all.

" It will be remembered that, at the time of its first report, the Committee on Credentials stated that there were thirty-two delegations taking part in the present Conference. It is possible that there are yet other delegations that have been authorised by their Governments to sign would those delegates who have been authorised to sign and who by chance have not yet acquainted the Secretariat with the fact be so good as to inform the Conference ? "

The PRESIDENT, on behalf of the Conference, expressed his thanks to the Committee on Credentials for its work and, in particular, to M. Duzmans, Chairman of the Committee, for his report.

THIRTY-FIFTH MEETING.

Held on June 7th, 1930, at 9 a.m.

President: M. J. LIMBURG.

57. Signature of the Acts of the Conference.

The PRESIDENT invited the different delegations to append their signatures to the Acts of the Conference.

The delegations of the following countries signed all the Acts of the Conference :

Austria	Danzig	Luxemburg	Portugal
Belgium	Ecuador	Netherlands	Spain
Brazil	Finland	Norway	Sweden
Colombia	France	Peru	Switzerland
Czechoslovakia	Germany	Poland	Turkey
Denmark	Italy		

The following signed the Convention on the Stamp Laws and the Final Act :

Great Britain.

The following signed the Final Act alone :

Greece	Japan	Roumania	Venezuela
Hungary	Latvia	Siam	Yugoslavia

In addition, the Final Act was also signed by the following :

The Representative of the Economic Committee.

The Representative of the International Institute for the Unification of Private Law at Rome.

M. ONHO (Japan) said that the Japanese delegation greatly appreciated the work of the Conference, but, in accordance with instructions received from its Government, it was obliged to submit the Conventions for examination by the competent authorities before it would be able to sign. Personally, M. Ohno thought that Japan would be able to sign the Conventions within the time-limits fixed for signature, but at the moment it would merely sign the Final Act.

M. NECULCEA (Roumania) said that the situation in Roumania was peculiar, in that three different exchange legislations were in existence. In the ancient Kingdom, the legislation had been mainly inspired by Italian law ; in Bukovina and Transylvania, the Austrian law was still in existence, whereas the legislation of Bessarabia was that of the ancient Kingdom. The Legislative Council was dealing with the unification of these legislations. It had profited already by the draft of The Hague, and the Roumanian Government would certainly take into consideration the results achieved by the present Conference.

At the present moment, M. Neculcea could only sign the Final Act, but he would immediately recommend his Government to send him, as quickly as possible the full powers necessary to sign the other Acts. In Roumania, every new draft law had to be passed by the Legislative Council. For that reason, the Roumanian representative would only be able to sign all the Acts after ten days' delay.

The PRESIDENT informed the Conference that the Convention providing Uniform Regulations had been signed by twenty-two States ; the Convention for the Settlement of Certain Conflicts of Laws, by twenty-two States ; the Convention on the Stamp Laws, by twenty-three States.

M. BARBOZA-CARNEIRO (representative of the Economic Committee) made the following declaration :

Mr. President, Gentlemen, — Allow me, now that you have reached the final stage of your deliberations, to congratulate you sincerely on behalf of the Economic Committee on the successful conclusion of your work. You have achieved real progress in a most important chapter of the immense task of the international codification of law. It was in answer to a wish of the Economic Committee that you undertook and brought to a successful conclusion the difficult task of making the rules that safeguard the circulation of this marvellous instrument of international payment, the bill of exchange, as universal as possible. As a matter of fact, this was a question that had occupied the Economic Committee ever since its first meetings almost ten years ago.

I think I am right in saying that in many ways you have bettered the work of the Conferences of 1910 and 1912. You have made the system more elastic, and you have very wisely taken into account certain contingencies in the life of nations which had not struck your eminent predecessors so forcibly. I think I may say that you have considered the problem from a laudably objective point of view, and I am sure I am not wrong in affirming that this Conference has been characterised by your anxiety to make your decisions conform to the possibility of an effective unification of exchange law. Your aim has been to accomplish a work of realism. It is true that we should have liked to attain fuller results. It is a characteristic of any constructive work of this kind that it never completely satisfies the ambitions of those who have undertaken it : but, in retrospect, you must realise that there is no doubt that the work you have just accomplished is a remarkable victory in the codification of exchange law.

I wish to add that the Acts of this Conference will be yet another certain guarantee of new progress. It is sufficient to point to the increasing influence exercised by the Uniform Regulation of The Hague during the last years on the legislations of several countries to show that there need be no doubts about the beneficial effects of your achievement.

However, I could not forgive myself if I forgot to ask each of you not to leave this room without the firm intention of doing your best in your respective countries to bring about the fullest possible triumph of the idea that has inspired us here.

Allow me to express the sincere hope that the High Contracting Parties will make as little use as possible of the reservations allowed by the Conference. Thereby they will strengthen the complicated work of the unification of law, and it will be possible to look forward with confidence to the time when the scope of this work will be extended.

In conclusion, I hope that your next work on cheques will be crowned with the success that we have every right to expect after the happy termination of your labours here to-day.

The PRESIDENT first of all expressed his warm thanks, in the name of the Conference, to the representative of the Economic Committee for his kind words. He then addressed the Conference as follows :

We have now reached the end of our work on bills of exchange and promissory notes. We have succeeded in framing uniform laws for these instruments, a Convention on Conflicts of Laws and a Convention on the Stamp Law. This result is due to your perseverance, your goodwill and your untiring patience.

We now await the verdict of the Governments, and we look to them to ratify your work. We await their decision with impatience, for business men, industrialists and lawyers alike are anxious for the enforcement of uniform rules in the interests of international commercial and economic relations, with which your Governments are rightly concerned. Once the desired result is achieved, you can congratulate yourselves, if I am not mistaken, on having, for the first time, given the world an example of the international codification of the municipal law of different States.

I feel confident that the constitutional and parliamentary difficulties encountered by the Hague Convention will no longer prove an obstacle to ratification. This was what you had chiefly to bear in mind, and it was in view of this particular consideration that the Conference agreed to

the principle of immediate denunciation in urgent cases and to a relatively short period for denunciation in ordinary cases. I feel convinced, however, that the right embodied in these provisions will not be exercised. Experience and legal practice will first have to determine the utility and expediency of the common rules, and should these prove to contain any gaps or irksome provisions, the Secretary-General of the League of Nations will be asked to convene a conference to revise texts which have been found unsuited to our actual requirements.

There may, perhaps, be some criticism of the Convention providing uniform law, on the grounds of the various reservations it contains. Such criticism, however, would simply prove that the persons concerned do not realise the difficulties inherent in the question with which we, like so many others before us, have been dealing exhaustively since we first assembled here.

You were all sincerely desirous of framing a convention without reservations. You know, too, how keenly opposed to them I was myself, but we had to admit, as our discussions proceeded, that they were really necessary and constituted an indispensable condition if our work of unification was to meet with success. Moreover, as we all know, the majority of these reservations are merely temporary in character and the development of international commercial relations, which brings out every day the immeasurable advantages of uniformity, will undoubtedly lead to a number of them being dropped in turn. I should like to put one question to those critics to whom I have just referred: would they have had us imperil the fate of our undertaking by sacrificing it to this desire for absolute uniformity? I have no doubt that the majority of well-informed persons will, reply without hesitation in the negative and signify their approval of our achievement.

It is usual at the close of any conference or congress to lavish compliments or official congratulations. I must confess that such formal utterances do not appeal very much to me, but it is quite a different matter to express one's real and innermost feelings: my feelings, gentlemen impel me to thank you most warmly for your untiring and friendly co-operation. I should like to thank you one and all most cordially for your indulgence and courtesy towards me as President of the Conference. I should like also to add a special word of thanks to the Drafting Committee, which has worked day and night throughout the Conference in order to arrive at solutions — sometimes difficult of achievement — and to eliminate mistakes and inaccuracies and perfect what were sometimes hastily improvised texts. I feel sure that I shall only be interpreting the feeling of the Conference in expressing to the Drafting Committee, and in particular to M. Giannini, the Chairman, and to Professor Percerou, the general Rapporteur, our most grateful thanks.

I still have one very pleasant duty to perform, and that is to bring to your notice the readiness with which Professor Gutteridge has continually placed himself at the Secretariat's disposal in the difficult task of framing the English texts. His assistance has been invaluable and I desire to thank him also on behalf of the Conference.

Gentlemen, if it is true that the Conference is indebted to the Drafting Committee, it is no less true that there are other people to whom we should be infinitely grateful. I am thinking, in particular, of the Secretariat, the members of which have met us with a boundless devotion and an unshaken optimism. They have all contributed to the success of our work and deserve well of the League of Nations.

I suggest that we should signify our warmest approval by applauding the head of the Secretariat of this Conference, our excellent friend M. Smets, who has had to work extremely hard, but who may boast of having been one of the mainstays of our Conference.

I wish also to express, in the name of the Conference, our very great gratitude to the interpreters, who have at times been clearer in their interpretations than we ourselves in our speeches.

Gentlemen, I feel sure that we shall all carry away with us the happiest memories of this Conference. We shall be meeting again a few months hence, in order to continue our work, in the same atmosphere of confidence and friendly co-operation. I shall not bid you good-bye, but look forward with pleasure to our next meeting.

M. GIANNINI (Italy) (Chairman) of the Drafting Committee expressed his warmest thanks to M. Limburg, who had made an ideal President. Even when it was necessary to exert his authority in order to speed up the work, the President had always been good-tempered and amiable.

Now that the Conference was concluding the first part of its task, M. Giannini thought that it should thank all those who had formerly prepared the way for their work in the two first Conferences. Several speakers had said that even to-day the best solution of the problem was to be found in the articles drawn up at The Hague. In this connection, the Conference could not fail to recall with sympathy the memory of M. Asser who had presided over the Conferences at The Hague and whose son had taken part in the present Conference. M. Giannini also expressed his gratitude to M. Hammerschlag and M. de la Vallée Poussin, who had been original members of the two preceding Conferences.

The Conference must likewise thank M. Percerou, Chairman of the Committee of Experts, and the other experts present as delegates in the Conference who had, so to speak, put into shape the two drafts resulting from the work of The Hague. Moreover, it should be mentioned that M. Percerou had also acted as general Rapporteur to the Conference.

M. Giannini found that he came to the same conclusion as the President; the work that had twice been taken up at The Hague had already had a remarkable effect, direct or indirect, upon national law. He might quote the saying of Goethe that everything ought to be done over thrice. This third time, it was to be hoped, bills of exchange would acquire everywhere the uniformity desired. The Conference had always borne in mind the British and Anglo-Saxon countries and those whose legislation was based on either American or British law. This time it might be hoped that Great Britain would collaborate with the Continental countries in order to achieve real uniformity in exchange law, in which Anglo-Saxon wisdom that was due to experience would be of the greatest help. That would be the task of another Conference; but one great work had

already been accomplished. Once the uniform law came into force, the experience of daily life would make clear how the work of the Conference could be taken up again and bettered.

M. PERCEROU (France), speaking as Chairman of the Committee of Experts, did not wish the Conference to break up before he had addressed a brief expression of his sincere thanks to the President. He also wished to thank the Economic Committee, through whose initiative this Conference had been brought about. Credit for the successful completion of the work of the present Conference was due to the Conference at The Hague, which had laid the foundation-stone. It was a duty to pay a tribute to that Conference and call to mind the great services it had rendered. The Economic Committee had taken up the work of The Hague and — thanks to the President of the Conference — it had been enabled to bring it to a successful conclusion.

It was with considerable pleasure that the Committee of Experts noted that the arduous work of this Conference — which would have been more arduous still if, in the exercise of an enlightened and benevolent authority, the President had not succeeded in shortening the discussions when necessary — had concluded with the adoption of series of texts that were close enough in the main to those of the Committee of Experts and of the Hague Conference.

The result was encouraging and of good augury for the future. M. Percerou believed he was voicing the feelings of all delegates present when he said that they would be happy, when the time came, to undertake the same work in connection with cheques.

The PRESIDENT thanked M. Giannini and M. Percerou for the kind words they had addressed him. He also thanked M. Giannini for calling to mind the work of M. Asser, who had presided over the Hague Conferences of 1910 and 1912.

He declared closed the proceedings of the first session of the International Conference for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques.

ANNEXES

ANNEX 1.

NOTE BY THE BELGIAN DELEGATION.

Before embarking upon a discussion of the substance of the drafts submitted to the Conference for study and deliberation, it is essential to agree on the aim which the latter must set before it.

As the Netherlands Government remarks in its letter of March 23rd, 1929, four objectives may be considered :

1. The Conference may confine itself to establishing certain uniform principles, and the contracting States would undertake to modify their national laws in accordance with these principles, but without being obliged to adopt the text elaborated by the Conference.

2. The contracting States would simply assume an undertaking to submit to their Parliaments within a definite period a draft law embodying the provisions of the Regulation adopted by the Conference.

3. The contracting States would conclude a Convention containing a uniform Regulation which they would undertake to embody textually in their national legislations.

4. The textual adoption of the uniform Regulation contemplated above would be compulsory on the contracting States, which would reserve the right to depart from it in regard to certain points specified in the Convention. This system was followed by the Hague Conference in 1912.

We are faced with questions which have already been studied very thoroughly. After a large amount of preparatory work already performed a long time ago, the Hague Conferences of 1910 and 1912 succeeded in drawing up texts which, without entirely satisfying everybody — as was inevitable, since they were a compromise — nevertheless constituted an enormous advance on the existing situation and on the excessive diversity of legislations which it is being endeavoured to remedy in this question of such great international importance.

Since 1918, the proceedings at The Hague have again been carefully studied by three Committees of Experts appointed by the League of Nations and by the International Chamber of Commerce.

The present Conference will endeavour to improve still further the Hague texts.

It would therefore seem that, if we desire to achieve practical results in the direction of unifying the regulations governing bills of exchange and cheques, it is only by adopting the method followed at The Hague in 1912 that we can hope to succeed.

If we adopt one of the methods indicated above under 1 or 2—*i.e.*, if we confine ourselves to adopting a sort of model draft on the basis of which the contracting States would prepare bills for submission to their respective Parliaments which could introduce amendments—we must be under no illusion ; far from achieving greater uniformity, it is much more probable that still greater diversity would be the result. Experience shows that, in the majority of Parliaments, amendments are frequently introduced in the heat of the debate which, as a result of a snap division, completely disturb the structure of a bill.

As the present provisions will be discussed by politicians who will be unaware of, or will insufficiently appreciate, the reasons underlying the opinion of the members of the Hague and Geneva Conferences, experts and specialists guided in their conclusions by discussions with the experts and specialists of other countries, it is to be feared that they will reject or modify without sufficient reason certain essential provisions unanimously adopted by the members of the Conference.

For these reasons, it seems highly desirable that the Conference should maintain the method adopted at The Hague, and should endeavour to draw up a uniform draft Regulation which, in the form of a Convention, might be submitted *ne varietur* to the contracting States for ratification.

It may be taken as an axiom that the draft Convention should only include texts relating to the essential questions on which it may be possible to reach agreement at Geneva, leaving each State free, as regards the secondary questions, either to adopt the text drawn up by the Conference or to modify it according to the necessities which may make themselves felt in each country.

If we refer to the observations submitted up to the present by the principal Governments, we find that the texts drawn up at The Hague do not seem likely to give rise to very important differences of opinion on the great fundamental questions. The most profound differences only exist between two groups of legislations—the Anglo-Saxon legislation on the one hand and the Continental European and South American legislations on the other. It may perhaps be necessary to give up any hope of reconciling these two extremely different tendencies ; but an immense progress would already be achieved if agreement could be reached between the second group of legislations. In this way, a very important first stage would have been accomplished, which would no doubt facilitate a fresh advance in future by means of conciliation between the two groups.

The objection based on the susceptibilities of Parliaments in regard to a non-amendable convention law does not appear to be valid, for parliamentary prerogatives will remain intact, Parliaments retaining freedom to accept or reject the Convention.

Is there any reason to fear, moreover, that, in 1930, when the “ international spirit ” has made much progress in the last few years, there are less chances of success than in 1912? The abandonment of the results achieved at The Hague would mark a regrettable setback and would cause profound disappointment in the business world.

ANNEX 2.

AMENDMENT PROPOSED BY THE NORWEGIAN DELEGATION.
(PROPOSAL ADDITIONAL TO THE CZECHOSLOVAK PROPOSAL.)

Article 28.

Add a second paragraph, worded as follows :

“ Protest of non-acceptance, made within the limit of time specified in paragraph 2 of Article 43, shall be valid as proof of the fact that acceptance was cancelled in proper time, failing proof to the contrary.”

ANNEX 3.

AMENDMENT PROPOSED BY THE BRITISH DELEGATION.

Article 33.

The same extension of time is desirable in the case of the presentment for payment of sight bills. If Article 22 is amended as proposed, such extension would follow automatically. But the British delegate desires to reserve his right to move, in any event, that Article 33 should read as follows :

“ A bill of exchange at sight is payable on presentment. It must be presented for payment within a reasonable time having regard to all the circumstances of the case (or alternatively within twelve months).”

ANNEX 4.

AMENDMENT PROPOSED BY THE JAPANESE DELEGATION.

Article 53.

It would be desirable to revive in Article 53, before the last paragraph, Article 53, paragraphs 4 and 5, of the Hague Uniform Regulation, which read as follows :

“ If the *vis major* continues to operate for more than thirty days after the maturity of the bill, recourse may be exercised and neither presentment nor drawing up the protest shall be necessary.

“ As regards bills payable at sight or at a certain time after sight, the term of thirty days begins to run from the date on which the holder, even before the time for presentment, has given notice of the *vis major* to his immediate endorser.”

ANNEX 5.

AMENDMENT PROPOSED BY THE DANISH, FINNISH, NORWEGIAN AND SWEDISH DELEGATIONS.

Article 53.

Paragraph 1 to be drafted as follows :

“ Should the accomplishment within the proper time of a proceeding necessary for the exercise or preservation of rights flowing from a bill of exchange be prevented by a legal provision enacted in any country or by an insurmountable obstacle (*vis major*), these rights shall, notwithstanding the expiration of the limit of time, still subsist, if the proceeding in question is accomplished as soon as possible after the obstacle has disappeared, and in any case within a period of thirty days.”

The only change in the text proposed by the Committee of Experts consists in replacing the word “ abroad ” by “ in any country ”.

ANNEX 6.

AMENDMENT SUBMITTED BY THE SWISS DELEGATION.

Article 44.

It is proposed that paragraphs 1 and 2 should read as follows :

“ The holder must give notice of non-acceptance or non-payment to his immediate endorser, and to the drawer, within the six business days which follow the day for protest, or, in case of a stipulation ‘ *retour sans frais* ’, those which follow the presentment.

“ Every endorser must, within four days, give notice to his immediate endorser of the notice which he has received, mentioning the names and addresses of those who have given the previous notices, and so on through the series until the drawer is reached. The limit of time mentioned above runs from the receipt of the preceding notice.”

Statement of Reasons. The adoption of Article 44 would mean a far-reaching innovation for Switzerland. No provision is made in the Swiss *Code des Obligations* for the notice referred to in this article. Information received from banking firms goes to show that the absence of this compulsory notice has not been attended with any inconvenience. On the contrary, the banks consider that the adoption of this notice would throw entirely unnecessary work on them. However, as all countries, with the exception of Finland and Switzerland, recognise this compulsory notice and have become used to it, I do not venture to propose that it should be dropped.

I have been told, however, that the periods laid down in paragraphs 1 and 2 of Article 44 are too short and would lead to serious difficulties. I would therefore ask the Conference to agree to an extension of these periods from four to six days and from two to four days.

ANNEX 7.

AMENDMENT PROPOSED BY THE GERMAN DELEGATION.

Article 39, paragraph 3.

For the sake of clearness, it is recommended that the following draft, corresponding to that proposed for Article 15, should be adopted for this clause :

“ He who pays at maturity is validly discharged from his obligations unless he is aware, or through gross negligence unaware, that the holder is not the legitimate holder or his representative, or else that he is not entitled or legally able to dispose of the bill.”

ANNEX 8.

AMENDMENT SUBMITTED BY THE YUGOSLAV DELEGATION.

Article 16 (reserved).

The following provision should be added to Article 16 :

“ Pleas founded on the fact that certain particulars were omitted from the bill of exchange at the time of signature may not be set up against the holder who has acquired the bill in good faith ; such pleas are allowed against other persons only if the person bringing forward the plea proves that the bill was subsequently completed in a manner contrary to the agreement made.”

The President has decided that a number of members belonging to the German, Austrian, French, Italian and Polish delegations should try to reach agreement on the question of the bill of exchange in blank and should propose a joint formula. The Yugoslav delegation has great pleasure in accepting this decision. There is every reason to believe that the delegates in question will find a satisfactory solution of this highly important problem. Nevertheless, the Yugoslav delegation feels bound to reserve its right to make a separate proposal should it not agree with the joint formula submitted by the above-mentioned delegations.

It is for this reason that the Yugoslav delegation has the honour to submit the above proposal.

ANNEX 9.

PROPOSAL BY THE ITALIAN DELEGATION.

Article 53 (a).

The action arising out of the relationship (transaction) which occasioned the issue or transfer of the bill of exchange shall continue to exist, notwithstanding the issue or transfer of the bill of exchange, unless it is proved that there has been a novation.

ANNEX 10.

PROPOSAL BY THE SWISS DELEGATION.

If it is desired to regulate the transfer of the cover in the Uniform Regulation (Italian proposal: see page 303, sixth paragraph) it is proposed that the following text should be adopted :

“ In case of the bankruptcy of the drawer, the right of action against the drawee for the restitution of the cover or the reimbursement of any sums credited to him shall pass to the holder of the bill of exchange.

“ Should the drawer note on the bill of exchange that he transfers his rights relating to the cover, such rights shall pass to the holder of the bill.

“ Once the bankruptcy has been declared or the transfer has been notified, the drawee may only pay the holder, duly certified as such, against the delivery of the bill of exchange.”

ANNEX 11.

AMENDMENT PROPOSED BY THE JAPANESE DELEGATION.

Article 54 (14).

In order to obviate any difficulty which might otherwise arise, paragraph 1 of Article 54 concerning a person specified to accept or pay in case of need should only be applicable to a person having his domicile or business seat at the place of payment.

ANNEX 12.

AMENDMENT PROPOSED BY THE CZECHOSLOVAK DELEGATION.

Article 54.

1. In paragraph 1, after the words “ specify a person ”, insert the following words: “ resident at the place of payment ”.

2. In paragraph 2, replace the words “ for any person who has signed it ” by the following words: “ for any of the recourse debtors ”.

ANNEX 13.

PROPOSAL SUBMITTED BY THE BRITISH DELEGATE.

Article...

Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates, overseas territories or territories under suzerainty or mandate ; and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph, and the Convention shall apply to all the territories named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.

Any High Contracting Party may at any time declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates, overseas territories or territories under suzerainty or mandate ; and the Convention shall cease to apply to the territories named in such declaration one year after its receipt by the Secretary-General of the League of Nations.

ANNEX 14.

COMMUNICATION BY THE SWISS DELEGATE.

Articles 47 and 48.

I have been instructed by the Federal Government to make the following communication :

1. On the second reading of the Uniform Regulation I shall revert to the amendment by the Czechoslovak delegation and shall propose that Articles 47 and 48 be completed as follows :

“ *Article 47.*

“ 4. A commission which, in default of agreement, shall be 1/3 per cent of the principal sum payable by the bill.”

“ *Article 48.*

“ 4. A commission which, in default of agreement, shall be 2 per mille of the principal sum payable by the bill.”

2. Should this amendment not be adopted by the Conference, I should ask for the following reservation in favour of the contracting States :

“ By derogation from Articles 47 and 48 every contracting State has the right to prescribe that the holder or the party who takes up and pays a bill of exchange may recover a commission which, in default of agreement, will be 1/3 per cent of the principal sum of the bill of exchange for the holder and 2 per mille of the principal sum of the bill for the party who takes it up and pays it.”

ANNEX 15.

NOTE DE LA DÉLÉGATION DE LETTONIE A PROPOS DE LA DEUXIÈME LECTURE DU RÈGLEMENT ¹

AMENDEMENTS AVEC EXPLICATIONS.

I.

Ad article 29, alinéa 1.

Il est proposé de remplacer le mot « *radiation* » par le mot « *biffure* » (ou « *biffage* », si l'on tient à souligner l'action de biffer plus que ne le fait le mot « *biffure* », ayant deux sens).

Motif. — Pour l'uniformité de la terminologie appliquée dans le Règlement. Même dans ce même alinéa se trouve déjà le terme « *biffer* », et non le terme correspondant à la « *radiation* ».

II.

Ad chapitre VIII (De l'intervention). — *Amendements aux articles 55, alinéa 1, et 60, alinéa 1.*
(tout en tenant compte des articles 56, alinéa 2, et 60, alinéa 2).

Dans l'article 55, alinéa 1, et l'article 60, alinéa 1, remplacer le mot « *indiquer* » par le mot « *désigner* ».

Motifs. — Uniformité la plus large possible de la terminologie. Surtout dans un même chapitre, il faut éviter la diversité des termes employés, lorsque le choix de termes différents (bien qu'expri-

¹ This text exists only in French.

mant la même chose, comme ici) n'est pas commandé par des particularités éventuelles des contextes. Il en est ainsi quant aux deux paires d'articles dans le chapitre VIII : les articles 55, alinéa 1, et 60, alinéa 1, *d'une part*, où le verbe « indiquer » se laisse très bien remplacer par le verbe « désigner », et les articles 56, alinéa 2, et 60, alinéa 2, *d'autre part*, où le verbe « désigner » ne peut pas être remplacé par le verbe « indiquer ». En gardant ici, dans la seconde paire d'articles, « désigner » et en introduisant ce même verbe dans la première paire d'articles, nous aurons, dans tous ces articles et alinéas, l'un et même terme : « désigner ». (Voir l'article 31, alinéa 4, où, par exemple, « indiquer » doit rester, n'étant pas remplaçable, dans ce contexte, par « désigner ».)

ANNEX 16.

NOTE BY THE YUGOSLAV DELEGATION FOR THE SECOND READING OF THE DRAFT

Article 8.

In view of the new formula for Article 8 proposed by the Drafting Committee and the observations on that article in that Committee's report, the Yugoslav delegation is compelled to refer once again to the article in question.

The observations in question make it clear that where the signatory acts, not without any power at all but beyond his powers, he is personally liable for the whole amount. "It is in this sense", the report continues, "that the Conference declared that it understood the second paragraph of Article 8."

The Yugoslav delegation, however, considers that the Conference did not declare itself in that sense.

The discussion of this question by the Conference took the following line :

Our delegate, in giving the reasons for our proposal, explained that, in his opinion, according to Article 8, the representative, if he exceeded his powers, was liable under the terms of the bill for the whole amount, and the person represented was liable within the limits of the powers given him, but that the text was not sufficiently clear as regards the liability of the person represented.

Professor La Lumia, the Italian delegate, said that the person represented could not be liable even for the smallest sum, since that would be contrary to the fundamental principle of a bill of exchange and the independence attaching to a bill. The value of a bill is the amount stated thereon. Hence, the Italian delegate was presumably of opinion that in such a case the representative was liable for the whole amount and the person represented was liable for nothing at all.

The other view was taken by Dr. Hammerschlag, the Austrian delegate. He said that where, for example, the representative had received power to issue a draft for 10,000 francs and in point of fact issued one for 20,000 francs, he was liable for the amount for which he exceeded his powers — that is to say, 10,000 francs — the person represented being liable only in respect of the rest — 10,000 francs. "That is only natural", said Dr. Hammerschlag.

The President, if I have understood him aright, is of the same opinion.

The Yugoslav delegation thus received the impression that, in view of the opinions of the President and Dr. Hammerschlag, the Conference decided to reject the Yugoslav proposal.

This last view — that the person represented is liable within the limits of the powers given him and the representative for the rest — is at all events consistent and logical.

The Yugoslav proposal, however, was designed primarily to improve the position of the bearer by granting him greater security, and, at the same time, to prevent undesirable speculation at the expense of the bearer and the guarantors.

The Drafting Committee's view, however, if I have understood it aright — namely, that the representative alone is liable for the whole amount and the person represented for nothing — (1) is contrary to the real liability of the person represented, and (2) opens up the possibility of speculation harmful to trade. It exposes the bearer or the guarantors to the risk of losing the whole amount, in view of the unsatisfactory position of the representative, since they would rely primarily upon the value of the guarantee of the person represented.

It will be seen from what I have just explained that the question before us has become even less clear than before.

In view of the divergencies in the views mentioned, on the one hand, and the lack of precision in the text on the other, this important question is likely to be interpreted in different ways.

For these reasons it is essential, in our opinion, to have an exact text in accordance with one of the views mentioned.

ANNEX 17.

PROPOSAL BY THE SIAMESE DELEGATION.

The possibility to refuse partial payment being of great practical importance to Siam, the Siamese delegation has the honour to revert to the reservation requested by the French delegation (see page 249, under Article 38, second paragraph), and to propose the following reservation :

"In derogation of Article 39, paragraph 2, of the Regulation, every contracting State may authorise the holder to refuse the partial payment of instruments payable in its own territory.

"The right thus accorded to the holder must be recognised by the other States."

ANNEX 18.

AMENDMENT PROPOSED BY THE AUSTRIAN DELEGATION.

Insert in the Convention an article reading as follows :

“ The High Contracting Parties undertake to communicate to each other through the Secretariat of the League of Nations — which shall be responsible for their translation into the official languages of the League — all decisions reached by their respective Courts in regard to the principal questions concerning the uniform regulation of bills of exchange and promissory notes.”

Reasons. — We consider that the unification of the law in regard to bills of exchange would not be altogether satisfactory unless there were a supreme international court to ensure the uniform interpretation by the judicial authority of questions connected with bills of exchange.

We do not suppose it would be possible to carry out this proposal, at all events at present.

For this reason, we consider that the adoption of the above-mentioned suggestion is essential for the uniformity of judgments in the matter, and that it would result in the uniform interpretation of the Regulation and Convention. Moreover, the observations by which the examination of the decisions to the various courts will give rise will enable any necessary amendments to be made.

We should like to point out that this proposal does not interfere with the functions of existing institutions. We consider that the proposed international exchange of judgments will be of great advantage to those institutions, and would point out that similar action is taken by the International Labour Office and the International Bureau of Industrial Property in their respective spheres.

ANNEX 19.

TEXT PROPOSED BY A GROUP OF DELEGATIONS WITH A VIEW TO THE
CONVENTION PROVIDING UNIFORM REGULATIONS FOR BILLS OF EXCHANGE
AND PROMISSORY NOTES.

CONVENTION.

The PRESIDENT OF THE GERMAN REICH.....
.....
have appointed as their plenipotentiaries the following

Who, having communicated their full powers found in good and due form, have agreed upon the following provisions :

Article 1.

The High Contracting Parties undertake to introduce in their respective territories, either in the original text or in their own languages, the Uniform Law forming Annex I of the present Convention.

This undertaking shall, if necessary, be subject to such reservations as the respective High Contracting Parties shall notify at the time of their ratification or accession. These reservations shall be chosen from among those mentioned in Annex II of the present Convention.

The reservations referred to in Articles ... of the said Annex II may be made after ratification or accession, provided that they are notified to the Secretary-General of the League of Nations, who shall forthwith communicate the text thereof to the Members of the League of Nations and to the States non-Members on whose behalf the present Convention has been ratified or acceded to. Such reservations shall take effect on the ninetieth day following the receipt by the Secretary-General of the above-mentioned notification.

Article 2.

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until (*date of the expiry of a period of thirty days from the date of the Convention*) on behalf of any Member of the League of Nations or non-Member State.

Article 3.

The present Convention shall be ratified.

The instruments of ratification shall be deposited before the (*date of expiry of a period of twenty months from the date of the Convention*) with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-Member States parties to the present Convention.

Article 4.

From the (*date of expiry of a period of thirty days from the date of the Convention*) any Member of the League of Nations and any non-Member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all States which have signed or acceded to the present Convention.

Article 5.

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-Member States, which shall include three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles 3 and 4, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present article have been received.

Article 6.

Every ratification or accession effected after the entry into force of the Convention in accordance with Article 5 shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

Article 7.

Except in urgent cases, the present Convention may not be denounced (on behalf of a Member of the League of Nations or non-Member State) before the expiry of two years from the date on which it has entered into force in respect of that Member of the League or non-Member State ; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

In urgent cases a High Contracting Party which denounces the Convention shall immediately notify all other High Contracting Parties, and the denunciation shall take effect two days after the receipt of such notification by the said High Contracting Parties.

Each denunciation shall only take effect as regards the High Contracting Party on whose behalf it has been made.

Article 8.

Every Member of the League of Nations and every non-Member State in respect of which the present Convention is in force, may forward to the Secretary-General of the League of Nations after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of that Convention.

If such request, after being communicated to the other Member or non-Member States between whom the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

Article 9.

In the absence of a contrary declaration by a High Contracting Party at the time of signature, ratification or accession, the provisions of the present Convention shall not apply to colonies, oversea territories, protectorates or territories under suzerainty or mandate.

Nevertheless, the High Contracting Parties reserve the right to accede to the Convention, in accordance with Article 4, in respect of all or some of their colonies, oversea territories, protectorates or territories under suzerainty or mandate. They further reserve the right to denounce it, in accordance with the conditions of Article 7, on behalf of all or some of their colonies, oversea territories, protectorates or territories under suzerainty or mandate.

Article 10.

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force. It shall then be published as soon as possible in the League of Nations *Treaty Series*.

IN FAITH WHEREOF the above-mentioned Plenipotentiaries have signed the present Convention.
DONE at Geneva.....

PROTOCOL OF THE CONVENTION.

At the time of signing the Convention of this day's date introducing uniform regulations for bills of exchange and promissory notes, the undersigned, duly authorised, have agreed upon the following provisions :

I.

The High Contracting Parties who may not have been able to deposit their ratifications of the said Convention before.....¹ undertake to forward within fifteen days from that date a communication to the Secretary-General of the League of Nations informing him of their situation as regards ratification.

II.

If on² the conditions laid down in Article 5, paragraph 1, for the entry into force of the Convention are not fulfilled, the Secretary-General of the League of Nations shall convene a meeting of the Members of the League and the non-Member States who have signed the Convention or acceded to it.

The purpose of this meeting shall be to examine the situation and any measures to be taken to meet it.

III.

The High Contracting Parties shall communicate to each other, immediately upon their coming into force, the legislative measures taken in execution of the present Convention in their respective territories.

IN FAITH WHEREOF the above-mentioned Plenipotentiaries have signed the present Protocol.
DONE at Geneva.....

The Conference also *recommended* that the parties to the Convention introducing uniform law on bills of exchange and promissory notes should communicate to each other the texts of the most important judicial decisions given in their respective territories and coming under the scope of the said Convention.

ANNEX 20.

[Document distributed to the Conference at the request of the Brazilian Delegate.]³

EXTRAIT DU CODE DE DROIT INTERNATIONAL PRIVÉ, ADOPTÉ PAR LA SIXIÈME CONFÉRENCE INTERNATIONALE AMÉRICAINE A LA HAVANE, FÉVRIER 1928 : (CODE BUSTAMANTE)⁴.

Livre II. — Droit commercial international.

TITRE PREMIER. — DES COMMERÇANTS ET DU COMMERCE EN GÉNÉRAL.

Chapitre Premier. — Des Commerçants.

Article 232. — L'aptitude à exercer le commerce et intervenir dans les actes et contrats commerciaux est régie par la loi personnelle de chaque intéressé.

Chapitre VI. — Du Contrat et de la Lettre de change et des Effets de commerce semblables.

Article 263. — Les formes du tirage, de l'endossement, de la caution, de l'intervention, de l'acceptation et du protêt d'une lettre de change sont soumises à la loi du lieu où se passe chacun de ces actes.

Article 264. — A défaut de convention expresse ou tacite, les rapports juridiques entre le tireur et le preneur sont régis par la loi du lieu où la lettre est tirée.

Article 265. — Dans le même cas, les obligations et droits entre l'acceptant et le porteur sont régis par la loi du lieu où l'acceptation est intervenue.

Article 266. — Dans la même hypothèse, les effets juridiques que l'endossement produit entre endosseur et endossataire dépendent de la loi du lieu où la lettre a été endossée.

¹ Limit of time laid down in Article 3.

² Expiration of two months following the date given in Article 3.

³ Communicated for information only.

⁴ This text has only been distributed in French.

Article 267. — La plus ou moins grande étendue des obligations de chaque endosseur ne modifie pas les droits et devoirs du tireur et du bénéficiaire à l'origine.

Article 268. — L'aval, dans les mêmes conditions, est régi par la loi du lieu où il est donné.

Article 269. — Les effets juridiques de l'acceptation par intervention sont régis, à défaut de convention, par la loi du lieu où le tiers intervient.

Article 270. — Les délais et formalités pour l'acceptation, le paiement et le protêt sont soumis à la loi locale.

Article 271. — Les règles du présent chapitre sont applicables aux bons, obligations, billets et mandats ou chèques.

Chapitre VII. — Falsification, vol, détournement ou perte d'effets de crédit et titres au porteur.

Article 272. — Les dispositions relatives à la falsification, au vol ou au détournement des valeurs et titres au porteur sont d'ordre public international.

Article 273. — L'adoption des mesures prescrites par la loi du lieu où le fait s'est produit ne dispense pas les intéressés de prendre toutes autres mesures fixées par la loi du lieu où ces actes et effets sont cotés et par la loi du lieu de leur paiement.

ANNEX 21.

NOTE BY DR. LOEBER, LATVIAN DELEGATE.

Article 62, paragraph 1, of the Regulation.

The Latvian delegation desires to revert to and support the proposal of the Czechoslovak delegation concerning Article 62, paragraph 1, adding to the first sentence the words: "and against the acceptor". If the person who pays by intervention is subrogated to the rights of the holder and in virtue thereof exercises his independent and autonomous rights (as Professor Arcangeli put it), there is no adequate reason for releasing the acceptor from responsibility in the matter of bills of exchange to the person who pays by intervention. According to Article 27 of the Uniform Regulation, the drawee, by accepting, undertakes to pay the bill of exchange at its maturity; in default of payment, the holder has a direct action on the bill of exchange for all that can be demanded in accordance with Articles 47 and 48. According to Article 46, the holder has the right of proceeding against all those who have drawn, accepted, endorsed or guaranteed by "aval" a bill of exchange, individually or collectively. Lastly, in virtue of Article 38, paragraph 1, the drawee (obviously whether acceptor or not) who pays a bill of exchange may require that it shall be given to him receipted by the holder. According to Articles 37 and 41, the holder must present a bill of exchange for payment, failing which every debtor (and obviously the acceptor, too) is authorised to make a deposit of the amount with the competent authority. Hence it follows that the person who pays by intervention, who, under the law and without any special instrument relating to bills of exchange, is subrogated to the rights of the holder, possesses all the rights which the holder could have exercised, including, therefore, rights against all debtors who were responsible to the original holder. No one will deny that the acceptor is not released from his responsibility by the fact of intervention; the acceptor obviously continues to be responsible. If we were to exonerate the acceptor from his responsibility to the person who pays by intervention, we should have to conclude that the acceptor was only responsible to the beneficiaries or, at the same time, to the first endorser or to the drawer into whose hands the bill of exchange might return in accordance with Article 49, paragraph 1. This would be a lengthy and useless procedure involving considerable expense to the acceptor and without any basis in logic. It must, therefore, be laid down that the person who pays by intervention may exercise his rights not only against the person for whom he pays and the parties liable to that person, but against the acceptor himself. This rule is not at variance with the principle adopted by the Uniform Regulation admitting intervention only in favour of the parties liable. The latter principle relates to the question of which party may indicate a case of need, or in favour of what persons the intervener may exercise intervention by acceptance or payment. This principle, however, is quite unconnected with the question arising out of the Czechoslovak delegation's proposal — namely, whether the person who pays by intervention may also exercise these rights against the acceptor as the direct and principal debtor. This last question is answered in the affirmative by the majority of the most recent laws: Switzerland (Article 781), Germany (Article 63), Czechoslovakia (Article 59), former Imperial Russia in 1903 (Article 110), Latvia (Article 108), etc. It is therefore indispensable that the person who pays by intervention should be granted the right of proceeding against the acceptor also.

Geneva, August 5th, 1930.

LEAGUE OF NATIONS

FREE CITY OF DANZIG

**THIRD REPORT
BY THE TRUSTEE FOR THE FREE CITY OF DANZIG
6 $\frac{1}{2}$ % (TOBACCO MONOPOLY) STATE LOAN OF 1927.**

(COVERING THE PERIOD FROM JULY 1ST, 1929, TO JUNE 30TH, 1930.)

In conformity with the Council resolution of September 15th, 1927, I herewith have the honour to submit to the Council of the League of Nations my third annual report, covering the period from July 1st, 1929, to June 30th, 1930.

The balance of the proceeds of the Loan on June 30th, 1929, according to the Programme of Expenditure, amounted to	£	s.	d.
	20,949	14	0
During the year under report, a sum of	19,735	3	3
has been liberated, according to the annexed specification, leaving a balance of	£1,214	10	9

On June 30th, 1929, the balance of the amount blocked for "two years' interest" to be covered out of Loan proceeds on item 2 of Programme of Expenditure, to which I referred in my two previous reports, amounted to £11,443 13 0
This amount has, during this year, been liberated in full and this item has therefore been liquidated.

The amounts received on the Tobacco Monopoly Account and the Excise Account have, according to the figures received from the *Staatshauptkasse*, been as follows:

	Danzig Gulden	Danzig Gulden
July 1st, 1929, to September 30th, 1929:		
Tobacco	1,559,254.59	
Excise duties	1,170,153.30	
	-----	2,729,407.89
October 1st, 1929, to June 30th, 1930:		
Tobacco	4,842,093.05	
Excise duties	3,953,701.95	
	-----	8,795,795.—
Making a total of		11,525,202.89

According to Article 18 of the General Bond, the total receipts of both accounts must be equal to at least 150 per cent of the maximum annual service of the Loan, which amounts to £173,300 at 25 = 4,332,500 Danzig Gulden. From the above figures it appears that, in the period July 1st, 1929, to June 30th, 1930, the total actual receipts from the Tobacco Monopoly and Excise Duties represented more than 266 per cent of the amount required for the service of the Loan.

As in preceding years, I enjoyed the benefit of the assistance of the Bank of Danzig, for which I herewith wish to express my gratitude.

Amsterdam, July 1930.

(Signed) C. E. TER MEULEN.

Appendix.

Items of Programme of Expenditure	Original Programme of Expenditure	Balance on June 30th, 1929	Sums liberated	Unemployed balance of Programme of Expenditure
	£	£ s. d.	£ s. d.	£ s. d.
1. Consolidation of Floating Debt of the State . . .	560,000	—	—	—
2. Payment to:				
A. Conference of Ambassadors	240,000	—	—	—
B. Reparation Commission	360,000	—	—	—
3. A. Building of Houses . . .	440,000	9,506 1 0	8,291 10 3	1,214 10 9
B. Two years' interest on the sum of £600,000 mentioned under 2 . . .				
		11,443 13 0	11,443 13 0	—
Total		£20,949 14 0	£19,735 3 3	£1,214 10 9

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M. Cl. Lammers (Germany), M. L. Marlio (France) and M. A. Meyer
(Luxemburg).
-

Geneva, August 25th, 1930.

LEAGUE OF NATIONS

G R E E C E

**TWENTY-SEVENTH QUARTERLY REPORT
OF THE REFUGEE SETTLEMENT COMMISSION**

1.

Athens, August 21st, 1930.

The twenty-six quarterly reports which we have published regularly since February 1924 have duly recorded all the facts of any importance which have marked the course of the Refugee Settlement Commission's activity; they have supplied statistics and information on the nature of its operations. A work published by the League of Nations in 1926, entitled *The Establishment of the Refugees in Greece*, set forth methodically and subject by subject all that the previous reports had given in instalments. It also contained details and considerations for which there was no room in those reports, and thus gave a complete picture of what the establishment of the refugees had been up to that date.

The present quarterly report does not duplicate the contents of the preceding ones, nor of the League of Nations' work. It is neither a recapitulation nor a summary. On many special subjects it will rather have the character of a conclusion, and will supply some supplementary elements of appreciation to those who have followed the Refugee Settlement Commission during the seven years of its existence, and would like to form an opinion of its work and know how far it has been able to fulfil the purpose which it set before it.

* * *

Here we wish to reproduce the introduction to the first of our quarterly reports, that of February 1924:

"The Refugee Settlement Commission is charged with the settlement in Greece of the refugees upon lands assigned to it, or otherwise in productive work. Its work concerns the settlement of a number approximating to one million souls—Greek and Armenians who have fled or been evacuated from the territories of the Ottoman Empire. The larger part of these refugees began to arrive in Greece about eighteen months ago; but the influx, although greatly diminished, is continuing to a certain extent. It is estimated that there are still about 150,000 Greeks to come, chiefly from the shores of the Black Sea (Pontos) and Cicilia.

"The Commission has been promised by the Greek Government an area of land of not less than 500,000 hectares, of a suitable character for the settlement of the refugees. This land was to be given free of charge and unencumbered, and will serve two purposes: (1) as land for the refugees to settle upon and to cultivate for the purpose of becoming self-supporting citizens of Greece, and (2) as a guarantee of the loan which the Commission is administering.

"The task of the Commission is therefore twofold. On the one hand, it has to utilise the funds at its disposal in the most efficient manner possible for the settlement of the refugees in productive work; and, secondly, it has to ensure that the guarantees provided for in the Protocol are made over to it, in compliance with the conditions there stated; and that the expenditure incurred is so arranged that eventual repayment of the loan can be secured.

"The Commission assembled at Salonica on November 11th, 1923, and took the opportunity, while at the headquarters of the settlement work in Macedonia, to inspect the organisation in being and the work done by the Greek Government in that province. Macedonia is the district in which the great bulk of the refugees will be settled, because it is potentially one of the most fertile districts in Greece. It contains large areas of uncultivated but cultivable lands, and has a large number of Turkish inhabitants who,

under the terms of the Convention for the Exchange of Populations (Lausanne Treaty), are being removed to Turkey. Their departure leaves a large area of arable land and the houses thereon available for the settlement of the incoming refugees. The Commission examined the existing machinery by which the Greek Government had dealt with the settlement of the refugees upon these evacuated lands and such other lands which for various reasons can be occupied by refugees. They also inspected a number of settlements where refugees have already been installed, investigated the distribution of building materials, seed grain, agricultural implements, etc., and visited various charitable institutions organised for the assistance of the refugees. They traversed portions of the Vardar region and obtained a general idea of the conditions prevailing; inspected the completed houses and those in course of construction in different villages, and saw the refugee camps where the new arrivals are sheltered. The Commission took the opportunity of consulting the officials charged with this work, and also interviewed a number of the leading inhabitants who, for philanthropic or business reasons, were interested in the question.

“From Salonica, the Commission proceeded to Athens, where it came in contact with the Ministers and Ministries concerned with the settlement question. The Commission was at once approached by a number of Greeks with various schemes for dealing with the problem, either as a whole or in part, and many of the suggestions made were found helpful and practical.

“The Greek Government promulgated on December 17th, 1923, a Legislative Decree assuring the Commission the necessary powers, in conformity with Article I of the Protocol.

“In order to prevent the deterioration of the partially constructed houses and to save the approaching sowing season and to utilise the materials already ordered for the work of new buildings, the Commission promptly determined to arrange to continue all works then being carried on by the Government and to assume an eventual liability for the materials ordered under the existing contracts.

“It was obviously unnecessary to make an entirely fresh start; and, indeed, from what it had already seen, the Commission was of the opinion that the greater part of the machinery in being could be usefully taken over and could continue to function under the ægis of the Commission. It is impressed by the successful work already accomplished by the Government, through this agency, for the establishment of the refugees; and it desires to emphasise the opinion that the Greek Government and the Greek people have grappled with this colossal problem in a manner worthy of the highest praise. The Commission therefore arranged to assume the responsibility in respect of the payment for materials (timber and other building materials, seed, wheat, ploughs, etc.) which had been ordered by the Greek Government, but which had not yet arrived or been paid for, subject to the condition that only so much of these materials as could be utilised on lands or property which would later be made over to it, with a clean title, would be paid for by the Commission. These conditions were accepted by the Greek Government and by the National Bank of Greece, which latter guaranteed to advance the sum required for this purpose—namely, £160,000—and to recover later such portion of this expenditure as might be approved by the Commission. This enabled the continuity of the work in hand to be kept up, and at the same time safeguarded the Commission from undertaking any liability in respect of expenditure on lands which will not become the property of the Commission, or any other liability not specifically covered by the terms of the Protocol.”

What strikes one in re-reading the above is that the Commission has never departed from the broad lines of the programme sketched therein, subject only to minor modifications as circumstances required. The Members of the Council who met at Salonica took an accurate view of what had to be done, and to say this is no faint praise. The agitation created in the country by the arrival of the refugees, and the resulting confusion of ideas and opinions, might have affected the independence of judgment of the Council; the novelty and complexity of the problem might have given rise to doubts and hesitations in its mind, and disposed it rather to adopt half-measures, on which it would have been easier to go back, than to decide on a general and complete solution, committing the Commission to a course which it could not have abandoned without re-opening the whole question of establishment.

* * *

If, however, the merit of having chosen this course belongs to the Council of the Refugee Settlement Commission, that of having pointed it out and prepared for it belongs to the Hellenic Government. The extract which we have just reproduced shows that the idea and the word colonisation, and the first steps towards its realisation, precede the creation of the Commission. They are due to the Government services which had decided on the possibility of uniting the two problems which then preoccupied Greece—namely, the future of the refugees and the development of the territories annexed since 1912.

Here it is of interest to recall the total sum of the expenses of all kinds which have burdened the finances of Greece on account of the establishment of the refugees:

1. From 1922 to the end of 1930, the housing, maintenance, public health, movements of population and transport, orphanages, colonisation by the State, Service of Exchange of Populations, etc., will have cost about three milliards of drachmas—that is, taking into account

the fluctuations of exchange, about ten million pounds sterling. These sums have figured in the budgets and have been covered by the ordinary receipts.

2. On the other hand, the annual charges for the foreign and internal loans appropriated for the establishment of the refugees amount:

For the service (in gold) of the foreign debt to about	£ 1,144,000
For the service (in drachmas) of the internal debt (compensation bonds) to about	1,744,000
	<hr/> £2,888,000 ¹

* * *

In a country where all classes of the population are strongly affected by questions of general interest, so burning a question as that of the establishment of the refugees could not fail to supply matter for ample discussions. The Refugee Settlement Commission has often been commended, and the Press, native as well as refugee, has generally followed our work with sympathy. It has shown that it realised the difficulties we had to encounter and that it appreciated the results which have been obtained by degrees. Criticisms have been advanced with moderation, when they were inspired by good faith and arose from differences of opinion with regard to facts. There were others of which this cannot be said.

2.

ORGANISATION OF SERVICES OF THE REFUGEE SETTLEMENT COMMISSION.

The Protocol of Geneva regarding the creation of the Autonomous Office for the establishment of refugees in Greece was ratified by the Legislative Decree of October 13th, 1923. A second Legislative Decree made regulations for the manner in which the Office was to perform its functions.

The transfer to the Refugee Settlement Commission of the powers relating to the establishment of refugees which had until then been exercised by certain services of the Ministries of Agriculture, Public Assistance and Public Health, and by the competent councils attached to those departments, was decided in conformity with those decrees.

In order to simplify and facilitate the work, these services were detached from their Ministries and placed under the jurisdiction of the Commission, while retaining their functions. The services thus handed over were the following.

By the Ministry of Agriculture:

1. The Section of Colonisation;
2. The Directorate-General of Colonisation of Macedonia;
3. The Directorate of Colonisation of Thrace;
4. The Colonisation Bureaux of Epirus, Attica and Bœotia, Etolia and Acarnania and Crete.

By the Ministries of Public Assistance and Public Health:

1. The Housing Section;
2. The Technical Section of the *Caisse d'Assistance*.

At the moment of the transfer of these services to the Refugee Settlement Commission (in January 1924), their staffs numbered 748 employees.

At the same time, the National Bank of Greece detached and handed over to the Refugee Settlement Commission a certain number of employees who organised the financial services of the Office.

* * *

As stated in the preceding paragraph, the Refugee Settlement Commission has not sought to alter the distribution of the work as it had been established between these different services. But, as the need first was felt, it has: (1) increased the original staffs, (2) created fresh services, and (3) encouraged decentralisation as far as possible. The organisation of the Refugee Settlement Commission services early took its final shape. They were grouped under five independent Directorates, namely:

Three Directorates of Colonisation:

1. The Directorate-General of Colonisation of Macedonia;
2. The Directorate of Colonisation of Thrace (which, as has been seen, already existed and formed part of the services transferred by the Ministry of Agriculture);
3. The Directorate of Colonisation of Old Greece, Epirus and the Islands. (The nucleus of this Directorate was formed by the Colonisation Bureaux of Attica and Bœotia, Etolia and Acarnania, Epirus and Crete.)

The Directorate of Urban Establishment (under which were originally re-grouped all the services transferred by the Ministry of Public Assistance and Public Health).

Finally, the Directorate of Finance.

¹ According to figures supplied by the Accounts Department of the State and quoted by M. Venizelos in his speech in the Chamber of June 26th, 1930.

I. CENTRAL ADMINISTRATION.

The three last of these five Directorates were established at the headquarters at Athens, where also several sections of the administrative machine were at work directly under the Council—namely: (1) the Inspectorate-General; (2) the Secretariat of the Council; (3) the Personnel Section; (4) the Registry and Despatch Section; (5) the Supply Section; (6) the Office of the Legal Adviser; (7) the Arts and Crafts Office.

The Directorate-General of Colonisation of Macedonia and the Directorate of Colonisation of Thrace had their headquarters respectively at Salonica and Comotini.

We shall not enumerate all the sections and offices among which the work was distributed at the headquarters of the Directorates. The principal divisions under which the staff was classed were the following: (1) Administration; (2) Agriculture; (3) Civil Engineering; (4) Cadastral Survey; (5) Public Health; (6) Accounts.

II. LOCAL ADMINISTRATION.

I. Colonisation.

The jurisdiction of each Directorate of Colonisation was subdivided into districts, each of which was placed under a colonisation bureau. At the head of these bureaux an agronome was always placed, having under his orders administrative agents, accountants and specialists. The strength varied with the number of colonies placed under the jurisdiction of the bureau and the agricultural activity of the district. The following is the list of the colonisation bureaux:

- | | | |
|-----------------------|-------------|----------------|
| I. <i>Macedonia</i> : | 1. Salonica | 9. Yanizza |
| | 2. Langada | 10. Axioupolis |
| | 3. Pieria | 11. Chalcidice |
| | 4. Kilkis | 12. Sintique |
| | 5. Florina | 13. Serres |
| | 6. Castoria | 14. Edessa |
| | 7. Eordaca | 15. Cozani |
| | 8. Verria | |

(Cozani, the centre of colonisation for Western Macedonia, had also under its jurisdiction an office of technical inspection and the topographical service of Western Macedonia.)

- | | | |
|---------------------|--------------------|------------|
| II. <i>Thrace</i> : | 1. Comotini | 5. Xanthi |
| | 2. Alexandroupolis | 6. Drama |
| | 3. Orestias | 7. Cavalla |
| | 4. Didymoteichon | |

III. *Old Greece, Epirus and the Islands*:

Inspection of colonisation in Crete, including the four colonisation bureaux of Heracleion, Canea, Rethymno and Lassithi.
Colonisation bureaux:

- | | |
|---------------------|----------------|
| 1. Attica-Bœotia | 8. Volo |
| 2. Eubœa | 9. Larissa |
| 3. Etolia-Acarmania | 10. Lemnos |
| 4. Preveza | 11. Carditza |
| 5. Jannina | 12. Lamia |
| 6. Achaïa-Elis | 13. Paramythia |
| 7. Argos | 14. Mytilene |

2. *Urban Establishment.*

The urban quarters were and are still being built under the direction of an engineer provided with the necessary assistants. When building is completed and the refugee families have been settled in the houses, a superintendent is placed in charge of the administration of the quarter. In the large quarters of Athens, Piræus, etc., this superintendent has under his orders a certain number of employees for police duties in the buildings, for public utility services, and for the collection of debts. (For the number of urban quarters, see below, Chapter 4.)

* * *

The relative importance of the staff of each Directorate has been almost invariably as follows:

Headquarters at Athens	Per cent	10
Colonisation:		
Directorate-General of		
Macedonia	Per cent	50
Directorate of Thrace		20
Directorate of Old Greece.		10
Urban Establishment		80
		10

Movement of Staff.

	Employees
End of 1924	784
Years 1925 (end of)	1,822
1926	1,829
1927	1,755
1928	2,042
1929 (first quarter)	2,003
1930 (beginning of)	1,416

From the second quarter of 1929, the strength diminished rapidly. Whole services were transferred to the State and many dismissals took place among the remaining staff.

Strength of Staff at the End of the First Quarter of 1929.

Classes of employees	Directorate- Head- quarters ¹	Directorate General of Macedonia	Directorate of Thrace	Urban of Old Greece	Establish- ment	Total
Administration	86	211	95	38	32	462
Accounts	59	196	67	38	20	380
Technical services	23	95	35	23	82	258
Agronomes	5	130	55	54	—	244
Public health	1	112	18	2	—	133
Veterinary	—	17	1	8	—	26
Chauffeurs	1	4	2	1	4	12
Well-sinkers	—	22	4	16	—	42
Collectors	—	—	—	2	13	15
Legal advisers	1	2	3	—	—	6
Office-keepers	27	65	30	16	20	158
Topographers	22	112	84	—	—	218
Road-menders	—	—	4	—	—	4
Store-keepers	—	28	—	—	—	28
Telephonists	1	1	—	—	—	2
Tobacco cultivators	—	15	—	—	—	15
	<u>226</u>	<u>1,010</u>	<u>398</u>	<u>198</u>	<u>171</u>	<u>2,003</u>

3.

BALANCE-SHEET OF THE COLONISATION (END OF 1929).

DIRECTORATE-GENERAL OF MACEDONIA.

Credits placed at the disposal of the Director-General of Colonisation in Macedonia for colonisation purposes and their employment from January 1st, 1924, to December 31st, 1929:

	In drachmas
<i>Cattle:</i>	
Ploughing animals (oxen, buffaloes and horses)	365,607,399
Pack animals (mules and donkeys)	5,813,503
Breeding-stock (large and small)	63,714,282
	<u>435,135,184</u>
<i>Houses:</i>	
New buildings	498,360,339
Reconstructions	126,614,277
Repairs	3,000,587
	<u>627,975,203</u>
<i>Agricultural implements:</i>	
Ploughs, threshing-machines, carts, etc.	86,148,413
<i>Advances to cultivators:</i>	
Loans for maintenance	238,495,876
Seed	124,450,339
Forage	69,398,174
	<u>432,344,389</u>
<i>Advances to artisans</i>	99,293,161
<i>Carried forward</i>	<u>1,680,896,350</u>

¹ Including Directorate of Colonisation of Old Greece, Financial Services, Sections of Supply, Personnel, Registry of Archives and Directorate of Urban Establishment.

	In drachmas
<i>Brought forward</i>	1,680,896,350
<i>Cadastral survey:</i>	
Topographical work	37,230,646
Distribution	800,000
Valuation of lands and houses	4,916,539
	42,947,185
<i>Works of general utility:</i>	
1. Communications (roads, landing-stages, etc.)	4,499,622
2. Lands:	
Irrigation	11,141,902
Embankments	2,671,138
Water supply	73,740,458
3. Industry: Carpet factories	2,366,043
4. Agriculture:	
Stud farms	9,031,852
Agricultural improvements	17,106,613
Motoculture	25,404,916
Agricultural research	846,450
Manures	2,682,670
Agricultural machinery	3,172,232
5. Schools	710,500
	153,374,396
<i>Public health</i>	1,877,217,931
<i>Cost of administration:</i>	
Salaries	184,756,217
Travelling expenses	42,788,658
Office expenses, printing and sundries (lighting, heating, rent)	42,752,121
	270,296,996
<i>Transport</i>	147,845,882
<i>Maintenance of cattle</i>	5,712,990
<i>Sundries</i>	67,287,472
	2,405,098,463

These credits have all been appropriated as intended.

On January 1st, 1930, there remained an unappropriated sum of 53,217,566 drachmas.

DIRECTORATE OF THRACE.

Credits placed at the disposal of the Director of Colonisation in Thrace for colonisation purposes and their employment from January 1st, 1924, to December 31st, 1929.

Balance-Sheet for Thrace up to December 31st, 1929.

	In drachmas
<i>Cattle:</i>	
Ploughing animals	19,874,967
Pack animals	11,613,233
Breeding-stock	37,973,064
	69,461,264
<i>Houses</i>	91,488,231
<i>Agricultural implements</i>	18,414,118
<i>Advances to cultivators:</i>	
Loans for maintenance	13,711,234
Seed	10,809,263
Forage	4,071,357
	28,591,854
<i>Advances to artisans</i>	1,577,455
<i>Cadastral survey</i>	11,702,778
	221,235,700
	<i>Carried forward</i>

<i>Works of general utility:</i>		<i>Brought forward</i>
		In Drachmas
		221,235,700
1.	Communications	37,592,974
2.	Lands: Irrigation	470,000
	Water supply	16,038,096
3.	Industry: Carpets	122,737
	Textile industries	150,000
4.	Agriculture:	
	Stud farms	3,510,139
	Agricultural improvements	3,627,729
	Motoculture	40,925
	Agricultural research	22,117
	Manure	380,091
	Machinery	3,459,082
	Vineyard cultivation	6,028,984
	Arboriculture	896,351
	Sericulture	240,627
	Beekeeping	1,414,026
	Victims of floods	5,882,130
	Meteorological stations	6,600
		79,882,608
	<i>Schools</i>	21,500
	<i>Public Health</i>	2,772,695
	<i>Quinine</i>	1,534,271
		4,306,966
	<i>Cost of Administration:</i>	
	Salaries	32,213,699
	Travelling expenses	5,056,205
	Office expenses, etc.	4,811,630
		42,081,534
	<i>Transport</i>	16,148,251
	<i>Sundries</i>	21,428,510
		385,105,069
	Total	

On January 1st, 1930, there remained an unappropriated sum of 3,468,524 drachmas.

DIRECTORATE OF OLD GREECE, EPIRUS AND THE ISLANDS.

Credits which have been placed at the disposal of this Directorate for colonisation and their employment (from January 1st, 1924, to December 31st, 1929):

	In drachmas
<i>Cattle:</i>	
Ploughing and pack animals, breeding-stock	54,547,826
Houses	269,971,114
Agricultural implements	17,602,021
Advances to cultivators	56,811,935
Advances to artisans	11,223,550
Cadastral survey	2,928,779
Works of general utility	31,862,153
Public health	893,035
Administrative expenses	39,844,921
Transport	1,547,826
Sundries	15,665,758
	502,898,918
Total	

Of this total, the sum of 28,273,921 drachmas remained unappropriated on January 1st, 1930.

Observations on the Above Tables.

COLONISATION.

The essential feature of the colonisation of Greece by the refugees has been the substitution of intensive cultivation for extensive cultivation. Almost everywhere else, the immigrants arriving in a country to be colonised have been able to cultivate on a large scale, and thus to make up by the extent of the land at their disposal for their lack of experience and of capital. In Greece, the contrary has been the case. Two essential facts, the small size of the holding and

the poverty of the colonists, have made labour the principal element of production. There was no alternative. Intensive cultivation imposed itself, and, in order to organise it, it has been necessary to re-educate the refugees, amongst whom the professional agriculturists themselves were ill-prepared for this system of exploitation. The cultivator had to be converted into a specialist, either by adapting the faculties he possessed to his surroundings or by developing faculties in him to suit those surroundings.

1. *The Size of the Holdings.*

This, of course, varies considerably with the fertility of the land, the quality and value of the produce, and the number of families in a given district.

As a general rule, the holding, if well cultivated, can maintain a family.

In Thrace, its area is from 20 to 60 stremmas.¹

In the valley of the Maritza, where the land is fertile, it does not exceed 15 stremmas.

In Macedonia, in the tobacco districts, it runs from 9 to 20 stremmas.

In all the rest of Macedonia, the holding is of 20 to 60 stremmas of cultivable land, not including pastures.

In Old Greece, it varies from 10 stremmas (at Néa Kios, near Argos, in the Peloponnesus—market gardens and orchards) to 80 and 120 stremmas (in Thessaly—cereals). The average is 30 stremmas.

Finally, in Crete, where subdivision has been carried to its limit, a holding is subdivided generally as follows: 11 to 15 stremmas of fields (exceptionally 30 stremmas near Candia, where old pastures have been converted into arable land); 40 to 140 olive trees, $\frac{1}{2}$ to $1\frac{1}{2}$ stremmas of vegetable garden and $\frac{1}{2}$ to $1\frac{1}{2}$ stremmas of vineyard (for the most part, Sultana grape).

2. *Methods of Cultivation.*

The generalisation of intensive cultivation has had the following results:

1. The abolition of fallow lands.
2. The introduction of the cultivation of leguminous and forage plants.
3. The introduction of early cereal crops giving large returns.²

Then comes the impulsion given:

4. To arboriculture, to which the soil of Greece is favourable. The Refugee Settlement Commission has done a great deal to develop this branch of agricultural production. Nursery gardens have been multiplied and demonstration plots have introduced new varieties.

5. To vine cultivation. Table I, given below, shows that the diminution in vine cultivation in the old provinces has been made up by the increase of vineyards in the colonised provinces.

In Macedonia, the vine had always prospered; it had disappeared owing to the phylloxera, and, in spite of the efforts of the Government to restore the vineyards with American vine-stocks, the peasants had proved distrustful. The Refugee Settlement Commission founded colonies expressly for vine cultivation in the districts of Salonica, Kilkis, Verria and Yanizza.

We have frequently drawn attention to the success of the cultivation of the sultana grape in Old Greece; 7,000 stremmas (of which 6,000 in Crete) are in full bearing.

The refugees have proved excellent vine-growers. They have introduced improved methods of pruning and manipulation. Their example has been followed by the natives.

6. To the cultivation of tobacco. As in the cultivation of the vine, the refugees have shown special skill in that of tobacco. For the results, we refer you again to Table I.³

7. To the cultivation of the olive. It is curious that, on their arrival, the refugees had very little knowledge of this cultivation. In Old Greece, where nearly 500,000 olive trees were distributed to them, their ignorance induced them to uproot them and replace them by vines or tobacco. It was found necessary to form squads to teach them how to prune and care for the trees, and the Refugee Settlement Commission went so far as to pay them for following this course of instruction. This propaganda has been carried on in 1930 by the Ministry of Agriculture, to which these services have been attached since the beginning of the year.

3. *Live-stock.*⁴

We do not possess an accurate census of the animals distributed by the Refugee Settlement Commission. They are only recorded in the refugee's personal account book. The breaking-up of uncultivated land and the agricultural development of all the available areas have reduced the nomad stock-breeding by one-half. This reduction is made up by the progress of domestic stock-breeding. The great difficulty in this department was due to the fact that a very large number of families to whom animals had to be entrusted lacked the experience necessary for their management. In spite of this, it will be seen in one of the accompanying tables how encouraging the results have been.

¹ A stremma = 0.247 acre.

² See reports on Canberra wheat of August and November 1929.

³ See Report No. 19, August 1928.

⁴ For the special care given to the breeding of live-stock, the introduction of improved breeds, the increase in the head of cattle, the creation of stud forms and breeding stations see Reports Nos. 19 and 24 (August 1928 and November 1929).

4. *Results.*

The simplest way of setting forth the results obtained by these methods would have been to show in a general table the agricultural work accomplished by the refugees up to date.

This would have been easy if motives of economy had not obliged us to close our Statistical Office, which only continued to operate until July 1929. Its bulletins frequently figured in our previous quarterly reports.

It is possible, up to a certain point, to make up for the want of a general statistical table of the work of the refugees by Government statistical tables and by the information furnished by our services on special subjects. We only give the three following tables.

The following figures are supplied by the *Annual Agricultural Statistics of Greece for 1928* (published by the Ministry of National Economy, Statistical Directorate).

From 1923 to 1928, the cultivated area of the whole territory has gradually and continuously increased from 12,690,281 to 15,901,488 stremmas, an increase of 3,211,207 stremmas, or 25 per cent of the area cultivated in 1923.

Macedonia and Thrace account for 2,319,002 and 634,221—in all, 2,953,223 stremmas, against 257,984 stremmas in all the rest of Greece.

The increase is chiefly due to the cultivation of cereals.

Cultivation of wheat:

	All Greece Stremmas	Macedonia Stremmas	Thrace Stremmas
1928	5,380,403	1,323,102	320,495
1923	4,300,145	635,106	142,942
Increase	1,080,258	687,996	177,553
		865,549	

Cultivation of barley:

	All Greece Stremmas	Macedonia Stremmas	Thrace Stremmas
1928	2,019,436	727,457	232,774
1923	1,468,376	286,023	84,019
Increase	551,060	441,434	148,755
		590,189	

Cultivation of maize:

	All Greece Stremmas	Macedonia Stremmas	Thrace Stremmas
1928	1,834,198	568,852	223,578
1923	1,542,000	340,524	147,705
Increase	292,198	228,328	75,873
		304,201	

Cultivation of rye:

	All Greece Stremmas	Macedonia Stremmas	Thrace Stremmas
1928	552,647	366,099	105,169
1923	225,422	139,977	17,232
Increase	327,225	226,122	87,937
		314,059	

Wine grapes. — The cultivated area has decreased without sudden fluctuations from 1,272,126 stremmas in 1923 to 1,215,871.

The fact is that, omitting the Peloponnesus, which remains stationary, and Thrace, where the production is insignificant, the wine-producing provinces of Old Greece are reducing their vineyards.

The area has decreased:

	Stremmas
In the Ægean Islands by	17,659
In the Ionian Islands by	41,686
In the Cyclades Islands by	18,179
In Continental Greece and Eubœa	139,052
	216,576

On the other hand, it has increased:

	Stremmas
In Macedonia by	54,642
In Epirus by	16,306
In Thessaly by	43,633
In Crete by	50,742
	165,323

Cultivation of Tobacco:

	All Greece Stremmas	Macedonia Stremmas	Thrace Stremmas
1928	939,765	471,863	120,089
1923	615,636	184,418	64,296
Increase	315,129	287,445	55,793
		343,238	

Cattle and implements procured by the refugees of Macedonia at their own expense at the time of the last census, end of December 1928 (the districts of Drama and Cavalla are not included):

Large animals:

Horned cattle	114,242
Horses	10,110
Mules	780
Donkeys	24,813

making about two head of large animals per family.

Small animals:

About five head of small animals (sheep and goats) per family.

<i>Wagons and carts</i>	13,391
<i>Ploughs</i>	19,773
<i>Agricultural implements</i>	21,000

(Without reckoning reaping and threshing machines, mechanical ploughs, etc.)

Old Greece. — Progress of Annual Cultivation by the Refugees.

Years	Areas cultivated Stremmas	Production Kilograms
1924-25	41,391	604,160
1925-26	159,100	13,208,371
1926-27	161,594	13,666,503
1927-28	196,365	15,436,182 ¹

AGRICULTURAL HOUSING.

I. *Thrace and Macedonia.*

	Macedonia	Thrace (including Drama and Cavalla)
Families established	87,084	42,687
Houses of exchangeable Turks or Bulgarians	34,222	25,683
Houses built by Government, 1922 to 1924	10,313	3,174
By the Refugee Settlement Commission, Sommer- feld Houses	9,228	445
By the Refugee Settlement Commission, directly from 1925 to end of 1929	21,015	10,982
To be built by the Refugee Settlement Commis- sion (credits granted)	634	209
Total	76,412	40,493
Supplementary houses which it would be neces- sary to build and for which credits are lacking	8,825	3,300

In this table, there are some figures with regard to the accuracy of which some reserves should be made.

Houses which belonged to exchangeable Turks or Bulgarians. — These houses often had out-buildings, such as stables, barns and storehouses, more or less apart from the principal construction. It is sometimes difficult to know whether one has to do with one or two constructions, or even

¹ See on colonisation:
Stage reached in colonisation, see Report No. 19 (August 1928).
Cost price and general expenses, see Report No. 21 (February 1929).
Especially, the impressions of Sir John Campbell and the reflections which accompany them, see Report No. 24 (November 1929).
On the colonisation in Old Greece, Epirus and other Islands, see Report No. 19 (August 1928).

with three. This depends generally on the number of families occupying them, and one knows that this number cannot always be considered as invariable.

On the other hand, it happens that a single house has been divided by internal partitions between two families inhabiting it, and that it has been regarded as constituting two houses.

Houses built from 1922 to 1924. — Here, again, the number cannot be quite accurate. These houses were built either by the Colonisation Service before the services of the Refugee Settlement Commission got to work, or by the latter before it had organised its services, and when it was only carrying on the system followed until then by the State.

This system consisted in giving the refugees materials in small quantities and an unimportant sum of money not exceeding 5,000 to 6,000 drachmas. The labour was to be supplied by the refugees themselves, at least to a large extent. This produced good results in Thrace. The Macedonian clay only gives an inferior quality of *pisé*, and many refugees only built houses of no lasting quality. Consequently, a certain number of these houses have disappeared, others have been built to the construction of which the Refugee Settlement Commission has not contributed at all, and the figures in the column cannot be absolutely accurate.

Houses built by the Refugee Settlement Commission. — The figures the accuracy of which can be guaranteed are those of the Sommerfeld houses, and those of the houses constructed by the Refugee Settlement Commission from 1925 to 1929.

Future needs. — The figures of the column relating to agricultural houses which it will be necessary to build are the result of an enquiry made on the spot and correspond almost with the real requirements. One knows that it cannot remain invariable, and that it is always liable to more or less variations.

2. Old Greece, Epirus and the Islands.

(a) Houses of exchangeables <i>repaired</i>	3,981
(b) Houses built by the Refugee Settlement Commission	10,048

In several colonies, it has happened that a family has been given two houses when the number of persons in the family was too great.

In Crete, it has also happened that a single family has been lodged in two Moslem houses. This is why, in Crete, the number of houses is somewhat greater than the number of families established.

As for the houses built by the Refugee Settlement Commission, we tried at first, as in Macedonia and Thrace, to have them built by the refugees themselves. For this purpose, we gave them a credit of 15,000 drachmas per family, but the results did not come up to our expectations. It became necessary to adopt the system of building by contractors under the superintendence of our technical service.¹

CADASTRAL SURVEY. (See below, Chapter 5.)

Water Supply of Colonies.

Under the terms of the law for the organisation of the technical services of the Ministry of Agriculture, the hydraulic services of the Refugee Settlement Commission were transferred to the Ministry of Agriculture at the end of the first six months of 1930. The Refugee Settlement Commission also placed at the disposal of the Ministry a sum of 7,500,000 drachmas, representing the balance of the credits voted by the Refugee Settlement Commission for the execution of hydraulic works.

See Report No. 24 (November 1929) for what has been done by the Refugee Settlement Commission until the end of 1929.

PUBLIC HEALTH (Thrace and Macedonia).

We have no accurate statistical information on the first two years which followed the immigration (1923 and 1924), in the course of which the death rate caused by privations and sickness was very high. At that time, three deaths were reckoned for every birth. Some colonies lost a fifth of their inhabitants.

In order to record an improvement, one must come on to June 1925. It was then that fifty rural dispensaries of the Refugee Settlement Commission began to operate. They were directed by doctors, provided with drug stores and with smaller surgical and obstetrical instruments. Later, there were added to this number nine new dispensaries, a hospital and a bacteriological laboratory.²

These dispensaries, situated in the most unhealthy districts of Macedonia and Thrace, were under the Refugee Settlement Commission from 1925 to 1929. From that year, they were placed under the Ministry of Public Health.

¹ See Report No. 9 (February 1926) for cost price of agricultural and urban houses.
Report No. 23 (August 1929) for number and valuation of Turkish and Bulgarian houses.
Report No. 24 (November 1929) for agricultural housing in general.

² See map annexed to Report No. 14 (May 1927) showing the organisation of the sanitary service in Macedonia.

Their chief service was the organisation of the anti-malaria campaign.¹ More than half of the 489,281 cases which they had to treat were due to malaria; this figure represents one-third of the population of the districts dependent on the dispensaries.

They distributed 8,500 kilograms of cachets and 912,501 tubes of quinine. Some dispensaries also successfully employed Schweinfurth green.

Three thousand eight hundred cases of tuberculosis were treated with Calmette-Guerin serum (BCG).

The dispensaries also recorded the state of alcoholism in Thrace and Macedonia.

The bacteriological laboratory has done excellent service. It prepared 150,000 tubes of vaccine and 50,000 tubes of antityphic serums.

Pamphlets and publications on health subjects—prevention or treatment—were distributed in thousands in the colonies and schools.

MOTOCULTURE (FROM 1924 TO END OF 1929).

Up to the transfer of this service to the State, the following lands were broken up or cultivated with mechanical ploughs:

Ordinary ploughing (15 to 19 cm.)	155,640	stremmas,	equivalent to	155,640	stremmas normal
Medium ploughing (20 to 29 cm.)	46,169	„	„	92,338	„
Deep ploughing (30 to 45 cm.)	68,346	„	„	205,038	„
Total	270,155	„	„	453,016	„

The general cost price per normal stremma has been 70 drachmas—i.e., very advantageous. Remarkable results have been obtained in cultivation.²

4.

BALANCE-SHEET OF URBAN ESTABLISHMENT.

(END OF 1929.)

URBAN DIRECTORATE.

Quarters	Sums expended Drachmas	Liabilities Drachmas	Total Drachmas
Old Greece and Islands	474,162,389	98,357,328	572,519,717
Macedonia	91,752,073	29,900,804	121,652,877
Thrace	183,741,672	19,374,084	203,115,756
Total	749,656,134	147,632,216	897,288,350

In this total of 897,288,350 drachmas are included 98,885,818 drachmas spent by the *Caisse d'Assistance* of the refugees in the urban quarters, which were only handed over later to the Refugee Settlement Commission.

The total sum expended by the Refugee Settlement Commission is therefore reduced to 798,402,532 drachmas.

The number of houses built or building is as follows:

	Quarters	Houses
Continental Greece	26	14,857
Peloponnesus	12	1,232
Islands	14	1,086
Macedonia	41	3,953
Thrace	32	6,215
	125	27,343

Distribution of the sums expended from the point of view of the purposes to which they were appropriated:

Building	762,695,100
Works of general utility	71,783,068
Maintenance, administration, cadastral survey and salaries of technical staff	62,810,184
	897,288,352

* * *

¹ See map of malaria in Macedonia annexed to Report No. 14 (May 1927).

² For further details, see Report No. 23 (August 1929).

Nothing need be said with regard to the urban establishment. The subject has been exhausted in the reports already published.¹

5.

LEGAL STATUS OF REFUGEE PROPERTIES.

I. AGRICULTURAL REFUGEES.

The Convention of Liquidation, the text of which we have published, settles everything concerning the properties of the agricultural refugees, as well as their debts and credits. It was only possible to take these definite decisions because a long preparatory study had made it certain that their application would now be easy and that it could be carried out in a comparatively brief period.

This preparatory study bore on the three following points:

1. The cadastral survey;
2. The valuation of the lands;
3. The set-off of the debts.

1. *Cadastral survey.* — The work of the survey is advancing.²

The areas distributed in the whole of the country amounted in February 1930 to 3,394,062 stremmas (see Report No. 25, February 1930).

On that date there were:

	Areas surveyed Stremmas	Areas distributed Stremmas
In Macedonia (to the Nestos)	10,260,000	3,160,000
In Thrace	1,336,000	64,062
In Old Greece, Epirus and the Islands	300,000,	170,000
Total	11,896,000	3,394,062

On August 1st, 1930, these figures must be altered as follows:

	Areas surveyed Stremmas	Areas distributed Stremmas
In Macedonia (to the Nestos)	10,671,000	3,781,000
In Thrace	1,470,000	135,000
In Old Greece, Epirus and the Islands	470,260	197,470
Total	12,611,260	4,113,470

2. *Valuation of lands.* — The valuation of the small patches of which the holding of each refugee is made up can only be made when the survey is complete and when, consequently, the area of each holding is known exactly.

However, it is possible to make an approximate valuation of the grand total of the lands handed over by the State to the Refugee Settlement Commission.

In Thrace and Macedonia, the area of the cultivated and cultivable lands which have been distributed to the refugees is about 4,800,000 stremmas (without pasture lands).

In Old Greece, Epirus and the Islands, the area of the cultivated and cultivable lands is 552,802 stremmas, of which 437,333 stremmas are cultivated and 115,469 stremmas cultivable. (In this total are not included 85,811 stremmas of pastures handed over to the communes, 5,648 stremmas of sultana vineyards and 436,831 olive and other fruit trees.)

The Convention of Liquidation (Articles 9, 11, 6) lays down the limits between which the mean value of the stremma must be fixed. A subsequent Agreement between the Greek Government and the Commission fixed the general mean value at 400 drachmas. The market value of the lands already established by the Commission's services will have to be more or less largely reduced, according to the districts and the quality of the land, in order to bring the general mean value of the stremma to 400 drachmas.

¹ We are referring specially to:

- (1) Reports Nos. 1 and 2 (February and May 1924) on the circumstances which induced the Refugee Settlement Commission to undertake a portion of the urban establishment.
- (2) Reports Nos. 7, 8, 11 and 12 (August and November 1925, August and November 1926) on the sale and lease of lands and houses.
- (3) Reports Nos. 15 and 16 (August and November 1927), with tables, on the census of urban refugees.
- (4) Report No. 19 (August 1928) on types and cost of housing.
- (5) Report No. 24 (November 1929) on what remains to be done for urban establishment after the liquidation of the Refugee Settlement Commission.

² See plans annexed to this Report.

3. *Set-off of debts.* — The Refugee Settlement Commission has collaborated with the State in establishing the account for working out the set-off of the debts of the agricultural refugees to the Refugee Settlement Commission or the State against the indemnities which they should receive for their properties abandoned in Turkey.

The Refugee Settlement Commission undertook:

1. To ascertain which of the cultivators whom it has established are those who, according to the decisions of the Commissions of Indemnification, are entitled to an indemnity.
2. To settle the set-off between the debit and credit accounts of the refugee.

The State undertook to ascertain the credit account and to inform the Refugee Settlement Commission officially of it so that the latter may proceed to calculate the set-off.

For this purpose, the Refugee Settlement Commission had to create a special service, which was attached to that for the collection of debts. A general list was drawn up and published of all the agricultural refugees established to any extent, whether by the State or by the Refugee Settlement Commission. This record, which is in nine volumes gr. 4to of 7,800 pages, includes about 250,000 names. (In this number are included all agriculturists, whether entitled or not entitled to an indemnity, the emigrants from Bulgaria, the Hellenic subjects, and, finally, the sons and daughters filing claims independently of those of the head of their family.)

Up to date, our services have worked out the credit accounts of 80,000 refugees. The total of their indemnities amounts to £4,449,000.

The grand total of the indemnities to be paid to the 145,000 exchangeable refugees from Turkey will most probably amount to the sum of £8,500,000.¹

II. DEBTS OF THE URBAN REFUGEES.

The debts of the urban refugees to the Refugee Settlement Commission are far from raising questions as complicated as those of the agriculturists, for the following reasons:

- (1) The establishment of the cadastral survey of the urban quarters is an easy operation.
- (2) The urban refugees are generally only debited with the value of the building and that of the ground transferred to them by the Refugee Settlement Commission. Where they have built their own houses, the value of the building is replaced by the advances which they have received for that purpose. Finally,
- (3) There is no set-off between these debts and any credit account.

The value of the house represents the value of the materials and of the labour employed.

The value of the ground includes: (1) an initial price fixed by the Commission and (2) the general expenses of the quarter distributed per square metre of the usable area. These expenses include:

- (a) The expenditure for works of general utility (roads, water supply, schools, etc.);
- (b) The salaries of the staff employed on these works;
- (c) The insurance premiums on buildings, cost of cadastral survey, etc.

At the end of 1930, the total debt of the urban refugees to the Refugee Settlement Commission will be approximately as follows:

1. Buildings (see page 12) and expenses of general utility:	
(a) By the Refugee Settlement Commission	Drachmas 818,609,426
(b) By the <i>Caisse d'assistance</i>	99,827,492 ²
2. Initial value of 27,343 building sites averaging 150 square metres at an average price of 10 drachmas per square metre.	
	41,014,500
Total	959,451,418

The Greek Government is now studying the methods whereby it could extend to the urban refugees the measures which it has recently adopted in favour of the agriculturists (reduction of the rate of interest from 8 per cent to 3 per cent, remittance of certain items of debt, etc.).³

6.

THE LIQUIDATION OF THE COMMISSION.

THE GREEK GOVERNMENT'S UNDERTAKING IN VIRTUE OF THE CONVENTION OF GENEVA OF JANUARY 24TH, 1930.

Before its liquidation, the Commission has made a point, on the one hand, of securing the rights of the bondholders of the Loan of 1924, and, on the other, of the refugees to the properties in their possession by every possible legal guarantee. On this subject, the Convention of Liquidation lays

¹ See Report No. 25 (February 1930). Debts and credits accounts of agricultural refugees.

² We have given in Chapter 4 the figure of 98,835,818 drachmas as the sum expended by the *Caisse d'assistance*. The difference of 941,074 drachmas is due to buildings erected in Thrace by the local *caisses*, for which the refugees were only debited in 1930.

³ See Report No. 26 (May 1930).

down for the Greek Government a series of obligations, which the latter has bound itself to fulfil by December 31st, 1930. These are, in order of importance:

1. The registration of a first mortgage in favour of the International Financial Commission on all the real estate owned by the Refugee Settlement Commission, which will be handed over to the Greek Government. The duration of this mortgage will depend upon the time required to complete the amortisation of the loan for the establishment of the refugees (Article 8, paragraph 1); however, every refugee who has paid his debt in full will be given a release from this mortgage.

2. The realisation of the clause according to which the Government would authorise the International Financial Commission to take from the ceded revenues, for the service of extraordinary amortisation of the 1924 Loan, whatever sum the banks charged with the collection of the refugees' debts shall have failed to pay in to the *Caisse* of the International Financial Commission by the fixed dates (Article 8).

3. The adoption of any measure tending to confirm, either in favour of the Refugee Settlement Commission or of the refugees which it has established, a full and complete right of ownership on all the lands and real properties in their possession, and the grant by the Hellenic Government of a legal title-deed ensuring for the interested parties the peaceable enjoyment of these properties and lands (Article 21).

4. The establishment by the competent services of the Greek Government, and the handing-over to the Refugee Settlement Commission, of accounts showing the debts to the State contracted by the refugees. This is for the purpose of providing for the entry of these debts in the personal account of each refugee, and their set-off against the credit which he may possess on account of the indemnities granted to him for his properties abandoned in Turkey.

5. The adoption of any measure for the purpose of obliging the Municipality of Athens to take over the services of a municipal character in the urban colonies created by the Refugee Settlement Commission on lands in the city area, such as service for the upkeep of roads, public places, open spaces, bridges, canals, waterworks, water supply of all kinds, public utility buildings, materials, etc., which the Refugee Settlement Commission has to hand over to the State before December 31st, 1930, in accordance with the Convention (Article 4).

6. The adoption of any measure required to facilitate the building of the bridges over the Nestos, uniting the sections of the Zirnovo-Borovo road which the Refugee Settlement Commission is constructing, and which could be of no service unless the Greek Government went on with the building of these bridges (Article 3).

7. Finally, the adoption of any measure to facilitate the continuation by the State of the works remaining unfinished by December 31st, 1930, the completion of which is to be borne by the State, such as cadastral survey work, construction of the Drama-Ossenitza and Zirnovo-Borovo roads, and secondary works of all kinds (completion of agricultural and urban colonies, etc.) (Article 3).

7.

SOME REMARKS ON THE WORK OF THE REFUGEE SETTLEMENT COMMISSION.

In order to pronounce an opinion on the work of the Commission, the figures given in the preceding pages must be taken into account. But how far does their authority go? They allow one to fix the cost prices of the houses built, the roads constructed, and so forth, each of these heads being taken separately. These calculations have often been made either by the Commission¹, or by the refugees, or in general by the circles nearly or remotely interested in the colonisation. But there one must stop. One must not insist further on the meaning of figures.

The Commission was neither a building company, nor a public works undertaking, nor an agricultural exploitation. The works the value of which can be determined only represent one side of the activity. The autonomous organisation, with the mission of *establishing* the refugees, was charged with various functions, and exercised an authority which, in general, belong to the State only. In many respects, it has been more than a Ministry. Yet who has ever sought to express the activity of a Ministry or that of a Government by a figure, by the calculation of a cost price?

The Commission had very early to give the most liberal interpretation to the clause in the Protocol laying down that expenditure was only to be incurred for productive works, and it incurred expenses the return for which it will long be difficult to calculate, even if it ever becomes possible to do so.

The reasons which compelled the Commission to act in this way will become evident if one considers the situation at the beginning of 1924.

On the one hand, groups of hungry, naked people, without any common origin, without any cohesion, only supposed to have followed some agricultural calling, are sent to a tract of land, mostly abandoned or fallow, lodged in chance shelters which did not protect them from the wind or the rain. They live on a distribution of rations, and death thins their ranks every day. Time is pressing. The months, the weeks, are precious.

¹ See Report No. 14 (May 1927), page 8: "Mean Cost per Agricultural Family"; and Report No. 21 (February 1929): "I. Agricultural Establishment".

On the other hand, a country ravaged by wars, lately annexed to Greece and consequently ill-known to the services in charge of the establishment, and which had lost most of its former inhabitants, who could have supplied valuable information. These were the conditions under which the work began. It was necessary to begin by a genuine exploration of the country. Topographers, agronomes, hydraulic engineers and builders came upon the scene, and their preliminary studies, their schemes, their experiments were often costly. Next came the foundation of the houses, the allotment of cultivable lands, the distribution of cattle, seed, relief. All this had to be done at once. Sometimes when the work was well advanced it was found that malaria, the impossibility of supplying the colony with drinkable water, or some circumstance arising from the ill-will or obstinacy of the refugees, led away by ringleaders and clamouring to be moved elsewhere, condemned the enterprise to failure. It became necessary to abandon everything, to move the colonists on and begin afresh in another place. There are groups of refugees whose place of establishment has been shifted as many as five times.

It will be seen how many of the works enumerated above fail to fulfil the condition of being productive laid down by the Protocol, and to what extent the expenses which they involved would, if taken into account, upset any calculation intended to fix a general cost price.

This first period of the work was followed by another; even when the colonists were installed, it was impossible to leave them to themselves.

In the agricultural calling, routine is everything. One has to do with men very close to nature who from father to son have cultivated the same produce, on the same lands and by the same methods. Here, the experience they lacked had to be made up for by constant supervision. The cultivator had to be guided, taught new methods of cultivation. The cattle he was unable to keep had to be replaced, his house to be repaired, the roads to be mended, fever to be fought; and, for all this, masons, agronomes, hydraulic engineers and doctors had to be kept or sent where they were required, once, twice or several times—in a word, a complete second series of expenses had to be incurred, the productive nature of which it is also most difficult to estimate.

Indeed, it must be said that, on the material side of the work, the Commission has not confined itself to *creating*, to *founding*; but it has been obliged to *preserve* and *maintain*—to meet the damage caused by floods, by drought, by locusts; creating experimental fields, demonstration fields, stud farms, nursery gardens, model farms. It has spent considerable sums in combating malaria and epidemics, in founding schools, in taking the place of a municipality in its urban quarters.¹

If, however, a point is made of stating the results of the Commission's work in terms of figures, it would be more reasonable (though this, indeed, would be far from conclusive) to spread the total of expenses over the whole of the families established. Thus, let us take the figure of 170,000 families (145,000 rural and 25,000 urban), which gives us, on a total expenditure of £13,400,000, about £79 per family.

On the total of £13,400,000, the cost of maintenance has amounted to about £1,700,000, or £10 per family. Spread over seven years, this represents an annual charge of £1.4 per family. It is with this that the Refugee Settlement Commission has met all the supplementary expenses which we have just enumerated. It only charges the agricultural refugee with the cost of building the house, the value of the land, and the advances it has made him. All that it has given him over and above is represented by this trifling sum, thanks to which, however, he has profited during seven years by treatment which all the native cultivators might envy him, and without which he would have succumbed more than once.

II.

But this calculation, too, will be of very little assistance to whoever desires to appreciate the work of the Commission. It is not the figures that will say whether this work has succeeded or whether it has failed. In this case, success depended on more complex factors, and, as in every case where the human element comes in, the decisive factor is the psychological and moral factor.

The Commission had to establish 145,000 families of cultivators, and the word *establish* should be taken in its proper meaning, which is not the same as to *instal*. The object of such establishment is to succeed in attaching the agriculturist to the land which he cultivates. In the field of material work, we have had to replace the fruits of the experience of several generations by a hasty training. In the moral field, we had to anticipate the action of time by creating that bond of attachment, which is generally the result of long contact between the man and the land, which requires for its development that the man should at least have been born on the land and that its surroundings should be familiar to him from childhood. It is hard enough to establish in a new country colonists who are young, strong, with few family ties, provided with the necessary resources, liking their calling, confident in the future. What, then, are we to say of these Greek refugees who had been struck by a thunderbolt; of these families, mostly bereaved of their natural protectors, exhausted by fatigue and privations, overwhelmed by ordeals and losses? By what miracle were they able to take a fresh hold on life? The Government and the Commission neglected nothing to assist them; but, in this whole question of the establishment, it is the courage, the effort and the energy of the refugees which have formed the central point round which all the rest—installation, housing, distribution of lands, help of every kind—have come to group themselves, and the real efficacy of these means should be measured by the degree in which they have contributed to develop the confidence which was springing up again in their hearts.

¹ This second period, that of maintenance, began with the year 1927 (see Reports Nos. 19 and 21, August 1928 and February 1929).

For the human as well as for the material element, the first period of installation was followed by a second period—that of maintenance and preservation. The refugee had to be supported and strengthened like a convalescent; he had to acquire the conviction that he would not be abandoned; he had to be made to lose the habit of regarding himself as having been torn up by the roots; he had to be accustomed by his work to struggle against the inherent difficulties of the agricultural calling, which are more numerous in Greece than elsewhere for reasons due to the soil and the climate.

In this direction, also, the Commission has done everything possible. To speak only of the district where the colonisation has been carried on on the most considerable scale, we repeat that for six years the Directorate-General of Colonisation of Macedonia was a real Ministry. The courtyard of the building in which its offices were lodged was filled from morning till night with peasants coming from every part of the province—some singly, others in groups—to settle their business. They found themselves at home there. They knew that they would be received by the competent employee; that their request would be examined; that justice would be done if it were reasonable and could be granted; that they would take an agent of the Commission back with them to their village if the solution required a visit to the spot; and that, in all cases, whatever the solution might be, it would be given without delay.

For the agriculturists, the Refugee Settlement Commission has been an ever-present guardian. It was this side of its activity more than anything else which maintained the colonies, strengthened them and prevented them from being dispersed. These are things which cannot be measured by the yield of the *stremma* in drachmas.

These considerations enable one to see the work of the Commission in its true light, and show the point of view from which it must be judged. To sum up, this work has been a means far more than an end.

It matters little whether the sums expended went directly to the refugee or were devoted to works of general utility. They have been well employed if they have served to increase the number of cultivators in whom the love of the agricultural profession has prevailed, from whom has been banished the feeling that everything is temporary—a feeling to which some yielded, and at the first setback left everything to follow any kind of huckster trade in the neighbouring town.

III.

This work is not yet finished. The colonies have not yet reached a degree of consolidation allowing them to be finally emancipated from the guardianship which the Refugee Settlement Commission has hitherto exercised over them. This guardianship passes to the State, which in this field will have to carry on the task which it has inherited. For some time past, the Hellenic Government has begun to apply an extensive agricultural programme¹.

Events have obliged Greece to place agriculture in the front rank of her cares, and henceforth to see in it the chief source of wealth of the country and the essential element of its future economic development. In order to carry out this programme successfully, two things are indispensable.

¹ The main lines of the programme by which the Government proposes to carry out these intentions are the following:

1. *Drainage of Marshes and Regularisation of Water-courses.*

The drainage works are being carried on chiefly in Macedonia:

(1) In the valley of the Vardar, they had been somewhat delayed. Since the proceeds of the productive loan were placed at the disposal of the Government, one may foresee that 50,000 *stremmas*, the result of the drainage of Lakes Ardjan and Amatovo, will be handed over very shortly.

The embankments of the Vardar are being finished. This is the first year in which it has been possible to avoid the river floods. Until now they used to recur annually, inflicting great damage on the riverside population.

(2) Some more years will pass before the drainage of the Lake of Yenidjé, which is now in progress, is completed. It is reckoned that this will render cultivable 320,000 *stremmas* which are now under water, and that it will improve 200,000 more by protecting them from flooding.

The cost per *stremma* of these works will be somewhat heavy.

(3) Lastly, the Government has just entrusted the same company with the works to be carried out for diverting the channel of the lower Vardar. The mouth of the river will be moved outside the Gulf of Salonica, which is in danger of being gradually silted up.

2. *Fight against Malaria.*

Here the programme has already been laid down by the Commission. The Ministry of Public Health will only have to continue to carry it out on a larger scale, if possible.

3. *Road building.*

The most important road-building works have been entrusted to the Makris Company, with which the State has signed a £6,000,000 contract. The total length of the national roads which this company will have to build is 2,200 kilometres. The average cost per kilometre is one million drachmas.

4. *Creation of Agricultural Credit.*

Independently of its financial operations, the Agricultural Bank is charged with all the service of the professional agricultural syndicates, the organisation and working of which it will have to supervise.

The Bank has also a technical service. It is on the recommendation of this latter that it grants long-term loans for agricultural improvements. This service is also studying the agricultural questions of general interest to the country.

Until now, most of the cultivators who have applied to the Bank for loans intended to devote the proceeds to the water supply of their holdings.

(See Report No. 22 (May 1929): "Re-organisation of the Agricultural Service", and in Report No. 23 (August 1929) a long description of the hydraulic works which will be executed in the basins of the Vardar and the Struma.)

The first of these is security in the country districts. To-day, this is not sufficiently guaranteed. The crops are at the mercy of the passers-by, of children, of the flocks.

The laws are good, but it is their application which is at fault. The rural police do not always succeed in enforcing respect for other people's property.

The second is the existence of a staff possessing the requisite qualities and able to meet the requirements of the situation.

To-day, Greece has the advantage of possessing such a staff. To have found a capable technical staff is a characteristic feature of the advance made by the country in the last five years. The Commission can claim its share in this change; it has contributed to the study of the agricultural resources of the country, to the introduction of new methods of cultivation and to the creation of a tradition. It has succeeded in this by encouraging initiative in its own agronomes, in singling out men who deserved to occupy the position to which they have been advanced.

The existence of this staff is one more guarantee that in Government councils the necessity of continuing to afford to the colonies the assistance and the moral protection which they still require will not be lost to view. It would not be possible to assimilate the refugee colonists to the native villagers, who have been long used to the life and the agricultural methods of the land which they cultivate. The work of the Commission will be made lasting and fruitful by care for its preservation. The final solution of the question created for the country by the arrival of the refugees depends on the preservation of what has been done; it is the preservation which will make a permanency of their establishment in the richest districts of the country.

If within some decades, in the course of which progress and fresh needs will bring about many changes in the agricultural conditions of Thrace and Macedonia, a sturdy race of peasants resulting from a blend of all the elements of Hellenism ensures an ample revenue from those two provinces and prosperity for Greece, this result will be due to the initial impulse given by the Refugee Settlement Commission. Then only will it be possible to say that the Commission has well fulfilled the mission with which it was entrusted by the League of Nations.

(Signed) J. Hope SIMPSON,
President ad int. of the
Refugee Settlement Commission.

FINANCIAL SECTION.

A. BALANCE-SHEET ON JUNE 30th, 1930.

Liabilities.

	£	s.	d.
Proceeds of the 7% 1924 Loan	9,970,016	6	9
Proceeds of the 8% 1926 Loan	499,759	17	0
Proceeds of the 4% 1929 Loan	2,503,278	16	1
Receipts (interest, tithe, etc.)	805,084	10	1
Bonds paid in by refugees against their debts	365,215	0	0
Various liabilities	211,477	1	5
Various <i>per contra</i> accounts	384,314	14	1

£14,739,146 5 5

Assets.

	£	s.	d.
Balance available at the Bank and cash	790,368	5	3
Bonds deposited	365,215	0	0
Recoverable advances	11,023	0	5
Expenditure:			
Agricultural settlement	10,422,931	16	2
Urban settlement	2,011,458	7	3
Arts and crafts	12,320	4	7
Carpet industry	100,000	0	0
Central administration	230,024	4	6
Furniture and fittings	26,753	2	9
Service for the compensation of agricultural refugees	12,135	7	11
	12,815,623	3	2
Sums applied for the ordinary service of the 7% 1924 Loan	216,593	2	1
Sums applied for the extraordinary amortisation of the 7% 1924 Loan	156,009	0	5
Various <i>per contra</i> accounts	384,314	14	1

£14,739,146 5 5

Note. — The conversion of drachmas for the purposes of the present balance-sheet is based on the average of our conversions of sterling into drachmas from the constitution of the Commission until June 30th, 1930—*i.e.*, 354.470. It should be noted that this average varies from quarter to quarter, thus explaining the variations in the figures of the quarterly balance-sheet. Thus the average at the moment when the balance-sheet on March 31st, 1930, was drawn up was 350,841. These variations, naturally, only occur in the drachma accounts.

From June 15th, 1930, under the respective article of the Convention for the Liquidation of the Commission, all the bonds deposited up to that date by the refugees on temporary account against their debts have been carried to final account. Consequently, the heading of the respective account on the debit side "*Bonds deposited by the refugees on temporary account against their debts*", has been replaced by the following heading: "*Bonds paid in by refugees against their debts*".

We give hereafter explanations on certain items of the balance-sheet:

LIABILITIES.

	£	s.	d.
<i>Receipts</i>	805,084	10	1

The analysis of this chapter is as follows:

	£	s.	d.
Interest on balances	364,257	13	6
Caution money forfeited	9,496	0	9
Various receipts	97,289	19	4
Tithe collected from agricultural refugees settled on land belonging to the Refugee Settlement Commission	216,593	2	1
Share of the Refugee Settlement Commission in payments made by refugees (25 per cent of capital repayments and 100 per cent of interest payments).	117,447	14	5
	£805,084	10	1
<i>Bonds paid in by refugees, etc.</i>	365,215	0	0
	£	s.	d.
Payments by urban refugees	119,617	10	0
Payments by agricultural refugees	245,597	10	0
	£365,215	0	0

<i>Various liabilities</i>		£	s.	d.
		211,477	1	5
Share of the International Financial Commission:				
75 per cent of repayments of capital by refugees (£154,587 15s. 10d.) and 100 per cent of the proceeds of the sale of lands to non-refugees (£1,421 4s. 7d.)	156,009	0	5	
Rents to be refunded	3,089	15	3	
Caution money and sundry creditors	52,378	5	9	
	£211,477	1	5	

ASSETS.

<i>Balances available</i>	790,368	5	3
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This sum represents our balances in hand at the banks and at the Head Office in pounds sterling and in drachmas. (During the second quarter, the balances available in dollars were converted into drachmas, in consequence of the difference in the rate of interest between New York and Athens (New York 2 1/2 per cent, Athens 4 per cent), and were deposited with the banks in this city.) Needless to say, this does not mean sums available in the budgetary sense of the word. With the exception of £131,764 (representing a special reserve of £100,000 and £31,764 for unforeseen expenses), the rest is covered by appropriations already made.

<i>Bonds deposited by refugees, etc.</i>		£365,215	0	0
Bonds of the 6 per cent 1923 Loan for compensation to immigrants from Bulgaria (74,481,500 drachmas)	£	s.	d.	
	186,203	15	0	
Bonds of the 8 per cent 1926 and 1928 Loan for compensation to exchangeable refugees from Turkey (69,318,000 drachmas)	173,295	0	0	
Bonds of the 8 per cent 1927 Loan for compensation to Turkish refugees who are Greek nationals (2,286,500 drachmas)	5,716	5	0	
	£365,215	0	0	
<i>Sums applied to the extraordinary amortisation of the 7 per cent 1924 Loan</i>		156,009	0	5
75 per cent of capital repayments by refugees	£	s.	d.	
100 per cent of payments by non-refugees	154,587	15	10	
	1,421	4	7	
	£156,009	0	5	
<i>Various per contra accounts.</i>		384,314	14	1
Value of buildings made over by the <i>Caisse d'assistance</i>	£	s.	d.	
Sums owing from the sale of urban property.	278,967	11	9	
Sums owing from the sale of plots to non-refugees	86,917	4	3	
State debtors	1,391	15	11	
Various deposits.	83	2	3	
	16,954	19	11	
	£384,314	14	1	

B. COLLECTIONS.

Collections credited during the three months April to June 1930 amounted to:

(a) In cash, £19,718 16s. 3d., of which sum £11,234 11s. 1d. (75 per cent of capital repayments) was paid to the International Financial Commission for additional amortisation of the 7 per cent 1924 Loan.

(b) In bonds, 11,444,000 drachmas, or £28,610 (at the rate of £2 10s. per 1,000 drachmas). The distribution of these payments between agricultural and urban refugees is as follows:

	Agricultural refugees			Urban refugees			Total		
	£	s.	d.	£	s.	d.	£	s.	d.
In cash.	7,927	4	3	11,791	12	0	19,718	16	3
In bonds	18,238	15	0	10,371	5	0	28,610	0	0
	£26,165	19	3	£22,162	17	0	£48,328	16	3

(a) *Payments by Agricultural Refugees.*

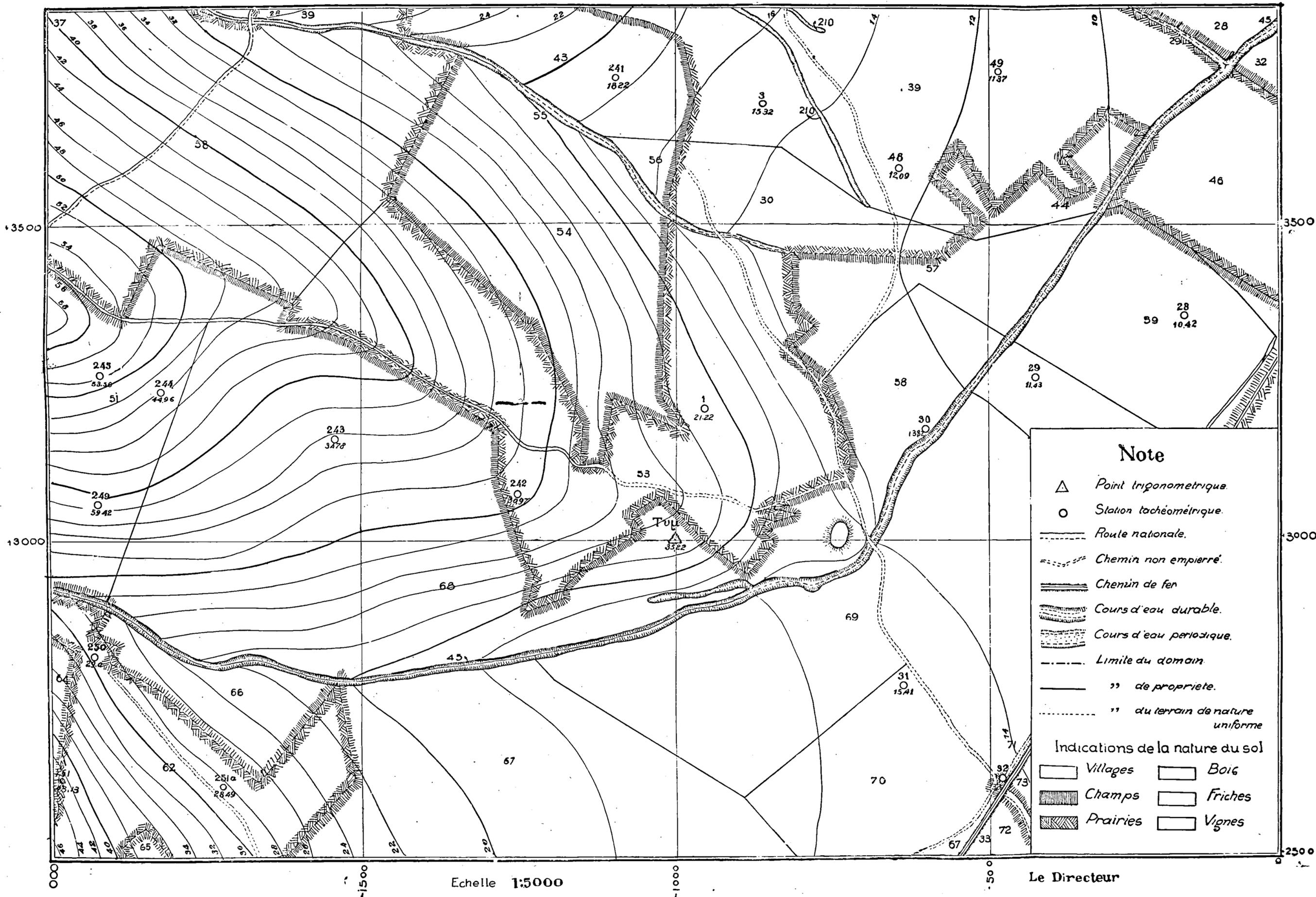
Payments made during the three months April to June 1930 amounted to 9,166,193 drachmas (in cash and bonds). Collections for the corresponding quarter of the previous year amounted to 7,192,277 drachmas, or an increase of 1,973,916 drachmas.

(b) *Payments by Urban Refugees.*

Payments made during the three months April to June 1930 amounted to 7,859,080 drachmas (in bonds and cash). Payments for the corresponding quarter of the previous year were 4,712,364 drachmas, or an increase of 3,146,716 drachmas.

Refugee Settlement Commission

(Annex to the 27th three-monthly report.- August 1930)



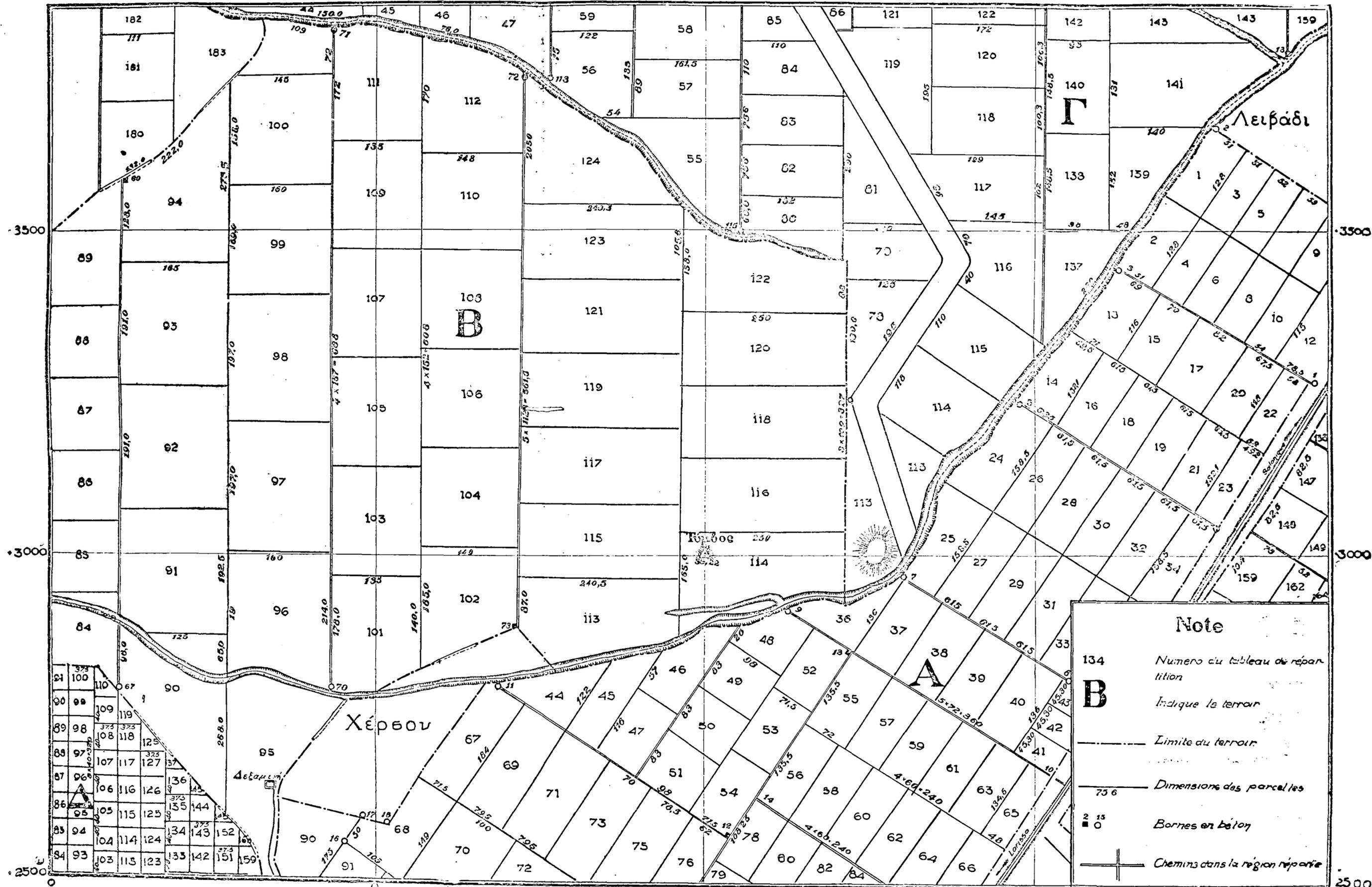
Note

- △ Point trigonometrique.
- Station tachometrique.
- Route nationale.
- - - Chemin non empierré.
- ==== Chemin de fer
- ~~~~ Cours d'eau durable.
- ~~~~ Cours d'eau periodique.
- - - Limite du domain.
- " de propriete.
- - - " du terrain de nature uniforme

- Indications de la nature du sol
- | | |
|------------|-----------|
| □ Villages | □ Bois |
| ▨ Champs | □ Friches |
| ▨ Prairies | □ Vignes |

Echelle 1:5000

Le Directeur

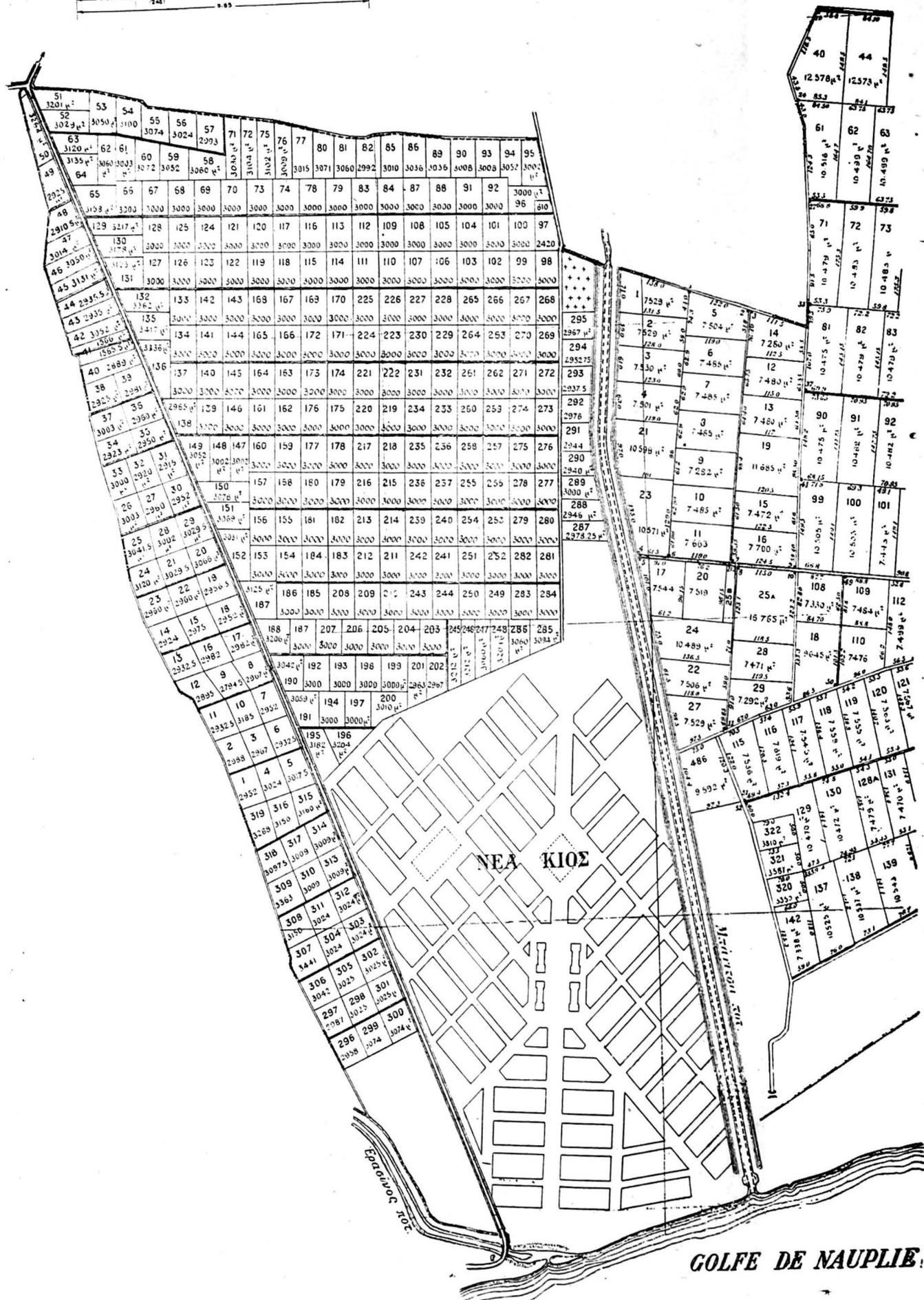
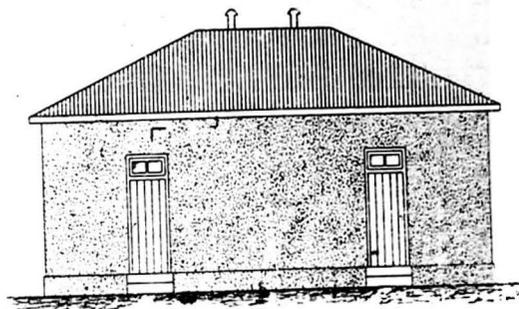
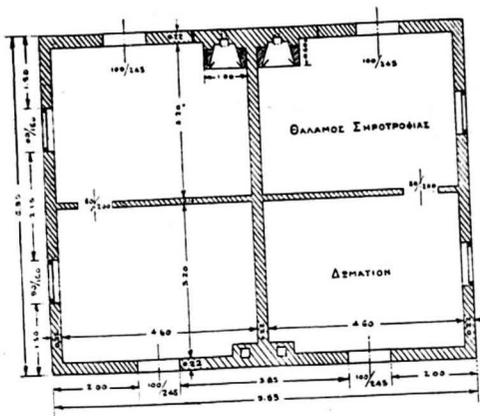


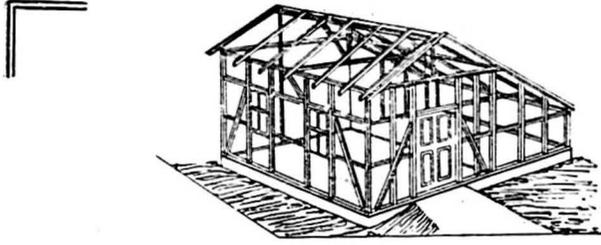
Note

- 134 Numero du tableau de répartition
- B** Indique le terrain
- Limite du terrain
- 75 6 Dimensions des parcelles
- 2 15 Bornes en béton
- ⊕ Chemins dans la région réparée

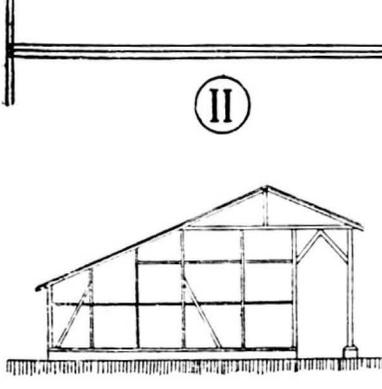
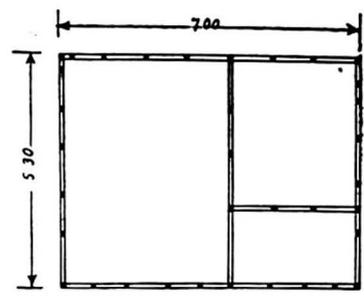
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Le Directeur
Ch Papastretos

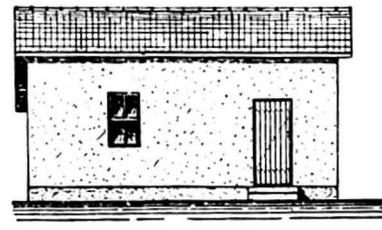




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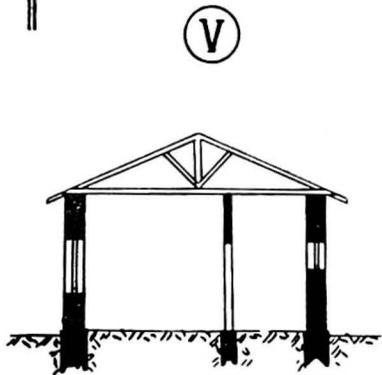
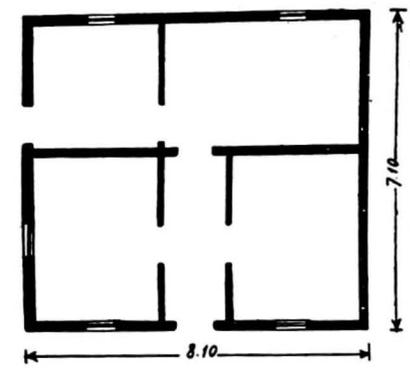
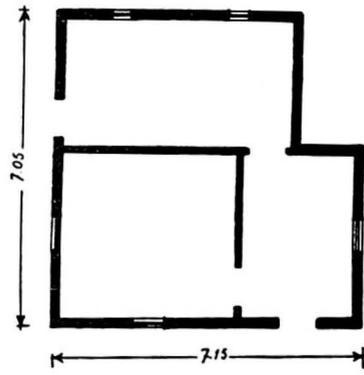
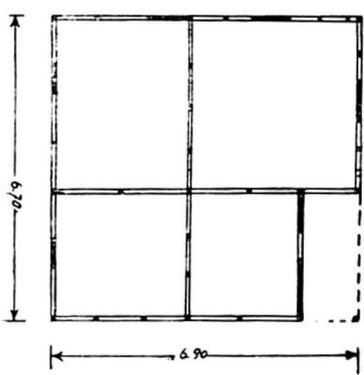
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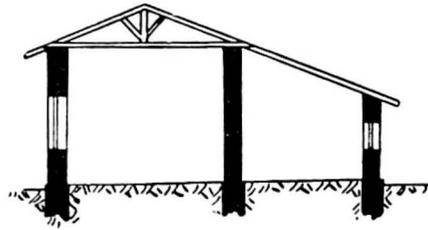
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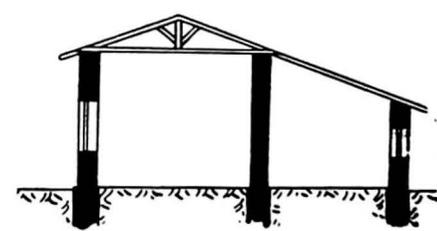
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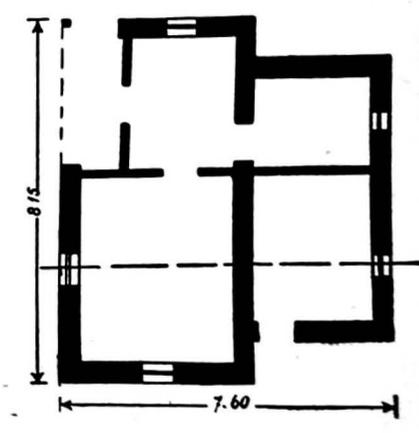
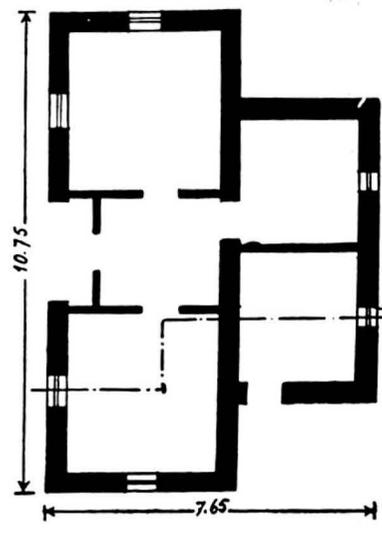
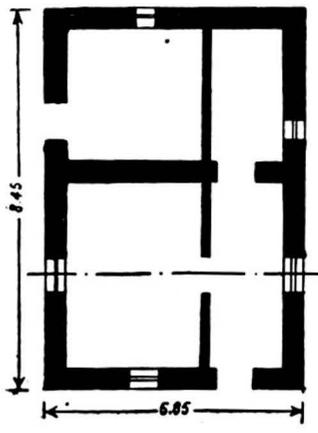
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VI

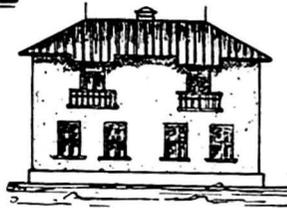
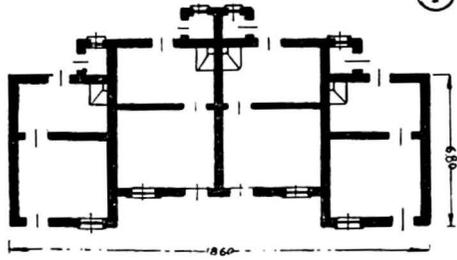


VII

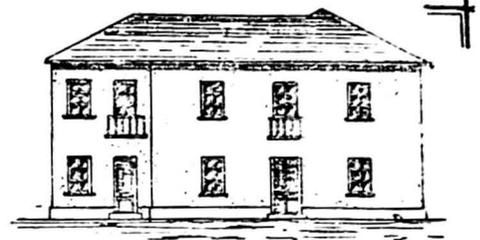
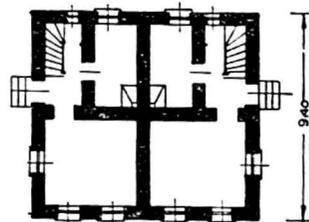




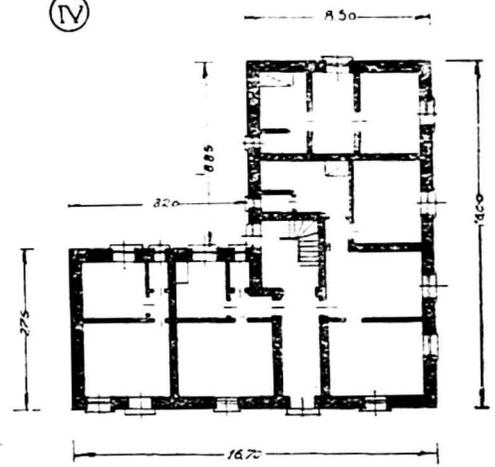
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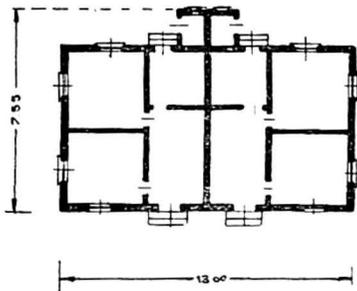
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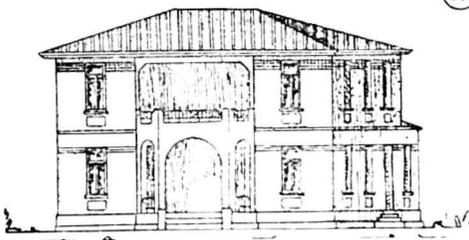
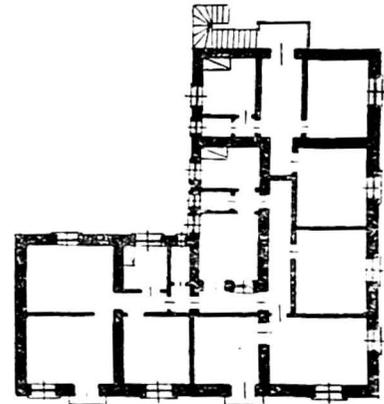
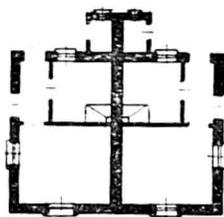
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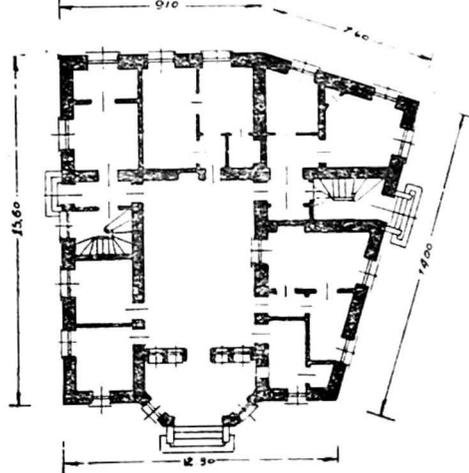
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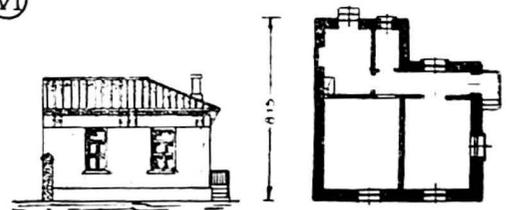
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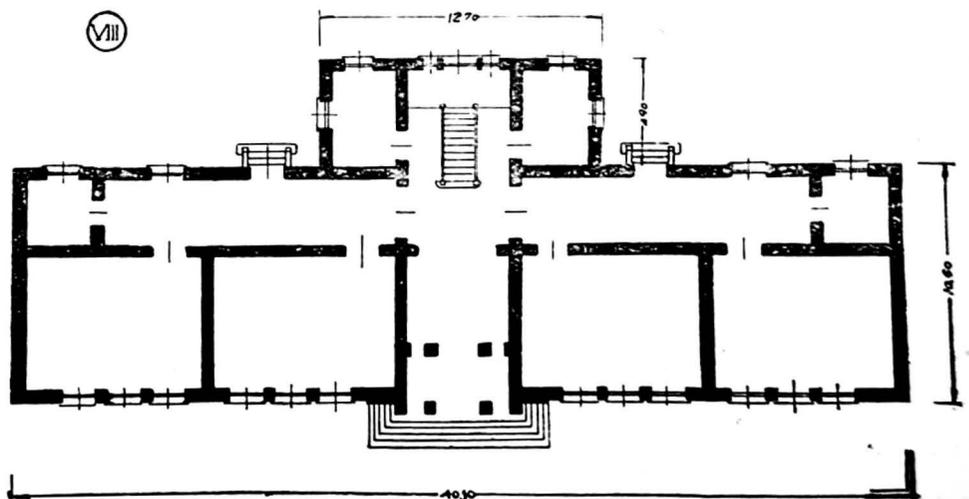
VII



VI



VIII



Cadastre

Estate of Korynos (Macedonia). Fac - similé of Topographical Survey.

Translation of the corresponding sheet of the register :

No of the sheet in the plan	No of plot	Area of plot		Quality of the land	Owner	Observations
		Strem- mas	m ²			
1	51	187	620	Field	Exchangeable	
3	52	18	975	»	»	
1	53	241	365	Meadow	Marco Brothers	Expropriation
1	54	145	435	Field	» »	»
1	55	26	720	Water course	Public	
1	56	5	995	Field	Marco Brothers	Expropriation
1	57	52	800	»	»	»
1	58	51	555	»	Exchangeable	
1	59	92	875	»	Marco Brothers	Expropriation
1	60	168	650	Meadow	» »	»
1	61	152	920	Field	Exchangeable	
1+2	62	1386	700	Meadow	Chrissovélonis	Expropriation
1+2	63	145	400	Field	»	»
1	64	40	820	»	»	»
1+2	65	5	500	»	»	»
1	66	36	450	»	»	»
1+2	67	1009	020	»	»	»
1	68	340	545	»	Marco Brothers	»
1	69	310	710	»	Exchangeable	
1+2	70	79	035	»	Marco Brothers	Expropriation
1	71	2	625	Meadow	Exchangeable	
1+2	72	273	365	Field	»	
1	73	54	180	»	»	
1	74	2	000	Meadow	»	
3	75	11	110	Field	Marco Brothers	Expropriation
1	76	52	555	»	Chrissovélonis	»

Cadastral Survey

Estate of Korynos. Fac - similé of distribution by plots.

Translation of the corresponding sheet of the Survey :

Number	Colonist			Holding		Quality of Land : A		Quality of Land : B		Quality of Land : F		Quality of Land : Δ		Total		Observations				
	Name	Christian name	Father's Christian name	Description of Colonist	Proportion of holding	Area		Area		Area		Area		Str	m ²					
						No of plot	Str	m ²	No of plot	Str	m ²	No of plot	Str				m ²	No of plot	Str	m ²
101	Hadi-Parass	Athanasse		Cultivator	1 1/4	101	8	125	101	22	500	101	14	375	30	1	500	46	500	
102	Mirmingas	Nicolas		»	1 1/4	102	8	125	102	22	500	102	14	375	103	1	500	46	500	
103	Bouclas	Efstratios		»	1 1/4	103	8	125	103	22	500	103	14	375	67	1	500	46	500	
104	Kalacos	Demetre		»	1 1/4	104	8	125	104	22	500	104	14	375	140	1	500	46	500	
105	Kozanitou	Mertza no		»	1 1/4	105	8	125	105	22	500	105	14	375	29	1	500	46	500	
106	Dallis	Georges		»	1 1/4	106	8	125	106	22	500	106	14	375	61	1	500	46	500	
107	Veves	Saranti		»	1 1/4	107	8	125	107	22	500	107	14	375	84	1	500	46	500	
108	Vassilicou	Fotios		»	1 1/4	108	8	125	108	22	500	108	14	375	33	1	500	46	500	
109	Ghavlaridou	Marie		»	1 1/4	109	8	125	109	22	500	109	14	375	23	1	500	46	500	
110	Léondaris	Constantin		»	1 1/4	110	8	125	110	22	500	110	14	375	19	1	500	46	500	
111	Raptopoulos	Jordan		»	1 1/4	111	8	125	111	22	500	111	14	375	150	1	500	46	500	
112	Horinos	Athanasse		»	1 1/4	112	8	125	112	22	500	112	14	375	157	1	500	46	500	
113	Héliopoulos	Nicolas		»	1 1/2	113	9	750	113	27	000	113	17	250	91	1	500	55	500	
114	Vayvaos	Anastasse		»	1 1/2	114	9	750	114	27	000	114	17	250	87	1	500	55	500	
115	Kavilias	Constantin		»	1 1/2	115	9	750	115	27	000	115	17	250	68	1	500	55	500	
116	Arabadjanis	Nicolas		»	1 1/2	116	9	750	116	27	000	116	17	250	22	1	500	55	500	
117	Miliatès	Nicolas		»	1 1/2	117	9	750	117	27	000	117	17	250	53	1	500	55	500	
118	Guanitès	Nicolas	Prodrome	»	1 1/2	118	9	750	118	27	000	118	17	250	173	1	500	55	500	
119	Arabadjidès	Constantin		»	1 1/2	119	9	750	119	27	000	119	17	250	10	1	500	55	500	
120	Hadji-Papa	Fori	Demetre	»	1 1/2	120	9	750	120	27	000	120	17	250	16	1	500	55	500	
121	Tsakires	Jean		»	1 1/2	121	9	750	121	27	000	121	17	250	38	1	500	55	500	
122	Zissoglou	Thrassivoulos		»	1 1/2	122	9	750	122	27	000	122	17	250	36	1	500	55	500	
123	Mavridès	Demetre		»	1 1/2	123	9	750	123	27	000	123	17	250	90	1	500	55	500	
124	Papadopoulos	Haralanbe		»	1 1/2	124	9	750	124	27	000	124	17	250	89	1	500	55	500	

Pl. III

Colonization : Old Greece, Epirus and the Islands.

Plan of the Colony of New Kios (near Argos on the Gulf of Nauplia) with some of the lands distributed. Scale 1 : 10.000.

This Colony contains 275 houses, each lodging two families, built of burnt bricks on concrete foundations.

Price of the house 64.688 dr. of the lodging 32.344 dr. Each lodging has an out-house which is not given here.

The Canal and the embankments on the plan protect the Colony from floods of the Inachos (Banizza)

Pl. IV

Colonization : Agricultural Housing in Macedonia.

I. & II. Sommerfeld Houses (D.H.T.G.) (one lodging per house).

The Company built the foundations (in masonry), the framework (in wood), the roof and covering (in tiles). The refugee had to fill up the walls with whatever material he chose.

III. Normal type of lodging for one family. Three rooms one of which is a stable (pisé, foundations in masonry)

IV. Lodging for one family (Colony of New Ménéméni. Four rooms including a stable and barn, (in pisé, foundations in masonry) Cost 17.000 drs.

V, VI, VII. Normal types of lodging for a family of cultivators. Foundations in masonry. Walls in masonry or pisé. All the roofs are tiled.

Pl. V

Urban buildings.

(Quarters in Athens - Piraeus).

Buildings of 1st series (1924-25).

I. House containing four lodgings. In pisé. Cost 65.100 drs. (16.275 per lodging).

II. Two-storey house, (two lodgings). In masonry. Cost 100.000 drs. (50.000 per lodging).

Buildings of 2nd series (1925-27).

III. House of two lodgings. In monobloc cement. Cost 32.548 drs. (16.274 per family).

IV. Two-storey house containing seven lodgings. In masonry. Cost 273.000 drs (from 22 955 to 53.848 drs. per lodging).

Buildings of 3rd series (1927-1930).

V. Normal type of house of two lodgings. In masonry. Cost per lodging 37.000 drs. (£ 100).

VI. Normal type of house. In masonry. Cost 56.000 drs.

VII. Dispensary of the Urban Quarter of Byron (in masonry). Cost 667.000 drs.

VIII. School of the Urban Quarter of Césariani (in masonry). Gift of Mme E. Venizelos. Cost 1.282.000 drs.

Geneva, August, 30th 1930.

LEAGUE OF NATIONS

**Republic of Estonia (Banking and Currency Reform)
7 % Loan, 1927**

**THIRD ANNUAL REPORT BY THE TRUSTEE,
FOR THE PERIOD FROM JULY 1st, 1929, TO JUNE 30th, 1930.**

I have the honour to submit herewith my third annual report, in conformity with the decision of the Council of the League, dated September 15th, 1927.

In Appendix I, are given the particulars of the yield of the excise revenues assigned to the service of the International Loan, for the third and fourth quarters of 1929 and the first and second quarters of 1930, together with the remittances made therefrom for the payments due in London and New York during the second half of last year and the first half of this one. The collections for these four quarters represent the following approximate percentages of one-quarter of the annual sum necessary for the service of the loan, as compared with the figure of 150 per cent required by the Protocol signed at Geneva by the Estonian Minister of Finance in December, 1927.

1929		1930	
Third quarter	261	First quarter	217
Fourth quarter	227	Second quarter	235

The average of these figures is 235 against averages of 247.25 and 225.5 for the corresponding quarters dealt with in my reports for 1927-28 and 1928-29, respectively.

The three years' service of Sir Walter Williamson as Adviser to the Eesti Pank was to have expired on May 7th last, but it has been extended for about four months at the request of the Estonian Government to enable him to complete his reports and notes up to June 30th, 1930—*i.e.*, to the end of the third year after the issue of the loan. During his time in Estonia, Sir Walter Williamson has been acting as my representative in that country, and as the appointment of Adviser is to cease under the terms of the Protocol, I have arranged with the Eesti Pank to take over the duties of Trustee's representative—following, in this respect, the arrangement made in Austria and Danzig with the Banks of Issue there.

As in the two previous years, a note by the Adviser on the general banking and economic situation in Estonia during the period dealt with in this report will be found in Appendix II.

(Signed) A. JANSSEN.

Appendix I.

YIELD OF ASSIGNED EXCISE DUTIES FOR THIRD AND FOURTH QUARTERS
OF 1929, AND FIRST AND SECOND QUARTERS OF 1930.

	I. VII to 30. IX 1929 Ekr.	I. X to 31. XII 1929 Ekr.	I. I. to 31. III. 1930 Ekr.	I. IV. to 30. VI. 1930 Ekr.
Tobacco	1,002,457.24	825,740.37	844,445.66	900,974.15
Beer	203,112.60	147,393.40	137,794.10	182,904.90
Matches	30,000.00	30,045.00	30,000.00	30,000.00
Wines, brandy, li- queurs	63,836.93	73,965.40	63,270.17	57,260.14
Yeast	39,877.73	89,901.72	38,749.24	42,918.14
Cigarette-cases and paper	25,536.10	19,227.60	21,078.40	16,137.50
Total	1,364,820.60	1,186,273.49	1,135,337.57	1,230,194.83

Remittances to London and New York:

For service of loan for second half of 1929 :

To London : £ 25,982 13s. 4d. ;
To New York : \$148,528.74 ;

representing an equivalent of Ekr. 1,031,269.29

For service of loan for first half of 1930 :

To London : £ 26,007 10s. 7d. ;
To New York : \$147,643.35 ;

representing an equivalent of Ekr. 1,027,722.84.

Appendix II.

NOTE BY THE ADVISER TO THE EESTI PANK.

In last year's note dealing with the twelve months ending June 30th, 1929, it was recorded that the general economic situation of the country had been adversely affected by the poor harvest of the year 1928, due to excessive rainfall and floods. The lessened purchasing power of the agricultural classes which this caused had had a depressing effect on domestic trade in general, while the foreign trade figures for the first half of 1929 showed a heavy balance on the wrong side, owing both to increased purchases of grain and flour from abroad, and to a fall in the value of dairy and agricultural produce exported, such as butter and potatoes. The natural result was a continuous demand on the Central Bank for foreign remittance to pay for the excess of imports, and a consequent considerable diminution of its foreign exchange reserve.

The state of affairs described was also clearly reflected in the position of the private banks, in regard to which various particulars were given which showed a deterioration in the position as compared with a year previously. This set-back was due entirely to local climatic conditions, and as the prospects for the ensuing harvest were good, a fairly hopeful feeling prevailed at the time of writing and a gradual recovery was looked for.

The expectation has unfortunately not been wholly realised, and the period from July 1st, 1929, to June 30th, 1930, has continued to be a difficult one. Although the harvest was above the average, as expected, the universal fall of values, especially of primary products which has been a marked feature of the world situation since last autumn, has militated against the farmers obtaining the prices to which they were accustomed for their cereals, particularly rye, owing to the competition of cheap foreign grain. Their purchasing power has consequently not improved to the extent that was hoped for, but nevertheless the facts given below show that the general situation is better in practically all respects than it was in the middle of 1929.

To take first the position of the Eesti Pank (Bank of Estonia), the statutory reserve of gold and foreign exchange, which fell, between the beginning of July 1928 and the end of June 1929, by Ekr. 12.5 millions from the figure of Ekr. 37.7 millions, at which it stood on the first

mentioned date, declined, by a further sum of Ekr. 2.6, to Ekr. 22.6 millions in the twelve months to June 30th, 1930. It is to be noted, however, that, on the last-mentioned date, the Bank held an amount of Ekr. 4 millions of foreign exchange outside the statutory Reserve—*i.e.*, in the currencies of countries not on a strictly gold standard basis—this figure representing an advance of Ekr. 1.8 million since the end of June 1929. It follows that the actual gold and foreign exchange holdings of the Central Institution were reduced in the twelve months by the trifling amount of Ekr. 0.8 million only. One reason for this is clear from the foreign trade figures. During the period covered by the last note, imports were greater in value than exports by Ekr. 14 millions, while, in the twelve months here dealt with, the position has been reversed—there having been an export excess of Ekr. 1 million. It is also to be noted, however, that the Bank was able to effect certain special purchases of foreign exchange, which helped to reduce the loss.

As regards the private banks, the figures given below for the end of June 1929 and 1930 (in thousands of kronen) will show that here also an improvement has been effected in the period covered by this note.

<i>Liabilities:</i>	30. VI. 1929.	30. VI. 1930.	Col. 2 as compared with Col. 1
	1	2	3
Deposits	44,346	46,589	+ 2,243
Rediscounts, etc..	19,075	20,197	+ 1,122
Correspondents	12,644	11,489	— 1,155
 <i>Assets:</i>			
Cash	3,025	3,927	+ 902
Home bills and loans	64,214	66,085	+ 1,871
Correspondents	4,565	5,222	+ 657

It will be seen that deposits have risen by Ekr. 2.2 millions, and rediscounts, etc., by Ekr. 1.1 million. These additional resources have enabled the banks to increase their portfolio of home bills and loans by Ekr. 1.9 million, at the time adding to their cash holding by Ekr. 0.9 million, while their liabilities to correspondents have been reduced by Ekr. 1.2 million, and their funds with correspondents increased by Ekr. 0.7 million. The rise in deposits, although not very large, is particularly gratifying as it has occurred in a period of general economic depression, and the following figures (also in thousands) will show that they are higher than at any previous date :

	Ekr.
30.VI.1927.	30,190
30.VI.1928.	44,035
30.VI.1929.	44,346
30.VI.1930.	46,589

The large advance during the first twelve months was due mainly, no doubt, to the great excess of exports over imports in 1927—*viz.*, Ekr. 9.4 millions, and also probably, to some extent, to the funds placed at the disposal of the National Mortgage Bank for loan purposes, early in 1928, out of the Foreign loan of the previous year.

Reference has been made above to the fact that the farmers have been suffering from the competition of cheap foreign grain, particularly rye, on which there has hitherto been no import duty. It may therefore be of interest to note that a law was passed last month providing for a State monopoly of importation of rye, and possibly also of wheat. Its object is to endeavour to ensure a sale on the internal market, at a fair price, for all surplus home-grown grain of these kinds, and to permit the importation only of such quantities of grain and flour as cannot be supplied from domestic sources. Under the power conferred on the Government by the law, a local sale price has been fixed for rye, which is about two-thirds of the highest figure reached in May 1928 and approximately double the lowest one to which it fell in June 1930. It will be of interest to see how this law works in practice, but one effect must, of course, be to raise somewhat the price of bread from its previous level. Another protective measure which has been recently enforced relates to barley and its products. In the case of barley in grain, which has likewise hitherto been on the free list, an import duty has been imposed, while the duties on barley products have been raised considerably. This latter measure is intended to check the importation of foreign barley for beer-brewing purposes and to induce the brewers to turn for preference to the local product which, it is asserted, is available in

sufficient quantities. With a duty charged on the foreign grain, the price of local barley will doubtless also rise to some extent (as is intended), and as the cost to the brewers will thus increase, the price of beer, in its turn, will also probably be advanced.

As bearing on the general situation dealt with above, the undernoted particulars of the foreign trade during the two periods of twelve months ending June 30th in 1929 and 1930 are of interest :

	Imports	Exports (In thousands of kronas)	Difference
From 1.VII.28 to 30.VI.29	133,508	119,508	— 14,000
From 1.VII.29 to 30.VI.30	112,634	113,647	+ 1,013

These figures show that, while the value of the imports fell in the last twelve months by nearly Ekr. 21 millions, that of the exports was less by only Ekr. 6 millions—the difference of Ekr. 15 millions being sufficient to convert an import excess of Ekr. 14 millions into an export surplus of Ekr. 1 million. The main reason for the great reduction in import values is doubtless the world-wide fall in prices, though legislation of a protective character enacted a year ago, in the interests of the textile and leather industries, has also had its effect.

The State financial position remains satisfactory, thanks to the prudent budget policy hitherto followed. The accounts for the year 1929-30 (which have not yet been finally closed) are again expected to reveal a surplus—this being the eighth year in succession in which the actual revenue brought to account has exceeded the expenditure. These surpluses, as has been previously mentioned, are largely utilised for the granting of loans to agriculturists and others at low rates of interest, through the National Mortgage Bank and the Land Bank, and thus help to foster the development of the country on its agricultural side. The value of this in its economic aspect is shown from the fact that, in 1929, the value of the butter exported amounted to 30 per cent of the total value of all export goods.

Tallinn, August 20th, 1930.

(Signed) Walter J. F. WILLIAMSON,
Adviser to the Eesti Pank.

Geneva, September 6th, 1930.

LEAGUE OF NATIONS

UNIFICATION OF CUSTOMS NOMENCLATURE

REPORT

SUBMITTED TO THE ECONOMIC COMMITTEE
BY THE SUB-COMMITTEE OF EXPERTS ON THE OCCASION
OF THE ELEVENTH ASSEMBLY

CONTENTS.

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3. Completion of the <i>Unified Nomenclature</i> and <i>Explanatory Notes</i> anticipated by the end of the First Half of 1931	3
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I. PRESENT POSITION OF WORK.

It was in July 1927 that the Economic Committee of the League of Nations instructed the Sub-Committee of Experts to prepare a scheme for the unification of Customs nomenclature. More than three years, therefore, have now been devoted to this work.

It may seem surprising that so long a period was necessary to draw up a unified Customs nomenclature.

If the question is considered in detail, however, and if the difficulties attached to so important a piece of work are realised, it is astonishing that it should have been achieved at all.

The World Economic Conference of May 1927 no doubt did not foresee the innumerable obstacles that had to be surmounted before a unified Customs nomenclature could be drawn up. When it recommended the Council of the League of Nations "to take the initiative in drawing up an appropriate procedure for establishing, in liaison with the producing and commercial organisations concerned, a systematic Customs tariff nomenclature in accordance with a general plan covering all classes of goods", it had in mind the importance of the aim in view; but it did not take into account the numerous obstacles which would inevitably be encountered in a work of this kind.

These difficulties were brought to the notice of the Economic Committee as the work of the Sub-Committee of Experts advanced. The advice and approval which the Economic Committee on various occasions gave the Sub-Committee enabled the latter to continue its work, feeling that it saw completely eye to eye with those who had entrusted it with its task.

To-day, after the Sub-Committee has devoted twelve sessions to its work, the nomenclature has progressed so far as to enable a very clear idea to be obtained of its ultimate form.

Of the twenty-one sections into which the main classes of commodities to be included in the Customs nomenclature have been divided, fourteen are now complete.

These fourteen sections comprise all the products of the animal and vegetable kingdoms; fatty substances, greases and oils; products of the food-preparing industries, and beverages; mineral products; chemical and pharmaceutical products and the various productions of the chemical industry (colours, varnishes, perfumery, soap, fertilisers, etc.); skins, hides and

peltries ; rubber and articles made of rubber ; wood' cork and plaiting materials ; paper and its applications ; textile materials (silk, wool, cotton, flax, hemp, jute, ramie, etc.) and wares of those materials ; precious metals, base metals and machinery.

Some of these sections are among the most important in Customs nomenclature—*e.g.*, chemical and pharmaceutical products, textile materials, metallurgical products and machinery.

2 IMPOSSIBILITY OF COMPLETING THE WORK IN TIME FOR THE ELEVENTH ASSEMBLY.

(a) The Assembly of the League has been kept informed, through the Economic Committee, of the progress made by the Sub-Committee of Experts. The report submitted on September 17th, 1929, by Dr. Breitscheid on the League's economic work stated that the Sub-Committee of Experts entrusted with preparing a scheme for a unified Customs nomenclature had proved that the work could be carried out, but added that experience had already demonstrated how difficult the task was. The Second Committee of the Assembly then insisted very strongly that "the work of the experts should be pushed on with all possible speed in order that the complete draft may be terminated before the next session of the Assembly".

The report added, however, that this would not be possible unless the Committee of Experts spent more time on its work than hitherto.

As a result of the findings of this report, the tenth Assembly adopted in September 1929 the following resolution :

"The Assembly,

"Notes that the establishment of a simplified and unified Customs nomenclature is necessary for the conclusion of collective tariff agreements ;

"Considers that the Committee of Customs Experts should have completed the preparatory work entrusted to it before the meeting of the eleventh Assembly and that no efforts should be spared to obtain this result."

(b) The Sub-Committee has never failed to realise the importance of completing the unified Customs nomenclature with all speed.

It would very much have liked to complete this work within the period allotted (*i.e.*, before the eleventh Assembly met). Allowance must be made, however, for the difficulties encountered in drawing up the nomenclature.

In the first place, the experts drawing up the preliminary draft classification of the various sections and chapters have to devote a considerable part of their time to preparing these preliminary drafts. It is not enough to classify in a systematic order the various products and goods mentioned in the framework drawn up in 1928. Those products and goods have to be grouped together with due reference to the rules already adopted in most tariffs. A comparative study of these tariffs is thus essential if the unified nomenclature is to be as nearly as possible in accord with the rules commonly followed in the classification of goods. That condition is essential to enable the new nomenclature to be accepted without difficulty by the countries which have not collaborated in preparing it.

Then, again, in order to take duly into account the recommendation expressed by the World Economic Conference of 1927, the experts must work "in liaison with the producing and commercial organisations concerned". This means that preliminary understandings must be reached with representatives of groups of producers, syndicates, and even international cartels.

As will be realised, enquiries of this kind, which are carried out, not only by the members of the Committee of Experts reporting on the subject, but also by each of the experts in his own country, take a long time and are very complex and difficult.

This work carried on by the experts, in addition to the sessions which they hold every year, occupies a considerable part of their time. Moreover, the experts were chosen as being specialists in Customs matters, and each of them has his own very exacting work in his own country and for his Government, so that there could be no question of establishing a permanent organisation requiring the presence of the experts at Geneva for a whole year.

For all these reasons the unified Customs nomenclature could not be completed in time for the eleventh Assembly. There still remain to be drawn up the chapters relating to wares of stone and glass ; electrical material ; means of transport ; scientific and precision instruments and apparatus ; watch- and clock-makers' wares ; musical instruments and some articles of minor importance, such as footwear, hats, umbrellas, articles of fashion, games and toys, etc.

(c) The unified Customs nomenclature could not be completed in time for the eleventh Assembly, because it was a practical impossibility to do so. The constant aim of the Sub-Committee of Experts was to produce a nomenclature which should make due allowance for the degree of perfection reached in the various industries and for trade customs, and should, at the same time—a most important point—be both complete and simple in structure. Apart from the nomenclature itself, the Sub-Committee bore in mind the advantages that would ensure for commercial statistics, for example, which, if based on a unified nomenclature, would become mutually comparable. It was fully alive, too, to the immense advantage of the

nomenclature for the conclusion of collective tariff conventions, as, indeed, the Economic Committee had already foreseen.

This, then, is the complex and difficult work, fraught with far-reaching consequences for future international economic relations, which the Sub-Committee of Experts set itself to accomplish with a tenacity of purpose from which no difficulty has yet turned it aside. It asks the Economic Committee not to compel it to incur the risks due to over-precipitation in the work which it has taken in hand, and which it is now certain of bringing to a successful conclusion.

3. COMPLETION OF THE UNIFIED NOMENCLATURE AND EXPLANATORY NOTES ANTICIPATED BY THE END OF THE FIRST HALF OF 1931.

The Sub-Committee of Experts at present anticipates holding a session towards the end of the current year—beginning on November 12th—and another at the beginning of 1931.

Unless unforeseen circumstances intervene, the Sub-Committee expects the unified Customs nomenclature to be entirely completed by the end of the first half of 1931.

In its final form, the nomenclature will be a table classifying scientifically and systematically, by chapters and articles, the immense variety of products composing international trade.

However logically this classification is carried out, explanatory notes are necessary. Such occur in all Customs tariffs, which, besides the list of duties, have an elucidatory commentary generally entitled *Explanatory Notes on the Tariff*.

In drawing up the draft nomenclature, the Sub-Committee prepared, chapter by chapter, *an explanatory commentary* to make clear the reasons which guided the Sub-Committee in its classification. These comments also show, more explicitly than the nomenclature items themselves, the various categories of products or goods included under a given Customs item. They also mention the articles included in the general items which occur in every tariff and are commonly known as "miscellaneous items".

The explanatory notes on the unified Customs nomenclature will thus automatically be ready at the same time as the nomenclature itself.

It would then be desirable for the tables constituting the unified Customs nomenclature and the chapters of explanatory notes to be published in a similar way to the draft framework previously drawn up by the Sub-Committee (document C.346.M.103.1928.II.).

In this form, the nomenclature and the commentary thereon may be brought to the notice of all countries, both Members and non-Members of the League of Nations.

4. SUGGESTED PROCEDURE TO FACILITATE THE ADOPTION OF THE UNIFIED NOMENCLATURE BY THE VARIOUS STATES.

The League's object should be to secure, in as many cases as possible, the substitution of the unified nomenclature for the nomenclatures at present in use. This condition is essential, indeed, if the benefits referred to above are to be reaped.

Some countries have already decided on their own initiative—when revising their Customs tariffs—to adopt, at all events, the parts of the unified nomenclature already completed. This has been done, for example, by the Egyptian Government, which appointed an expert committee for the purpose. Already, more than half the nomenclature of the Egyptian Customs tariff is the same as that prepared at Geneva; and, as regards the rest, the experts preparing the new Egyptian tariff have taken as their basis the draft framework drawn up by the experts in 1928. Similarly, Sweden has now revised her nomenclature largely on the basis of the Geneva nomenclature. This example will probably be followed by Poland also. Other countries—France, for example—are waiting until the unified nomenclature is finished in order to make it the basis of their own tariffs.

These examples show how favourably the unified Customs nomenclature would be received. Before it can be used as the basis for Customs tariffs in general, however, it may have to be amended in some respects.

One of the essential conditions to enable the Sub-Committee's work to be satisfactorily carried out was that the Committee should not be too large. Work of this kind cannot be done in the atmosphere of a large assembly. The Geneva nomenclature was prepared by seven experts only—all European. Apart from the experts chosen by the Economic Committee, other equally competent persons belonging to other countries will probably wish to submit criticisms or observations, to which due attention must be given. In these circumstances, the future stages of the work may be anticipated to be as follows :

(a) In order to obtain these observations and criticisms, the nomenclature drawn up by the Sub-Committee should be communicated to the various Governments with a request to have it studied by the competent administrations and economic organisations concerned.

(b) The observations submitted would then be laid before the Sub-Committee, which would decide—if necessary with the assistance of the authors of the observations—whether and how far its original draft should be modified.

(c) For this purpose, a special session might be held at the end of 1931. In this way, the countries whose representatives did not collaborate in preparing the unified Customs nomenclature would have an opportunity of becoming acquainted with the work, examining it and discussing it.

(d) Lastly, both the World Economic Conference of May 1927 and the Preliminary Conference with a View to Concerted Economic Action, held at Geneva in February and March 1930, contemplated the convening of a future Conference which would, *inter alia*, have to determine the procedure to be followed in adopting the unified nomenclature as soon as the technical bases of an international agreement for that purpose were established.

5. SUGGESTED MEANS OF PRESERVING THE UNITY OF THE NOMENCLATURE AFTER ITS ADOPTION.

A question of capital importance will then arise, and the way in which it may be settled cannot be disregarded, because it is directly connected with the Sub-Committee's work.

The question is this : When the unified nomenclature is duly embodied in the Customs laws of a number of countries, how can its application be prevented from giving rise once more to differences and discrepancies such as exist to-day in Customs nomenclature ?

These differences and discrepancies would inevitably recur in a few years' time if the countries adopting the unified nomenclature were wholly free to settle in different ways the questions of application which will arise.

For example, when new industrial products are introduced in world trade, special items will have to be made for them in the unified nomenclature, or they will have to be so classified as to be assimilated to some product already included in the nomenclature.

These cases of fresh classification will be fairly frequent, in view of the rapid development of industry. Moreover, the Customs nomenclature obviously cannot mention every single article, product and commodity included in international trade. A nomenclature must always have general headings, often covering dozens of products made from the same components or used for the same purposes and having an approximately equal value. The "*general tariff list*" to be added to the "*explanatory notes*" will show where each article, product or commodity must be placed in the general nomenclature classification.

In order that the nomenclature may retain its uniform character, the Customs classification must be carried out in the same way in all tariffs ; otherwise, the unified nomenclature would rapidly lose the essential characteristic which it must always preserve—namely, that any given product must be certain of being classified in the same order and under the same heading in the nomenclature, in the explanatory notes and in the list.

For this purpose, the various Customs classifications, whether of new products or of products the classification of which is uncertain, must be effected in a uniform manner in all countries accepting the unified nomenclature.

The Convention to be concluded might, for this purpose, provide for a periodical meeting of experts of the countries concerned in order to examine applications received for classification. The same Committee might also be asked to examine questions arising out of the interpretation of the Customs nomenclature, but would not deal with tariff questions.

The above are the suggestions which the Sub-Committee wishes to submit to the Economic Committee. It would be glad to learn that its proposals are accepted by that Committee and by the Assembly of the League.

[Distributed to the Council, the
Members of the League, and the
Delegates at the Assembly.]

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Geneva, September 11th, 1930.

LEAGUE OF NATIONS

FINANCIAL COMMITTEE 10

**REPORT TO THE COUNCIL ON THE WORK
OF THE THIRTY-NINTH SESSION OF THE COMMITTEE**

Held at Geneva from September 4th to 9th, 1930.

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INTRODUCTION.

The Financial Committee has the honour to submit to the Council the following report on the work of its thirty-ninth session, held at Geneva from September 4th to 9th, 1930.

The following members were present:

Dr. MELCHIOR (*Chairman*);
M. DE CHALENDAR;
Dr. MLYNARSKI;
Dr. POSPISIL;
Mr. Jeremiah SMITH;
Sir Henry STRAKOSCH;
M. SUVICH;
M. WALLENBERG.

The following also attended part of the meetings:

I. *For Greek Questions:*

(a) Representing the Greek Government:

M. PAPADATOS, Under-Secretary of State in the Prime Minister's Department;
M. MANTZAVINOS, Director-General of the Treasury.

(b) Representing the Greek Refugee Settlement Commission:

Mr. Charles EDDY, Chairman of the Commission;
Sir John Hope SIMPSON, Vice-Chairman of the Commission;
M. DOMESTICOS, Director-General of Colonisation in Macedonia.

2. *For Bulgarian Questions:*

M. MOLLOFF, Bulgarian Minister of Finance;
M. Boris IVANOFF, Secretary-General at the Ministry of Finance;
M. CHARRON, Commissioner of the League of Nations in Sofia.

3. *For Estonian Questions:*

M. J. JAAKSON, President of the Bank of Estonia;
Sir Walter J. F. WILLIAMSON, Adviser to the Bank of Estonia.

I. GENERAL.

The Committee elected M. SUVICH as its Chairman as from the beginning of the next session.

2. GOLD.

(a) REPORT OF THE GOLD DELEGATION.

In accordance with the decisions of the Council of December 14th, 1928, and June 17th, 1929, the Financial Committee appointed last year a special Delegation, consisting of some of its own members with the adjunction of certain experts of international authority, "to examine into, and report upon, the causes of fluctuations in the purchasing power of gold and their effect on the economic life of the nations".

This Delegation has now submitted an interim report¹ to the Financial Committee, which it suggests should be published with certain annexed documents.

In this interim report the Delegation has only dealt with a part of its terms of reference. It has reserved for further consideration the problems of the distribution of gold, of the effect of price fluctuations on general prosperity, of the manner in which such variations can best be measured, and of cyclical as distinguished from long-term movements. These are important questions on which the Delegation is now engaged and will report later. So far it has confined itself for the moment to the question whether the prospective supply of gold is likely to prove sufficient to meet the probable monetary demand in the future. In order to throw light on this question, special efforts have been made to collect as complete and accurate statistics and estimates

¹ Document C.375.M.161.1930.II.

as possible concerning the production of gold in the past, the probable course of production in the future and the demand for gold arising both from monetary and non-monetary causes. For the purposes of estimating the monetary demand, it has been assumed that the demand for currency is dependent upon the volume of production and trade and on the monetary transactions to which such trade gives rise, and that, in the absence of any important changes in currency systems and practice, the demand for gold will be determined by the same factors. The future demand is then estimated on the hypothesis that the volume of production and of trade and the volume of notes and sight liabilities of central banks will both tend to expand at an average rate of some 2 to 3 per cent per annum.

The Delegation did not consider itself called upon to expound monetary theory in detail or to describe in detail the inter-relationship between the supply of money and the general level of prices. But, as a result of its analysis of the large mass of statistical data collected, the Delegation has reached the conclusion that the inadequacy of the supply of new gold available for money is likely at no very distant date to exercise its influence in depressing prices—a danger which, as the delegation points out, would be aggravated were gold coin to be put once more into circulation. The Delegation adds, however, that if the need is recognised, remedial measures can be found, which should correct the consequences feared for, at any rate, some time to come. It has suggested some directions in which remedial measures might be sought. To this subject, the Financial Committee understands the Delegation desires to give further consideration at subsequent meetings. Meanwhile, the Financial Committee desires to emphasise its view that the measures suggested by the delegation are appropriate and important.

Although this first report is thus restricted in scope, and parts of it will require further elaboration, the Financial Committee feels that the statistical aspects of the subject selected for study are of such fundamental importance for future work in this field, and the material now made available so valuable, that it is desirable that the report with its annexes should be presented to the Council and made public. What action should be taken to avoid the danger of a shortage of gold obviously demands mature consideration. The report contemplates, in the measures mentioned, action in varying degrees by central banks and by Governments, and in certain cases previous international understanding.

The report as a whole deserves the serious consideration of the authorities which are responsible for the monetary systems in the different countries of the world. Accordingly, the Financial Committee proposes to the Council that it should be communicated to all the Members of the League and to non-Member States in order that their attention may be drawn to this important problem. If, at a later stage, any organised international action on the part of Governments should be required, the League authorities will doubtless be ready to arrange the necessary consultation between Governments with a view to securing such action.

(b) STATISTICS ON INDUSTRIAL CONSUMPTION OF GOLD.

In the course of its enquiry, the Gold Delegation encountered special difficulties, owing to the insufficiency of the existing statistics relating to the industrial use of gold. In years to come, precise information regarding the amount of gold which is used by industry will become increasingly important for those in charge of monetary policy. The Financial Committee therefore suggests that the Council should authorise the Secretary-General to undertake an enquiry, in consultation with the Financial Committee, concerning the manner in which the statistics on the industrial use of gold could be improved.

3. FISCAL COMMITTEE.

The Financial Committee has examined the report of the Fiscal Committee concerning the results of its second session¹ and desires to take this opportunity to express its appreciation of the great value of the work which the Fiscal Committee is doing and the influence which that work is exercising on national taxation regulations. The Financial Committee attaches particular importance to the endeavour of the Fiscal Committee to arrange for the conclusion of multilateral conventions for the avoidance of double taxation and to the effort which it is making to lay down uniform rules for the apportionment of the profits of undertakings operating in more than one country. The Financial Committee expresses the hope that the Fiscal Committee may be enabled to bring these two tasks to a successful conclusion.

4. AGRICULTURAL CREDITS.

The Financial Committee has taken note of the resolution adopted by the Council on May 12th, 1930, by which it instructed the Economic and Financial Organisation to take action, so far as it is concerned, on the decisions of the Preliminary Conference with a view to Concerted Economic Action.

¹ Document C.340.M.140.1930.II.

The only question dealt with in those decisions which enters into the sphere of the Committee is that of agricultural credits. The Committee has asked the Secretariat to examine this question, and will discuss it itself at its next session.

5. GREECE.

(a) REFUGEE SETTLEMENT COMMISSION.

The Financial Committee has considered the twenty-sixth and the twenty-seventh and last reports of the Refugee Settlement Commission (documents C.341.M.141.1930.II and C.444.M.202.1930.II). It has had the advantage of further oral explanations from His Excellency M. Papadatos, representing the Hellenic Government, and from Mr. C. B. Eddy, Chairman, and Sir John Hope Simpson, Vice-Chairman of the Commission, accompanied by M. Domesticos, the Director-General of Colonisation in Macedonia. The Committee was informed of the progress made in carrying out the Convention¹ concluded on January 24th, 1930, between the Hellenic Government and the Settlement Commission with a view to the liquidation of the Commission. It understands that most of the important measures necessary under the Convention, if the Commission is to be terminated, have now been taken, and that the remainder will have been taken by December 31st of this year. The Financial Committee therefore considers the situation to be such that the Council is now in a position to take a formal decision dissolving the Commission on December 31st of the current year. In order, however, to provide against unforeseen contingencies, it would be desirable for the Council to provide that such dissolution shall only take place if, in the opinion of the Refugee Settlement Commission, the conditions laid down in the Convention signed on January 24th, 1930, have been so far fulfilled as to render a postponement unnecessary.

This is, therefore, presumably, the last occasion on which the Committee will have to report upon the refugee settlement work which has been executed during the past seven years. It does not propose to attempt any review of the work which has been done. This has been fully described in the publications issued under the auspices of the Settlement Commission in 1926, and in the quarterly reports of the Commission, particularly the nineteenth and twenty-seventh, the latter of which is before the Council.

The immigration of refugees, ending with the influx of 1922, exceeded one and a-quarter million. It suddenly increased the population of the country by one-quarter and the large majority of the immigrants were destitute. About two-thirds have been settled by the Commission either as agriculturists or as urban settlers, and now form one of the most productive elements of the country. The work was only made possible by obtaining under the auspices of the League two loans amounting to £13 million sterling. A large autonomous organisation was set up to conduct the administrative work. It was devised at Geneva and the Chairmen and Vice-Chairmen have been named by the League, the two other members by the Hellenic Government. But the entire staff of the Commission—some 2,000 persons—were Greeks, many of whom were drawn from among the refugees themselves. To the devotion and ability of this Greek staff the Commission has paid tribute in its published reports. Some idea of the magnitude of the work accomplished may be gathered from the mere statement that over 2,000 agricultural villages or portions of villages have been created, apart from some hundred urban quarters scattered in towns all over the country.

The settlement work has been a great and notable achievement, the full benefits of which will only be realised in the future. At the dissolution of the Commission, it may be said that this problem, which seven years ago threatened to overpower the unaided resources of Greece, has been substantially solved to the lasting political and economic benefit of the country. On this achievement the Greek Government are to be congratulated, and present and past members of the Settlement Commission, who have borne the main burden and responsibility of the work, deserve warm appreciation and gratitude.

With the liquidation of the Settlement Commission, another of the reconstruction tasks which have engaged the Committee's attention during the past ten years comes to an end.

(b) STATE FINANCES.

When, in 1927, it was decided that a loan should be issued by the Hellenic Government under the auspices of the League for financial reconstruction in Greece, it was thought desirable to arrange a method by which the League authorities would be able to follow the progress made by the Hellenic Government towards budget equilibrium. A clause was therefore inserted in Article V of the Protocol² signed on September 15th, 1927, on behalf of the Hellenic Government, by which the latter undertook to transmit every three months during a period of three years a report on its budget situation to the Council of the League.

This period of three years is now coming to an end, and the Council has before it the last report (document C.456.1930.II) which the Hellenic Government will submit.

The contact between the Hellenic Government and the League of Nations was not limited to the communication of written reports: on many occasions representatives of the Greek Ministry of Finance have come to Geneva to attend the discussion of the quarterly reports in the Financial Committee and to consult with the Committee upon various budget problems.

¹ Document C.107.M.31.1930.II.

² Document C.556.M.198.1927.II.

These consultations with the Greek representatives have been mutually instructive, and the Financial Committee ventures to think that they have facilitated the task of the Hellenic Government and Administration.

The Hellenic Government is to be congratulated on the results achieved. The Greek budget has shown a surplus during each of the last three years. The total of the budget is at a figure which would not seem out of proportion to the economic capacity of the country.

In the Protocol, the Hellenic Government undertook to carry out certain measures of budget reform in regard to the unity of the budget, the centralisation at the Bank of Greece of all receipts and payments of the State and State enterprises, the monthly publication of statements concerning the situation of the public finances, etc. These measures have been carried out and have proved their utility. In so far as, for special reasons, they have not yet been completed (unity of the Budget and centralisation at the Bank of Greece of all receipts and payments of the State and State enterprises), the Government intends to complete them.

In conclusion, the Committee would desire to pay a tribute to the work of M. Mantzavinos, who, first as Director of the Budget, and later as Director-General of the Treasury, took an active part in the work accomplished, and who usually represented the Greek Ministry of Finance at the discussions of the Committee.

6. BULGARIA.

(a) SETTLEMENT OF REFUGEES.

The Financial Committee noted the fifteenth and sixteenth reports of the Commissioner of the League of Nations in Bulgaria (documents C.372.M.158.1930.II and C.458.M.205.1930.II). These documents do not call for any special comment. The work of settlement is progressing satisfactorily, and M. Charron, the Commissioner, stated that the programme which is at present being executed contemplates the work being completed by the middle of next year. It is to be hoped that this will be the case, in view of the progress already made, as ascertained by the Committee after a detailed examination.

(b) FINANCIAL SITUATION.

Several written reports were submitted to the Financial Committee by the Ministry of Finance and the National Bank. The Committee also had the opportunity of examining the budgetary situation with M. Molloff, Minister of Finance, and heard an oral statement by M. Charron on this matter and on the position of the National Bank of Bulgaria.

During the last quarter, the position of the Bank has improved considerably. This is the result of the sound policy followed by the Bank during the last few months, and the latter is at present better able to perform the functions required of it. Notwithstanding the unfavourable economic circumstances prevailing at the moment in Bulgaria, as in other countries, the present position of the National Bank will assist the country to recover from the effects of this crisis.

As regards the budget, the Committee was interested to hear the statement of the measures proposed by the Minister of Finance with a view, notwithstanding the adverse conditions, to maintaining the budget equilibrium achieved during the two previous financial years. Most useful reforms have already been carried out as the result of the engagements undertaken in the Protocol or conceived in the same spirit; the favourable results so far obtained should encourage the Bulgarian Government to continue its efforts in this direction, which cannot fail to consolidate the country's credit.

(c) ENQUIRY INTO THE CO-OPERATIVE SYSTEM.

The Financial Committee noted with the greatest interest the request for collaboration addressed by the Bulgarian Government to the League Council, with a view to the better organisation of co-operatives in Bulgaria and of the institutions which support them. In carrying out its previous investigations, and more especially at the time of the issue of the Stabilisation Loan, the Committee always felt that this reorganisation was indispensable. The Bulgarian Government is therefore justified in regarding this reform as a complement to the work of financial restoration undertaken in Bulgaria under the auspices of the League. The co-operative system, provided it conforms to the tastes and needs of a nation, may be of great assistance to economic progress if it is well thought out and properly organised, and the Bulgarian Government is to be congratulated on having recognised the necessity for completing the work in regard to the settlement of refugees and the recovery of its finances in this way. The Bulgarian Government's initiative may have other no less important consequences. The Financial Committee is convinced that, as a result of the enquiries to be undertaken and of the consequent reorganisation, the principles adopted for the application of the co-operative system may also be of benefit to certain other countries in which similar conditions prevail.

The Financial Committee accordingly recommends the Council to give a favourable reply to the request submitted by the Bulgarian Government, since the task in question forms a complement

to the work already undertaken in Bulgaria under the ægis of the League and may also help to solve problems which are engaging the attention of certain other countries.

The Committee is of opinion that the desired collaboration should take the form of the sending by the League to Bulgaria of two experts having a wide experience of these questions, in order to study the problem in detail—as was done in the field of health, with the approval of the Council, by Professor Swellengrebel and Professor Jessner. These experts should draw up a report, which might, if necessary, be examined by the technical organs of the League. It is obvious that the conclusions finally adopted should not only draw attention to any defects in the organisation, but should also indicate the course to be followed in future, having regard to the social and economic structure of Bulgaria and the requirements to be met.

7. ESTONIA.

In the Protocol for the Banking and Currency Reform in Estonia, which was signed on December 10th, 1926,¹ it was provided that an adviser nominated by the Council of the League was to be appointed to the Estonian Central Bank for a period of three years. Sir Walter Williamson, C.M.G., was accordingly appointed. His term of office is now coming to an end. The Financial Committee desires on this occasion to thank Sir Walter Williamson for the valuable services which he has rendered. As a result of his written and oral reports, the Financial Committee has been able to follow regularly the progress made by the Estonian Government and the Eesti Pank, and has been able to advise them with regard to different questions which have arisen in the last few years.

The Financial Committee will, of course, remain at the disposal of the Estonian Government and the Eesti Pank for any consultation which they may desire in the future.

8. DANZIG FREE CITY LOAN 1927.

The Financial Committee has examined the third annual report of the Trustee for the Danzig Free City Loan 1927 (document C.417.M.187.1930.II). This report does not require any action on the part of the Council.

9. THE WORK AND FUNCTIONS OF THE FINANCIAL COMMITTEE.

The present meeting of the Financial Committee marks the conclusion of the first ten years of its existence. The Committee thinks it useful on this occasion to make a short general report on the stage it has now reached in its work. The main reason why this seems opportune at this moment is not the accident that a decade has just ended, but rather that the work of financial reconstruction is now so nearly completed that the kind of service which the League may render to its members in the financial field is changing in scope and in character. With or without the aid of the League, and whether or not under the direct or indirect influence and example of the work with which the League had been directly associated, the vast majority of countries with a complex economic structure have now reformed their finances and connected their currencies with gold. The process is, indeed, not complete; but, of the cases which remain, some require only the development of a policy already initiated and others present problems very different from those already solved by the League. One category of tasks is therefore nearly ended, while new problems have been brought into prominence.

In the last ten years, the principal, though by no means the sole, work of the Committee has been in connection with financial reconstruction or the establishment of refugees in certain countries. The tasks, even within each of these two spheres, have, indeed, differed considerably in importance, scope and character. In Austria, where disorganisation had proceeded very far, it was necessary to arrange for the issue of a loan guaranteed by a number of Governments and a comparatively extensive control through a League Commissioner responsible to the Council for some years. In Hungary, the problem was in some respects simpler, the required loan was issued without external guarantees, and the control through a League Commissioner was both shorter in duration and, in some aspects, modified in character. In Greece, the first problem which presented itself was the establishment of a very large number of refugees—the majority on the land; and a Commission suitable in composition for the direction of a vast task of land settlement was appointed. It was later necessary to assist Greece in placing her finances on a sound basis, and to help her in raising a loan for this purpose. The problem here, however, was not, as in the two earlier cases, one of restoring a rapidly depreciating currency, but only of strengthening and stabilising one which had elements of weakness; and the difference is reflected in the fact that the advice of a Financial Adviser appointed by the National Bank and periodical

¹ Document C.227.M.89.1927.II.

consultation of the Financial Committee by representatives of the Government and the Bank were sufficient as means of following the progress of the work. In Bulgaria, similarly, a work of refugee settlement on a much smaller scale was also followed by one of financial restoration, a single League Commissioner in this case both supervising the refugee work and also watching the financial reform as Financial Adviser. The work in these four countries has occupied the major part of the time of the Committee during these ten years. Assistance has also, however, been given to Estonia, in strengthening the National Bank, and to Danzig, both as regards the establishment of a currency and the raising of loans for constructive economic development.

In all these cases, loans were issued "under League auspices", nine being so issued in all.

The work undertaken in all the above-named countries had certain common features. In each case it involved some form of financial reconstruction, the issue of a loan or loans "under League auspices", and some form of responsibility on the part of the League for the execution as well as the original recommendation and adoption of the scheme. The variety, both in problem and in method, is, however, no less striking. For, in some cases, the whole economy of a disorganised country had to be dealt with; and, in another, only the strengthening and technical reform of a Central Bank was needed. Similarly, the method¹ adopted to associate the League with the progress of the work varied from the appointment of a Commissioner-General with extensive powers over the budget to an informal arrangement for periodical consultation.

In the first decade, therefore, the Committee has been mainly engaged upon one special and temporary category of work, reconstruction with the aid of loans issued under League auspices. This work has been important and exacting. It has naturally tended to postpone consideration of other more normal duties of the Committee as the financial advisers of the League within the framework of the Covenant. But, as stated above, this work is apparently nearing its end. No new loans have been issued under League auspices since 1928, and the work already undertaken in this sphere has been finished or is nearing completion.

The following pages describe, and classify, the work as it now is and is developing, and call attention to certain questions in respect of which it would be useful for the Council to lay down the principles on which the Committee should carry out its duties.

The work of the Committee has been, and is likely to be, very largely within that sphere of the League's duties which the Covenant describes as the "promotion of international co-operation". The development of this kind of work will, of course, depend upon expediency, opportunity and the desires of Member States at different times, and is subject to no other limiting considerations. In addition, however, the Committee is, of course, available, as the Council's financial adviser, in connection with any specific financial tasks, or the financial aspects of specific tasks arising under other parts of the Covenant.

The functions of a League Financial Committee fall, it is suggested, into three categories, each of which has some examples in past experience, but the relative importance of which seems likely to change considerably in future:

- I. General financial questions;
- II. Advice and assistance to particular States;
- III. Advice on financial questions arising out of current political or administrative work of the Council.

It will be well to consider each of these in turn.

I. GENERAL FINANCIAL QUESTIONS.

The Council will doubtless wish that, as in the past, the Committee shall consider it to be within its competence to watch general financial developments in relation to economic progress, and from time to time take the initiative of making proposals to the Council for the study of any general question that seems at the time to be of special importance.

The most notable, though not the only, examples of general financial questions, among work undertaken either on the request of the Council or on the initiative of the Committee approved by the Council, relate to double taxation, counterfeiting currency, and the gold problem. In each case the Committee has been concerned in the initiation, and, in varying degrees, the subsequent direction, of the work. But in every case the main work has been done through specialised *ad hoc* committees or Conferences. On the gold problem, a preliminary report on

¹ As regards method, the Committee would draw special attention to the small book, published by the League, on *Principles and Methods of Financial Reconstruction*.

the prospective supply and demand for gold is now being submitted to the Council.¹ The Committee hopes to follow this by a fuller study, particularly of those aspects of the problem which have a direct bearing upon practical action.

Among other problems of a similar order which demand serious consideration now or are likely to necessitate such consideration in the near future may be mentioned, by way of example, that of the recurrence of alternating periods of prosperity and depression which the present difficult situation has forced upon public attention, and that of assisting the Economic Organisation in keeping the world informed of the course of financial development. The problem of what is sometimes called the trade cycle is possibly at certain points related to that of the supplies of monetary gold with which the Committee is already concerned. But it is much wider in its range, and for any serious study would require the collaboration of experts in a number of other branches of knowledge and activity in addition to that which is represented by the Financial Committee.

Another subject on which it may prove desirable for the Committee to arrange an appropriate study is that of the conditions which determine the flow of capital from one country into another, its sufficiency, its cost, its form (*e.g.*, for the purpose of short-term credit or long-term investment), etc. Such a study might cover such factors as the effect of taxation or taxation methods, apprehensions as to loss of investments in war or through political instability, or any deficiencies in the available mechanism for arranging different forms of credit transactions; or such a selection among these as the Committee might think to be specially important and suitable for consideration at any given moment.

The Committee has also always been interested in the work which the Economic Organisation does in keeping the world informed by means of special memoranda and co-ordinated statistics of economic progress and development, and it hopes in the future to help, by advice and direction, the extension of this work.

These are only examples of the kind of general questions on which from time to time a central international body of financial advisers may make a useful contribution to the solution of the world's financial problems, either directly or in conjunction with specialised *ad hoc* committees.

II. ADVICE AND ASSISTANCE TO INDIVIDUAL GOVERNMENTS.

I. Advice without "League Loans".

The basis of the whole of the reconstruction work conducted by the League in earlier years has consisted of advice given by the Committee on problems of financial and monetary reform. For the execution of the plans of reconstruction ultimately formulated as a result of this advice, foreign money has, in fact, in most cases, proved necessary, and the practical problem of raising that money by means of international loans has thus been forced upon the attention of the Committee. In the future, however, it may well be that a number of problems of a technical character will arise, the solution of which will not demand the flotation of special loans.

These problems might, for example, concern: Treasury, budget or taxation systems; currency or Central Bank systems; the organisation of general or agricultural credit; the general financial conditions of a country; special financial difficulties in connection with State railways or roads, State savings banks, other government undertakings, etc.

In fact, there is no necessary relationship between the advice which may be sought from or given by the Committee and the immediate or subsequent issue of loans on foreign markets, whether the advice is concerned with some detailed problem or with the general financial situation in any country.

Advice and assistance in such cases might be entirely unconnected with a loan; it might, as in Estonia, be ultimately followed by a League loan; it might be followed by a loan contracted direct by the Government and not under League auspices.

We think it would be very useful to Member States who may from time to time be thinking of consulting the Committee, that the attitude of the Council and Committee should be made clear beforehand on certain points that arise under the three above alternatives.

In the first place, we suggest that the principle just stated—that financial advice should not necessarily be given only in cases connected with international loans—should be clearly recognised.

In the second place, where it proves desirable that a loan should be issued "under the auspices of the League" (a "League loan"), the Committee considers that it necessarily follows that some measure of responsibility falls upon the League with regard to the subsequent carrying out of the scheme. These cases are dealt with in the next section.

There remains the third class, in respect of which it is most desirable that the League's position should be defined. The "advice" asked may be such as to have a bearing on some future loan that a country wishes to raise, and the wish to assist the issue may be one of the objects of the request. At the same time, the Government concerned may not wish to ask that the loan should be issued "under the auspices of the League", and may not need the help of the Committee as regards the framing of the whole of the scheme with which the loan may be connected or

¹ Document C.375. M.161. 1930.II.

its execution. In the view of the Committee, there is no reason why it should not give its advice in such a case on such questions as it may be asked, without assuming any responsibility for the subsequent progress of the scheme, and without therefore being obliged to establish any system of supervision or periodical consultation. It is, however, obviously desirable that, in such cases, the limits of the League's responsibility should be exactly defined and clearly understood by all concerned. For this purpose two precautions are required:

(a) The issue of a public statement (such for example as the present report) endorsed by the Council, explaining the stage now reached in the League's financial work and pointing out that, now that financial reconstruction has been practically accomplished in most countries, recommendations of loans "under League auspices" will no longer be the normal work; that, more usually, advice only will be given, and, in that case, the League's responsibility will be limited in character to the nature of the advice and in time to the date at which it is given. It will not extend (except where specifically stated) to securing that the advice is followed or that any of the conditions declared to exist at the time of the advice are maintained afterwards.

(b) The stipulation by the Committee, whenever its advice is asked, that, if that advice is ever quoted, or even the fact of its being given mentioned in connection with a loan operation, the prospectus of the loan shall contain a statement drafted by the Committee, explaining the exact limits of the responsibility it has assumed.

These two precautions, combined with the opportunities of communicating information and of publicity which the Committee has, both through its members and otherwise, would, it is considered, be sufficient.

2. "League Loans."

There remain the cases in which the issue of loans "under the auspices of the League" ("League loans") may still be desirable in future.

There may, in the first place, still be problems of financial reconstruction more or less similar to those already undertaken, though these are not likely to be frequent in future.

The Committee is sometimes, however, asked whether it is prepared to consider schemes which are not covered by the precedents of financial reconstruction and refugee establishment. These raise the important question of principle: Should the League be prepared to be associated with the issue of a loan "under the auspices of the League" for purposes of economic development?

In general, the Committee considers that loans for these purposes should not be issued "under League auspices". There may be special circumstances, however, which would make such an issue desirable, as where the League has certain special responsibilities (*e.g.*, as regards Danzig), or where the project promises certain valuable international advantages which might not otherwise be attained.

It is desirable that the general attitude of the League should be known beforehand, and the Committee recommends that it should be defined in the following formula:

"Loans for economic development in a particular country should not, in principle, be regarded as within the scope of loans which may be issued 'under the auspices of the League', but this is not to exclude the consideration of such loans when they present special international interest or advantages."

In the light of the principle so indicated, any specific proposal should be considered on its merits at the time.

Where, in accordance with this principle, the issue of a loan "under the auspices of the League" is considered inadmissible, the Committee might still, of course, give advice on particular features of a scheme without assuming responsibility for the loan or the execution of any programme, subject to the conditions and safeguards described in the previous section.

Where, on the other hand, the issue of a loan "under the auspices of the League" is considered admissible and desirable, the necessary measures to enable the League to follow the progress made in the carrying out of any programme would be determined in relation to the circumstances of the particular case. The method would, as described above, be so arranged as to involve as little interference as possible, amounting, where the case permits, to no more than occasional consultation.

(3) *Disputes, Conciliation and Arbitration Work.*

In a number of cases in the past, the Committee has acted as conciliators or arbitrators in connection with the interpretation or execution of loan contracts to which one of the parties is a Government. This has been done in cases in which no specific provision has been made beforehand in the loan contract (as in the case of the Disconto Gesellschaft loan to Bulgaria), on the request of the two parties and after consideration by the Council of the general character of the dispute, and may also arise in accordance with a provision in the original contract

If such contracts be made in the future, they should, we think, be submitted at the time of negotiation to the League of Nations for approval. But it would only be necessary for the League to consider whether the loan was, in its general character, such as it could be associated with, and whether the actual arbitration clause was satisfactory. It would not be necessary to examine the conditions and details of the loan.

We believe that the development of such arbitration work would have valuable results for a number of reasons.

A real service might be rendered to lenders by helping to secure a settlement of disputes and the execution of contracts by means of the collective moral authority which association with the League gives (and consequently also to borrowers in the negotiations through this prospect), without the dangerous and difficult use of pressure by individual Governments. And, incidentally, such an association would help to form an effective public opinion encouraging the better and more constructive forms of international loans, as distinct from those which include obviously undesirable features.

III. ADVICE ON FINANCIAL QUESTIONS ARISING OUT OF CURRENT POLITICAL AND ADMINISTRATIVE WORK OF THE COUNCIL.

In the whole of its work, the Committee has, of course, acted as the technical advisory body to the Council of the League on financial questions. But, in addition to the problems described above, which have been primarily financial in character, the Council has referred to it from time to time the specifically financial aspects of other problems arising in the course of the Council's current political and administrative work. The preparation of the scheme of financial assistance, as a part of the general proposals advocated by the Committee on Arbitration and Security, may be taken as an example of this kind of work, though usually the questions referred are likely to be of a more limited scope and application. A more typical example is, perhaps, to be found in the work done by the Committee in relation to questions arising from Greco-Bulgarian emigration.

Financial questions arising in relation to work of the Mandates Commission, or the administration of the Saar, or the preparatory work in relation to Article 16 (and application if the occasion arose), or budgetary problems in connection with disarmament, are only instances of financial questions which have arisen or may arise within almost any sphere of the League's work on which the advice of the Committee may be needed.

* * *

The above report is an attempt to describe the main character of the work hitherto undertaken by the Committee; the stage now reached in it; the change in character of the work which is taking place as a result of the general progress in financial stabilisation that the world has now achieved; and to call attention to certain questions on which decisions of principle are desirable as a guidance to future development. A general statement endorsed by the Council would, the Committee believes, at this date be useful as a guide both to Member States, to the Council itself and League organs generally, and certainly to the Committee itself, as an indication of the kind of service which may, with prospects of useful results, be asked of the Committee, and the kind which may not.

For this purpose, the Committee ventures to suggest that the Council and Assembly should authorise the publication of this report as a statement endorsed by them, with such amendments or additions as they may consider desirable.

Appendix.

ENQUIRY INTO THE POSITION OF CO-OPERATIVE SOCIETIES IN BULGARIA.

Letter from the Bulgarian Minister of Finance to the Secretary-General of the League of Nations.

Geneva, September 6th, 1930.

[*Translation.*]

The Bulgarian Government, in reviewing the results of the work of financial reconstruction undertaken by it with the support of the League of Nations, has come to the conclusion that, in order to consolidate these results, it must extend its activities to cover matters more directly connected with the preparation of the economic revival of the country.

Immediately on achieving independence, Bulgaria began to develop co-operation in various spheres. The Agricultural Bank was set up—the origin of a whole system of co-operative societies of different kinds, which was afterwards completed by the creation of the Central Co-operative Bank.

The development of this movement was checked by the consequences of the war and the serious impoverishment resulting. The Bulgarian Government is convinced that the rationalisation of the whole system thus created is now—after the balancing of the budget during the last few years and the stabilisation of the lev—one of its most essential tasks, which it desires to undertake, on lines to be agreed upon, with the co-operation of the technical organs of the League.

The Bulgarian Government would greatly appreciate such co-operation, and I wish to ask you to consider whether this would be possible.

With this end in view, the Bulgarian Government directed the Co-operative Societies' General Board to enquire into the present position of the co-operative movement in Bulgaria. I have the honour to submit the results of this enquiry for your kind consideration.¹

(Signed) W. MOLLOFF,
Minister of Finance.

¹ The report referred to has already been submitted to the Council in document C.507.1930.II.

Geneva, October 7th, 1930.

LEAGUE OF NATIONS
FINANCIAL WORK

10(a)

**RESOLUTIONS ADOPTED BY THE COUNCIL
AND THE ASSEMBLY.**

I. GENERAL.

Resolution adopted by the Council on September 24th, 1930.

"The Council takes note of, and approves, the report of the Financial Committee on the work of its thirty-ninth session."

Resolution adopted by the Assembly on September 29th, 1930.

"The Assembly expresses its appreciation of the valuable work of the Financial Committee."

II. WORK AND FUNCTIONS OF THE FINANCIAL COMMITTEE.

Resolution adopted by the Council on September 24th, 1930.

"The Council approves the statement on the work and functions of the Financial Committee and transmits this statement to the Assembly for its consideration."

Resolution adopted by the Assembly on September 29th, 1930.

"The Assembly approves the principles set out in the statement of the Financial Committee on its work and functions which is contained in the report on its thirty-ninth session, transmitted by the Council to the Assembly for its consideration."

III. GOLD.

Resolution adopted by the Council on September 24th, 1930.

"The Council thanks the Financial Committee and its Gold Delegation for the valuable interim report on the gold question and requests the Secretary-General to communicate this to all the Members of the League and non-Member States, drawing their attention to the importance of the problem treated."

Resolution adopted by the Assembly on September 29th, 1930.

"The Assembly draws the attention of all Governments to the interim report on the question of the purchasing power of gold submitted by the Financial Committee to the Council."

IV. GOLD STATISTICS.

Resolution adopted by the Council on September 24th, 1930.

"The Council authorises the Secretary-General to undertake an enquiry, in consultation with the Financial Committee, concerning the manner in which the statistics on the industrial use of gold may be improved."

V. FINANCIAL ASSISTANCE.

Resolution adopted by the Assembly on September 29th, 1930.

"The Assembly:

"Taking note of the report submitted to it on behalf of the Third Committee,

"Thanking the Financial Committee and the Committee on Arbitration and Security for the admirable work they have done to frame the Convention on Financial Assistance:

"I. Approves the text of the said Convention which has been drawn up by the Third Committee;

"Decides to open the Convention immediately for signature by the Members of the League;

"Expresses the earnest hope that the Convention will be signed and ratified by all the Members of the League of Nations;

"Instructs the Secretary-General to take the necessary steps to bring the Convention officially to the notice of all States Members of the League that have not signed it before the end of the present session of the Assembly, in order that they may be able to do so on or before December 31st, 1931, or to accede thereto after that date;

"II. Considers it desirable that the scheme for financial assistance might be applied, when the case arises, without any delay;

"Therefore asks the Council to instruct the Financial Committee to prepare drafts for the various documents referred to in the Convention that may be necessary for its entry into force, such as protocols, loan contracts, etc."

The signature of the Convention took place on October 2nd, during the meeting of the Assembly. The Convention was signed on that day on behalf of twenty-eight Governments.

The Council decided, on October 3rd, 1930, to invite the Financial Committee to prepare drafts for the various documents referred to in the above Assembly resolution.

VI. AGRICULTURAL CREDITS.

Resolution adopted by the Council on September 24th, 1930.

"The Council notes with interest that the Financial Committee will examine the question of agricultural credits."

VII. CONFERENCE OF REPRESENTATIVES OF CENTRAL POLICE OFFICES.

In accordance with the recommendation of the Conference for the Suppression of Counterfeiting Currency, the Council decided, on September 9th, 1930, to take the initiative of calling together the first Conference of Representatives of the Central Police Offices. This Conference will begin on March 4th, 1931.

At its meeting on September 25th, 1930, the Council appointed Professor E. DELAQUIS Chairman of the Conference.

VIII. FISCAL COMMITTEE.

(a) *Report on Second Session.*

At its meeting on September 24th, 1930, the Council adopted the conclusions of the report of the Fiscal Committee on its second session, and expressed its appreciation of the Committee's work.

At its meeting on September 29th, 1930, the Assembly also expressed its appreciation of the work being undertaken by the Fiscal Committee.

(b) *Appointment of Corresponding Members.*

At its meeting on September 17th, 1930, the Council appointed the following additional Corresponding Members of the Fiscal Committee, the appointments to have effect until June 1932:

Salvador: Dr. Don Cecilio BUSTAMANTE, Director-General of Direct Taxation in Salvador.
Panama: M. Juan J. MENDEZ, Assistant Director of the National Bank.
Persia: M. Homayoun Khan SAYAH, Under-Secretary of State at the Ministry of Finance.

IX. GREECE.

(a) REFUGEES.

Resolution adopted by the Council on September 12th, 1930.

“ The Council,

“ (1) Takes note of the twenty-seventh report of the Refugee Settlement Commission;

“ (2) Approves and adopts the report of the Financial Committee;

“ (3) Having been informed by the representative of the Hellenic Government and the President of the Refugee Settlement Commission that the steps contemplated in the Convention signed by the Hellenic Government and the Refugee Settlement Commission on January 24th, 1930, as pre-requisites for the dissolution of the Commission have been or are about to be taken:

“ Decides:

“ (a) In accordance with Article XIX of the Organic Statutes of the Commission, that the Refugee Settlement Commission shall be dissolved on December 31st, 1930;

“ (b) In the event of the Commission being of opinion that, owing to unforeseen circumstances, it is necessary to postpone the dissolution of the Commission after the aforesaid date, the Commission will urgently inform the members of the Greek Committee of the Council, through the Secretary-General, and the Greek Committee is empowered, if it thinks necessary, to postpone the date of dissolution until the Council can examine the situation at its January meeting.

“ (4) Expresses its thanks and appreciation to the retiring President and Vice-President of the Commission appointed by the Council, Mr. Charles Eddy and Sir John Hope Simpson, whose services during the past four years have notably contributed to bringing the settlement work to a successful conclusion.

“ (5) Congratulates the Hellenic Government on the successful accomplishment of this great task, and expresses its thanks and appreciation to the Financial Committee who, after devising the original scheme, have given advice throughout its execution, and to all the present and past members of the Refugee Settlement Commission, whether appointed by the Council or the Greek Government, who have borne the burden and responsibility of directing its execution.”

(b) RENEWAL OF APPOINTMENT OF THE CHAIRMAN OF THE REFUGEE SETTLEMENT COMMISSION.

At its meeting of September 9th, 1930, the Council renewed the appointment of Mr. C. B. EDDY as Chairman of the Greek Refugee Settlement Commission on the same conditions which governed his previous appointment, the new appointment to extend until December 31st, 1930—*i.e.*, the date contemplated for the termination of the Commission, or to January 31st, 1931, if a similar extension of the existence of the Commission shall have proved necessary.

(c) BUDGET.

At its meeting on September 24th, 1930, the Council congratulated the Hellenic Government upon the work accomplished in the last three years in connection with its budget reform.

X. BULGARIA.

ENQUIRY INTO CO-OPERATIVE SYSTEM.

Resolution adopted by the Council on September 24th, 1930.

“ The Council agrees that the technical organs of the League should co-operate with the Bulgarian Government in the reform of the system of co-operative societies in Bulgaria; decides that two experts should be sent to Bulgaria by the League to enquire into and report upon this system; authorises its President, in consultation with its Rapporteur and with the Chairman of the Financial Committee, to appoint these experts, and authorises the Secretary-General to give the latter such assistance as may be desirable.”

The two following experts have been appointed in this connection:

M. Bohumir TREYBAL, Director of the Régional Union of Coopérative Societes at Uzhorod (Czechoslovakia).

Dr. Hannes GEBHARD, President of the Central Bank of Co-operative Credit Societies in Finland.

XI. ESTONIA.

At its meeting on September 24th, 1930, the Council congratulated the Estonian Government upon the work accomplished in the last three years in connection with its banking reform.

XII. STAFF PENSION SYSTEM.

On October 3rd, 1930, the Assembly decided to create a pension system for the officials of the Secretariat of the League of Nations, the International Labour Office and the Permanent Court of International Justice.

In this connection it was decided that a Pensions Fund should be established as from January 1st, 1931. The management of the Fund will be effected by an Administrative Board.

Article 3 of the Pensions Regulations adopted by the Assembly lays down that "on all questions regarding investment, the Administrative Board shall take the advice of an Investments Committee of three members nominated by the Financial Committee of the League of Nations, subject to approval by the Council of the League".

Geneva, September 6th, 1930.

LEAGUE OF NATIONS

SETTLEMENT OF BULGARIAN REFUGEES.

**Sixteenth Report of the Commissioner of the
League of Nations in Bulgaria.**

Period from May 15th to August 15th, 1930.

A. Settlement of Bulgarian Refugees.

I. 1926 REFUGEE SETTLEMENT 7% LOAN.

Appendix I to the present report shows the position of the 1926 Refugee Settlement 7% Loan at July 31st, 1930, including the accrued interest on the deposits in London and New York. The amount still available in foreign monies on deposit in London is £391,246.

II. YIELD OF REVENUES ASSIGNED AS SECURITY FOR THE LOAN.

The amounts paid into the account for revenues assigned as security for the 1926 7% Loan in May, June and July 1930 are shown below in leva:

Chapter of the Budget	Receipts			Monthly average of budget estimates
	May	June	July	
<i>Chapter 15</i> (Excise duty on alcohol, etc.)	5,599,121	7,587,733	6,461,841	5,416,666
<i>Chapter 16</i> (Excise duty on salt, etc.)	26,121,231	31,575,979	26,372,493	27,500,000
<i>Chapter 21</i> (Sale of matches)	9,090,000	8,676,000	9,873,000	9,583,333
Total	40,810,352	47,839,712	42,707,334	42,499,999

For the quarter under review, these receipts slightly exceed the budget estimates for the current year; this is noteworthy, as we shall see further on that the general receipts of the Treasury have considerably decreased since the beginning of the current financial year (April 1st, 1930) as compared with the budget estimates, and also with the corresponding period last year. The assigned revenues, which mainly consist of excise duties on foodstuffs, such as sugar, salt and rice, undergo seasonal fluctuations which recur regularly every year, but are less influenced by such general economic factors as those which caused the present fall in the total receipts of the Treasury.

During the quarter closed at the end of last July, the assigned revenues amounted to 131,357,398 leva as against 137,241,300 leva during the corresponding quarter last year.

Payments by refugees as interest and for the repayment of expenditure incurred in settling them were (in leva) as follows during the quarter under review:

	May	June	July	Previous payments	Total payments up to the end of July 1930
Interest	83,058	68,078	39,431	1,059,116	1,249,683
Amortisation	360,473	304,770	184,534	9,778,446	10,628,223
Total	443,531	372,848	223,965	10,837,562	11,877,906

While appreciating the full significance—from the point of view of the success and “productiveness” of the work of refugee settlement—of the increasing payments made by the refugees for the repayment of their debts, we should be cautious in our conclusions. As we have explained before, most of the items prior to those of the present quarter represent repayments made before they were due, and for this reason therefore, in spite of the small number of them, point to a satisfactory state of affairs. However, the exemption enjoyed during the first two years after settlement has now lapsed and the first contracts, concluded about May 1927, and relating particularly to deliveries of seeds have now become enforceable. Now we see from the above table that, for each month of the quarter, the amounts paid into the account have decreased, the debts falling due during the quarter have not all been settled. When, however, it is realised how impoverished are the peasants in Bulgaria, and still more our refugees, since the indifferent harvests of the last few years and the fall in the yield of the soil, this should cause little astonishment. Generally speaking, debts falling due during the agricultural season are not collected until the beginning of the autumn, when the peasant is in possession of his crop: this applies in particular to the Agricultural Bank, which administers the contracts concluded with the refugees. This year's harvest has on the whole been very good. Towards the end of the year, when we are in a position to compare the sums owed in 1930 and the sums paid, we shall have more to go upon in forming our conclusions.

III. EXECUTION OF THE SETTLEMENT PLAN.

In a few days from now, it will be just four years since the Bulgarian Government received the first funds from the Loan for the settlement of refugees on its territory. After a year of preparation and the adoption of legislative and other measures—about the middle of the summer of 1927—the executive organs had been set up and the general work was begun. At first, public opinion was sometimes very critical of the methods adopted, being naturally impatient for as rapid a solution as possible of a problem which had burdened the country for so long and was every day becoming more and more of a danger. With the Loan subscribed and its yield made available, people seemed to expect to see thousands of new dwellings spring up as if by magic and abundant crops yielded by previously uncultivated land. No one realised the difficulties to be surmounted, although the failure of previous experiments in land settlement—not, indeed, with adequate financial resources—might have served as an indication. The General Directorate for the Settlement of Refugees, which the Government was wise enough to set up as an autonomous body and to entrust to a first-class administrator with wide powers, proceeded with its programme and soon proved its use. The principal thing was to make the settlements as stable as possible. It was desired at all costs to prevent the rights of a refugee who had been installed on his piece of land or in his house ever being contested by anyone. Now, in Bulgaria, there have always been disputes in connection with land between the Government, the communes and certain other public bodies and private individuals: the survey of the country is incomplete and also the land registers. The first thing to be done, therefore, before anything else could be accomplished, was to survey the land used for the settlement of refugees. There were numerous incidents in connection with this work, which our surveyors had at times to perform under police protection, in view of the hostility of sometimes a whole village. As for the building of the houses, the best illustration we can give of the difficulties to be overcome is that the houses built or in course of construction are scattered over more than 630 localities, sometimes only one house in any particular locality. In certain parts of the country where communications are particularly bad, the material has to be transported in carts drawn by buffaloes, or on the backs of animals, over long distances.

Now, at the end of the fourth year, we can take stock of the position and congratulate ourselves on what has been accomplished. The settlement of refugees, which aroused such controversies and threatened to become a dangerous political question, is well on its way towards completion. The traveller in Bulgaria can see nearly everywhere, both in the plains and in the mountainous districts, the little white houses built by the General Directorate. At first they look like new toys but they soon become part of their surroundings. The refugees themselves add the yard enclosure and gradually acquired all the conveniences of a small farm. The produce of the harvest is stored in the barns and the new life begins.

The work of settlement has in certain respects gone beyond what was at first anticipated. These houses which are built of durable materials and are hygienic and comfortable have, simple

as they are, served as models which have not infrequently been adopted by the local peasants. The same applies to certain other aspects of the work, such as deep ploughing. The dyke at Karaboas, which is a remarkable piece of work, has aroused considerable interest as an example of work carefully prepared and methodically executed under the system peculiar to Bulgaria known as "compulsory labour". In the field of hygiene, where there still remains so much to be done, our doctors, whose special task it is to combat malaria, have made their influence felt in many directions: cleanliness of the houses and wells and the healthy upbringing of children, all of which is as much in the general interest as in that of the refugees themselves. The following chapters will, as usual, show the results achieved at August 15th, 1930, in the various sections of the programme of settlement.

(a) *Various Supplies.*

These supplies are delivered by degrees, as and when the refugee settles on his plot of land. A great deal of progress has been made with this part of our programme. The following table summarises the position with regard to the allotment of various supplies since the beginning and their value as at August 15th, 1930:

<i>Seed:</i>	Leva
10,170,577 kilogrammes at a value of	65,189,112
 <i>Live-stock:</i>	
Horses and mules: 5,943 " " "	53,352,887
Oxen and cows: 12,183 " " "	71,763,110
Buffaloes: 2,520 " " "	15,445,551
 <i>Implements:</i>	
Ploughs: 7,698 " " "	10,363,413
Harrows: 2,533 " " "	1,658,578
Handcarts: 8,951 " " "	43,662,858
 <i>Fishing Tackle:</i>	
Nets: 27 } Boats: 64 } Motor-boats: 3 }	6,160,610
Total	
	267,596,119

(b) *Houses.*

	Houses		Sheds		Byres	
	Finished	Contracted for	Finished	Contracted for	Finished	Contracted for
Built by private enterprise	3,642	3,587	2,755	2,338	3,172	2,576
Built on a monopoly basis by the General Directorate for the Settlement of Refugees.	599	371	490	328	548	360
Built by the refugees themselves	224	324	138	224	188	257
Total	4,465	4,282	3,383	2,890	3,908	3,193
Figures at the end of the previous quarter.	3,878	3,779	2,954	2,656	3,351	2,936

Up to the present, the number of applications for houses received is	9,769
Number of houses ready	4,465
Number of houses now being built	4,282
	8,747
Number of houses still to be built	1,022

Most of the houses of this last batch are to form part of the new villages to be constructed on the drained land of the plain of Karaboas, along the Danube. The progress made with the

construction of the dyke has been so rapid that it has already been possible to place a contract for 250 houses in this district. These houses are intended for refugees coming from the frontier zones, where there is no adequate provision for them at present and little possibility of improvement. We expect to be able to carry out the first of these transfers by the beginning of the autumn. The reports of the fertility of the drained land, which is composed of rich alluvial soil, spread rapidly throughout the country, and it is of some interest to note that the General Directorate is at present receiving more applications for transfers than it is able to grant, in respect of the area at present available.

The position with regard to the work in hand is, perhaps for the first time, definitely favourable. In previous years, the buildings constructed by private enterprise were very numerous, consisting chiefly of co-operative premises, and public institutions also carried out a considerable programme of work. After 1928, the work of repairing the ruins caused by the earthquake swallowed up a good deal of the available funds. The completion of this work and the consequences of the economic crisis, which have considerably reduced the expenditure of private persons and public bodies, have this year made available an abundance of labour and materials. Furthermore, our contractors have acquired more experience, and applications for the extension of the time-limits allowed are now less frequent, and there are fewer unexecuted contracts to be dealt with.

(c) *Land.*

The position at August 15th, 1930, is shown in the following table:

Department	Land surveyed (decares)	Land allotted (decares)	Number of families	Average area allotted (decares)
Burgas	549,393	486,586	11,767	41.35
Varna	68,625	61,098	1,555	39.29
Vidin	8,929	8,929	282	31.66
Petritch	120,663	111,023	4,962	22.37
Vratcha	22,621	21,872	639	34.17
Plovdiv	24,505	23,971	1,290	18.58
Plevna	18,761	17,201	517	33.27
Rustchuk	49,108	32,449	860	37.73
Stara Zagora	14,051	12,886	395	32.62
Tirnovο	17,111	17,012	455	37.39
Haskovo	156,876	131,729	3,012	43.73
Schumen	41,364	39,360	1,136	34.65
Mastanla	82,356	52,579	1,472	35.72
Total	1,174,363	1,016,695	28,342	35.87
Figures at May 15th, 1930	1,171,320	1,012,996	28,260	35.84

Owing to the absence of some of its members, the Land Valuation Committee has made little progress during the quarter under review. In the meantime, the General Directorate has continued to draw up plans of each plot to be attached to the deeds of ownership handed to the refugees; these plans now number 28,000.

The survey work still to be accomplished is mainly in connection with the part of the drained land in the plain of Karaboas which is to be used for the settlement of refugees under the arrangements concluded with the Government. This area is about 80,000 decares, and the surveyors are at present engaged on the work.

The following amounts had been spent on the land at August 15th, 1930:

	Expenditure in Leva
Clearing work: 46,225 decares	34,895,847
Ploughing: 57,410 decares	12,889,174

(d) *Means of Communication.*

The work on the Rakovsky-Mastanla Railway and on the 25 to 30 kilometres of roads, which forms part of the programme for the settlement of refugees, is proceeding satisfactorily. The work on the railway, which was so greatly delayed in 1929 and 1930 as a result of various causes beyond human control but also—and principally—by the incessant disputes with the contractors, has now been placed in the hands of the Railway Administration, in pursuance of our decision not to exceed the sum of 300,000,000 leva from the 1926 Refugee Settlement 7% Loan provided for in the programme for the construction of this line. This sum has now been used up to within 15,000,000 or so, and we shall henceforth only be responsible for the execution of those contracts concluded by the General Directorate which are still in course of execution and for sums

not exceeding the said maximum. At August 15th, 1930, the position with regard to this line was as follows:

	Kilometres
Total length	100
Length of line laid down	53
Length open for traffic	50

The most important pieces of engineering work:

- A tunnel of 1,120 metres.
- A tunnel of 310 metres.
- A 180-metre bridge over the River Arda.
- A 100-metre bridge over the River Suntlika.

The line is open to traffic up to the big tunnel; about 65 per cent of the work on this tunnel is now completed.

(e) *Draining.*

1. *The Dyke at Karaboas.*

The work is proceeding very satisfactorily. More than 4,000 men are regularly employed, and 70 to 75 per cent of the work has been completed—a remarkable achievement. The harvests yielded by the reclaimed land have been magnificent, and it is not surprising that this settlement zone is much coveted by our refugees.

2. *The Stralja Marsh.*

The negotiations mentioned in our previous report have been brought to a satisfactory conclusion. The draining of this marsh has been entrusted to the Directorate of Compulsory Labour, which is carrying out the work at Karaboas. Five hundred men are at present at work upon it. In view of the excellent results obtained at Karaboas, there can be no doubt that the Directorate will carry out this new work extremely efficiently. The contract concluded with the Directorate provides for the completion of the work by December 31st, 1930.

The marshy soil to be drained covers an area of about 19,900 decares, and the constructional work consists of canals 39 kilometres in length. Several villages situated round this marsh include some hundreds of refugees' families who will directly benefit, owing to the enhanced value of their land, from the work in course of execution. The village of Atholovo, for instance, which was constructed in 1925-26 for 100 refugees' families by a British charitable organisation is situated there.

3. *The Messemvria and Mandra Marshes.*

One is to the north and the other to the south of Burgas, which is on the coast. The work is progressing, although less satisfactorily than the previously mentioned undertakings.

(f) *Health.*

1. *Anti-malaria Campaign.*

The anti-malaria services in the Department of Burgas have been transferred to the Public Health Department, subject to the conditions mentioned in our previous reports.

The numerous colonies set up in the malarial districts of the Department of Burgas can only develop and prosper if they are effectively protected against malaria, as they have been up to the present, thanks to the organisation established under Professor Swellengrebel's plan. This organisation included a fairly numerous medical staff, and was backed by ample resources. For financial reasons, the anti-malaria services of the Public Health Department have a smaller staff and less resources at their disposal. Indeed, we have been concerned to know whether it will be possible for them, if not to make improvements, at least to consolidate the work already done. We have, therefore, once more appealed to Professor Swellengrebel for his valuable assistance. During his two weeks' stay, Professor Swellengrebel has visited the anti-malaria services of the Department of Burgas, and those in the District of Sveti-Vratch (Department of Petritch) for the maintenance of which we are responsible until April 1st, 1931, when it will be taken over by the Public Health Department.

We are not yet in possession of Professor Swellengrebel's report, but we have reason to believe that its findings will be favourable. The professor is of opinion that the steps taken by the Public Health Department are, on the whole, satisfactory and such as to promise well for the efficient prosecution of the anti-malaria campaign.

2. *Extension of the Health Services.*

The programme for an extension of the health services in the Department of Burgas worked out by Professor Jessner and approved by the Health Organisation of the League has been put into application.

This programme chiefly consists in the following up and treating of patients by doctors attached to the health service of the Department, who have followed a special course under Professor Jessner. Besides supplying sanitary material and medicaments, we have also had to arrange for the construction and equipment of the necessary premises: three out-patient clinics (two at Burgas and one at Vassiliko).

Professor Jessner, whose visit to Bulgaria is now drawing to a close, desired to supervise the inauguration of his plan, and proposes to return later when the service is working normally so as to be able to judge of the results.

We would remind you that this extension of our health services was undertaken in accordance with a request for collaboration received from the Bulgarian Government by the Health Organisation of the League of Nations and approved by the Council.

B. 7 ½ % Stabilisation Loan of 1928.

The position of the 7 ½ % 1928 Loan at July 31st, 1930, is shown in Appendix II of this report. The available amount on deposit at London and Paris in foreign exchange is about £521,000.

I. YIELD FROM THE ASSIGNED REVENUES.

During May, June and July 1930, the sums received by way of revenues assigned as security for the loan were (in leva) as follows:

May	June	July	Monthly average of budget estimates
55,976,911	54,735,346	66,860,208	108,333,333

The total receipts for the quarter amounted to 177,572,465 leva, or about the same as the preceding quarter (177,649,830 leva). The service of the Loan for the three months absorbed 72,531,362 leva, or about 40 per cent of the available sum.

The receipts for the corresponding quarter of last year amounted to 438,366,887 leva. The appreciable divergence between the present yield and that for the preceding financial year is due to the considerable reduction in imports, as shown by the figures for the trade balance which will be found below under "Statistics".

There was, however, a slight improvement in July, although the volume of imports was constant as compared with previous months. This is a consequence of the revalorisation of the Customs duties undertaken by the Minister of Finances on June 4th, 1930. Before that date, Customs duties, expressed in terms of gold, were calculated in leva at a rate varying, according to the category, from 15 to 20 leva = 1 gold leva. The new coefficient of conversion in force is 27, which roughly corresponds to par, except for certain articles (foodstuffs or raw materials), in the case of which the previous coefficient has been retained.

II. EMPLOYMENT OF THE LOAN.

I. £1,250,000 Sterling Block for Means of Communication (Article VI of the Protocol).

(a) Railways.

The programme of capital outlay was carried out without any special difficulty in accordance with the Regnoul plan. On the date of the present report, most of the block allotted to the railways is earmarked. The following was the position at August 15th, 1930:

	Leva
Value of the block allotted to the railways and harbours	672,300,000
Expenditure already authorised	660,000,000
Contracts concluded	515,254,000
Value of work undertaken on a monopoly basis	56,285,764
Sums actually expended at August 15th	357,787,049

The execution of the whole of this programme was, it will be remembered, made conditional upon the adoption of reforms by the Railway Administration with a view to securing for it a certain measure of autonomy. These reforms were sanctioned by a Law passed about a year ago, the text of which is appended to our Reports Nos. 12 and 14.

One of the most important stipulations of this Law provided for the appointment of the Director-General for a fixed number of years. This appointment has just been made for a period of five years. It was the intention of the Financial Committee of the League of Nations, which originally made the suggestion, thus to secure for the Management of the railways continuity in technical direction, which is particularly needed during the period of reorganisation inaugurated by the new Law, which is only a first stage on the way towards more far-reaching reforms.

There are other important reforms which are being carried through slowly. The opening balance-sheet, which should have been drafted on April 1st, 1929—that is to say at the beginning of the last budget year—is not yet ready, the system of accountancy has therefore not yet been entirely transformed in accordance with the provisions of Articles 47 to 52 of the Law. The Management hopes to be able to publish this very important document in the near future.

(b) *Roads.*¹

The following figures summarise the position at July 31st with regard to the employment of the total credit of 176,266,179 leva.

	Expenditure approved	Commitments on contracts (In leva)	Sums actually expended
(a) <i>By contracts:</i>			
Roads	66,160,000	52,074,300	18,159,193
Bridges	62,300,000	46,269,500	9,137,954
(b) <i>By the Directorate of "Compulsory Labour":</i>			
Roads	35,540,000	30,209,000	10,000,000 ²
(c) <i>Purchase of material.</i>			
Motor tanks	1,000,000	450,000	—
For purposes of comparison see the corresponding figures at April 30th, 1930	165,000,000	129,002,800	37,297,147
	149,100,000	119,209,300	21,310,758

In view of the very moderate progress made, as shown by this comparison, we would refer to the comments on the same question contained in the fourteenth report, page 7, and the fifteenth report page 7. We are not in a position to appreciate the considerations which have guided the Administration of Bridges and Highways, but we are convinced that, as far as the execution of the present programme is concerned, the attitude of this Administration has in fact caused considerable loss to the Government. We have done all in our power to hasten the procedure for placing the contracts and have answered by concrete suggestions the objections raised: lack of technical staff, material and means of transport. Although the competent authorities have been good enough to approve these suggestions, they have, for reasons which we cannot explain, failed to act upon them.

The season for building work will be over in two or three months, and the work done between now and then will be but a part of the programme the completion of which will thus be delayed until the autumn of 1931, whereas it would have been highly desirable, in view of the dilapidation of the railways and of the fact that the part of the loan allotted to roads is only a fraction of what is needed, to put this sum to immediate use in order to lay it out to the best advantage.

2. *£500,000 Sterling Block for Reconstruction of the Devastated Areas (Article VII A of the Protocol).*

With very few exceptions, the work of repairing the ruins caused by the earthquake, to be carried out with funds derived from this block of the Loan, will be completed this year. The following was the position at July 31st, 1930:

	Expenditure approved	Commitments on contracts (In leva)	Sums actually expended
Public buildings	280,544,100	241,259,114	190,187,566
Roads and bridges	49,247,000	42,733,220	23,457,610
Railways	7,375,000	6,342,850	5,933,072
Water conduits	10,421,000	9,694,262	5,247,909
Regulation of rivers	12,700,000	12,345,000	8,956,432
Overhead and various expenditure	9,000,000	—	4,551,696
Total	369,287,100 ³	312,374,446	238,334,285

III. BUDGET.

In our fifteenth report, we published the budget results for the year 1929-30 as at the end of the financial year—*i.e.* March 31st, 1930. The regulations in force allow of commitments being contracted on account of the financial year ended on that date, during the following three months. The following are the results of the preceding budget year, closed at the end of this additional period of three months—*i.e.*, June 30th, 1930:

¹ Erratum, fifteenth report, page 7, "(b) Roads", fifth line: for £10,000,000, read 10,000,000 leva.
² Advance on account for the work to be carried out.
³ The proceeds in leva of the block earmarked for the reconstruction of the devastated areas amounts to 336,000,000 leva. The expenditure authorised seems to exceed this sum but, owing to the economies realised when the contracts were given, the commitments are still within the £500,000 limit.

Results for the year 1929-30 at June 30th, 1930.
(Ordinary and supplementary expenditure.)
(In thousands of leva.)

EXPENDITURE				
Chapters of expenditure	Estimates for 1929-30	Results 1929-30	Results 1928-29	Difference between columns 3 and 4
1	2	3	4	5
Under ordinary and supplementary budgets	7,545,189	6,735,807	5,948,965	+ 786,842
Budget for railways and harbours	1,280,771	1,150,174	693,842	+ 456,332
"Funds": Railways and harbours	241,798	173,173	188,954	— 15,781
Other	—	—	275,598	— 275,598
	9,067,758	8,059,154	7,107,359	+ 951,795

RECEIPTS				
Chapters of receipts	Estimates for 1929-30	Results 1929-30	Results 1928-29	Difference between columns 3 and 4
1	2	3	4	5
Under ordinary and supplementary budgets	6,740,150	6,416,820	6,224,604	+ 192,216
Budget for railways and harbours	1,193,300	1,258,026	1,225,262	+ 32,764
"Funds": Railways and harbours	243,946	284,040	276,502	+ 7,538
Other	—	282,000	—	+ 282,000
	8,177,396	8,240,886	7,726,368	+ 514,518

In accordance with the Protocol, the "special funds" budget is, as from 1929-30, no longer to be separate from the ordinary budget—except in the case of the railways—but incorporated with it.

According to the following table, the book surplus for the year 1929-30 was as follows:

	Leva
Receipts	8,240,886,000
Expenditure	8,059,154,000
Surplus	181,732,000

Taking into account the fact that part of the receipts for this financial year was used to cover expenditure incurred on account of previous years (142,765,000 leva) the actual Treasury position for 1929-30 was as follows:

	Leva
Book surplus for 1929-30	181,732,000
Deducted: expenditure on account of previous years covered out of receipts of 1929-30 budget	142,765,000
	38,967,000

This last amount is also arrived at by the following calculation of the Treasury position at June 30th, 1930.

Treasury Position at June 30th, 1930.

<i>Assets</i>	(In thousands of leva.)	<i>Liabilities</i>	
Surplus for 1928-1929	156,830	Expenditure under ordinary and supplementary budgets	6,735,807
Receipts of the ordinary budget	6,416,820	Expenditure under the budget for the railways and harbours	1,150,174
Receipts of the budget for the railways and harbours	1,258,026	Expenditure under the "special funds" budget	173,173
Receipts of the "special funds" budget	284,040	Expenditure on account of previous years covered by receipts of 1929-30	142,765
Sums paid by the Greek Government under the Molloff-Caphandais Convention	282,000		
	<u>8,397,716</u>		<u>8,201,919</u>

Or a surplus at June 30th, 1930, in the account of the Treasury with the National	Leva
Bank of 8,397,716,000 minus 8,201,919,000	195,797,000
If we deduct from this amount the sum of	156,830,000

representing the surplus for 1928-29, we obtain the actual surplus for 1929-30 38,967,000

The budget thus balanced, though only thanks to a saving of nearly one milliard on the estimates—although the allocations on 1929-30 exceeded, by an almost exactly equal sum, those of the preceding financial year—and thanks to a surplus of receipts, as compared both with the estimates and the results of the preceding year. All the chapters of receipts show increases, except direct taxes, which show a decrease of 154,183,000 leva as compared with the financial year 1928-29; this exception is the result of the decision of the Government to postpone the collection of the land tax until 1930, in view of the bad harvest of 1929.

Owing to the reorganisation and the reforms already carried through, which are based both on the Protocol and the conclusions of various discussions of the Financial Committee at Geneva, we may say that the administration of the finances of Bulgaria is now established on a sound basis, ensuring both order and clarity. Thanks to the centralisation of Treasury operations and the rigorous supervision of all expenditure by the Ministry of Finance, the competent bodies are now in a position closely to follow these operations from day to day. These results are worthy of mention, as they serve to show the success which has accompanied the efforts of the Bulgarian Government to re-establish the finances of the country on a sound footing and cannot but help to strengthen the credit of the country. Nevertheless there remains a great deal to be done. Apart from tax reforms, which appear to be necessary but will require much time and very careful preparation, there are certain measures of immediate importance which might be taken with advantage. One of these is the reform of the public services, necessary in order to secure greater efficiency in these services and less precarious living conditions for Government officials. The Protocol contains undertakings relating to this question, which has just been made the subject of a detailed study containing some interesting conclusions which it is to be hoped will be put into execution without delay. As regards the machinery of the budget itself, there are certain defects which might well be rectified, such as the overlapping of two financial years by three months, which is much too long; the meeting of expenditure incurred on account of previous financial years from current receipts, and the methods of accountancy employed, especially those of the audit office. A large number of these reforms is provided for in a bill with which Parliament was unable to deal at its last session owing to press of legislative work, but which should be voted before the beginning of the next financial year.

As regards the budget year 1930-31, the Ministry of Finance has communicated the following information relating to the first three months, which shows the grave economic depression from which the country is suffering.

	Results of the first three months of the year 1929-30	Results of the first three months of the year 1930-31	3/12ths of the estimates of the year 1930-31	Difference between columns 3 and 4
1	2	3 (In thousands of leva.)	4	5
Direct taxes	145,871	143,165	235,500	— 92,335
Indirect taxes	806,391	509,277	682,750	— 173,473
Duties	216,009	174,182	189,750	— 15,568
Fines and confiscations	22,666	17,839	22,250	— 4,411
Revenue from Railways and harbours	—	—	31,462	— 31,462
Posts, telegraphs, telephones	102,554	94,229	76,500	+ 17,729
Revenue from State domain and capital	107,118	127,356	132,500	— 5,144
Contributions of the communes towards teachers' salaries	81,540	104,834	121,250	— 16,416
Miscellaneous revenue	69,499	85,756	201,508	— 115,752
Revenue from closed budgets	92,084	63,708	56,500	+ 7,208
Total	1,643,732	1,320,346	1,749,970	— 429,624
Special budget for the railways and harbours	287,577	274,301	465,548	— 191,247
Grand total	1,931,309	1,594,647	2,215,518	— 620,871

The budget was voted late and was not applied until a month and a-half after the beginning of the financial year. In the meantime, expenditure was liquidated against receipts. Consequently, the Ministry of Finance is not yet in a position to furnish detailed information with regard to expenditure.

We may however say that, after the middle of June, even with the most rigorous economy, receipts were not sufficient to cover expenditure in spite of the Treasury balance of 195,797,000 leva from the year 1929-30. The Government was obliged to issue 327 millions of Treasury

bonds through the National Bank, subscribed on account of certain extra-budgetary funds. This operation was the first case of application of the law relating to the administration of public funds, the text of which is to be found in Appendix III¹ of the present report. One of these bonds was rediscounted at the National Bank and appears in its balance-sheet since July 7th.

IV. NATIONAL BANK.

Appendix VI to the present report shows the position of the National Bank at the end of each of the last three months.

During this period, the deficit of the balance of accounts for 1929 was considerably reduced and, especially during the last few weeks, the National Bank received nearly every day credits in foreign exchange, exclusive of the amounts released from the two loans. It was consequently able without difficulty to keep its percentage of cover considerably above the minimum fixed by its Statutes. In this connection, it should be mentioned that the foreign exchange forming part of the cover is that which the Bank holds in the form of credits with foreign banks of issue, in accordance with the provisions of the Statutes—that is to say, currency of a country whose money is legally and actually convertible at sight at a fixed price, in exportable gold or gold exchange. In order to meet its daily requirements, the National Bank also holds elsewhere than in the central banks of issue foreign exchange coming within the terms of this definition, which is consequently not included in the calculation of the cover. The total of these two categories of gold exchange has increased fairly considerably during the last three months. Apart from the fact that the large imports in 1929 must now be practically settled, export trade has yielded fairly satisfactory results, while imports are still very small this year, as will be seen later on. The metal gold reserve is increasing almost regularly by about one million leva each week (about £1,500) by means of purchases within the country; this has been going on for several years. The metal reserve alone at present constitutes more than 30 per cent of the fiduciary issue, plus sight commitments. This is a high percentage and cannot well be increased for long without entailing a heavy loss of interest for the Bank.

Industrial investments, which amounted to 844 millions on July 31st, steadily diminished during the three months under review; they amounted to 1,361 millions at the beginning of the year, while the lowest and highest points for the previous year were 1,303 and 1,718 millions respectively.

This tightening of credit shows that the Bank has managed to make its investments very flexible; in future these investments will exclude various operations which do not come within the normal functions of a bank of issue. Another cause is the stagnation of business; commerce and industry, after the experiences of last year, are showing great caution with regard to their commitments and credit is only granted subject to every kind of safeguard. The private banks are, generally speaking, adopting the same attitude, which has led to a considerable increase in their liquid assets. It is significant that the deposits of other banks with the National Bank increased during the last quarter from 300 millions on May 23rd to 509 millions on July 23rd.

The following table shows the distribution of the investments of the National Bank as at June 30th in each of the last three years, expressed as a percentage of the total investments:

	At June 30th		
	1928 %	1929 %	1930 %
Commerce	27	25	18
Industry	35	26	26
Banks	31	46	51
Miscellaneous	7	3	5

An examination of the bills holding alone, not including advances, shows about 80 per cent for bank rediscounts.

The discount rate of the National Bank is still 10%. The Bank was of opinion that the present signs of improvement and especially the favourable turn taken by the movement of foreign exchange were not yet sufficiently stable to allow of its following the tendency prevailing abroad to reduce rates of interest; incidentally the private interest rates have not appreciably changed in spite of the present abundance of liquid assets in the banks. There is still considerable uncertainty with regard to the conditions of the marketing of the produce of this year's good harvest and the prospect of a consequent general improvement in business. As far as one can venture any statement, it may be said that considerable efforts have been made to place the finances of the country on a sounder basis and that Bulgaria is now in a position to derive full benefit from any resumption of business activity in the autumn. The exportable surplus of the various crops appears considerable—as will be seen later on in the chapter entitled "Statistics"—and likely to compensate in some measure for the fall in the prices of these products. The Agricultural Bank has this year granted credits for financing the harvest on conditions designed to avoid the accumulation of stocks and to favour exports. With this end in view, it has been carrying on active propaganda through its provincial Press organs, and the first results have already been felt.

The Law relating to the administration of the funds of the Savings Bank and various other public funds, which is, as it were, a law in application of Article 60 of the Statutes of the National Bank (see fourteenth report, page 10, last paragraph), came into force on June 5th, 1930. It has

¹ See fourteenth report, page 10, last two paragraphs.

already been applied in two cases: for the subscription of the Treasury bonds issued by the Government in July (see above under "Budget") and for an investment at three months with the Agricultural Bank, designed to enable it to grant seasonal credits at the period of the harvest. The text of this Law is given in Appendix III to the present report.

We also attach to the present report (Appendices IV and V), for information, the two following laws:

- Law of March 15th, 1930, relating to changes in the alloy titration in silver coinage;
- Law of April 28th, 1930, relating to tax exemptions accorded to credit institutions with a view to facilitating their amalgamation and the constitution of reserves.

V. STATISTICS.

(Supplied by the National Bank.)

A. Foreign Trade.

(In thousands of leva.)

	1927	1928	1929	1929	1930
	For 12 months			For 7 months	
Imports	6,173,660	7,192,372	8,162,017	4,873,219	2,518,425
Exports	6,684,201	6,379,413	6,097,356	3,500,449	3,304,656
Balance	+510,541	-812,959	-2,064,661	-1,372,770	+786,231

Imports for the first seven months of 1930 are considerably below those for the same period of previous years. Although the quantities exported are larger, the value of exports has fallen by 200 million leva as compared with the previous year:

	Quantities exported during the first seven months of	
	1929	1930
Number	343,336	815,577
Weight (tons)	137,882	217,508

The greatest increase in quantity is shown by maize, millet and beans (total, above 80,000 tons approximately); leaf tobacco (853 tons), eggs (5,032 tons). In spite of an increase in the quantity exported, tobacco shows the greatest fall in value (216,000,000 leva).

The increase in the coefficient of conversion in leva of the Customs tariff fixed in gold, which was decreed by the Minister for Finance on June 4th last, led to protests from certain countries which export to Bulgaria. It remains to be seen how this measure will affect the markets for Bulgarian products. To take only the one case—the trade between Bulgaria and Greece: in 1929, the latter bought Bulgarian goods for 485 million, and exported goods to the value of only 94 million leva. In consequence of the increase in the Bulgarian tariff, Greece denounced the commercial treaty with Bulgaria.

B. Yield of the Harvest.

The following provisional figures are based on data collected during June and July; it is now known that in some cases the actual yield was 10 to 15 per cent below these estimates. Comparison with the yield of last year's harvest, however, reveals a fact worth noting: the exportable surplus of grain this year should be at least double that of the preceding year.

	Area in hectares	Yield (tons)	Yield of the preceding harvest (tons)	1930 as compared with 1929 (+ -)
Wheat	11,103,977	1,563,437	901,937	+ 662,500
Rye	2,331,879	310,091	195,867	+ 114,224
Meslin	1,025,117	124,608	91,873	+ 32,735
Barley	2,311,640	359,137	234,427	+ 124,710
Oats	1,456,618	155,768	150,139	+ 5,629
Maize	7,272,881	1,031,249	916,181	+ 115,068
Rape	200,830	26,107	504	+ 25,603
Beans	617,950	40,166	59,529	- 19,363
Tobacco	283,490	25,000	32,592	- 8,592

C. Wholesale Price Index Number.

(1914 = 100.)

	1928	1929	1930
January	3,008	3,211	3,107
February	2,999	3,267	2,990
March	3,021	3,290	2,732
April	3,074	3,318	2,721
May	3,134	3,338	2,637
June	3,078	3,245	2,514
July	2,987	3,200	2,467

D. Total of Protested Bills.

	1928		1929		1930	
	Number	Leva	Number	Leva	Number	Leva
January	15,337	111,819,097	13,719	113,192,033	27,159	298,291,560
February	14,556	105,712,456	11,239	90,167,775	23,730	266,386,266
March	14,643	100,975,598	12,641	99,433,785	29,648	296,295,032
April	13,793	91,814,860	14,861	106,500,813	32,509	298,499,075
May	15,768	104,133,666	19,061	140,342,206	32,375	286,994,789
June	13,369	93,751,200	15,331	125,199,218	20,563	181,745,418
	87,466	608,206,887	86,852	674,835,830	165,984	1,628,212,140

Appendix I.

STATEMENT OF THE SPECIAL ACCOUNT OF THE 7%
REFUGEE SETTLEMENT LOAN OF 1926, AS AT JULY 31ST, 1930.

(a) <i>Nominal Amount:</i>				
	£2,400,000			
	\$4,500,000			
(b) <i>Net Amount.</i>	2,112,000	0	0	3,915,000.—
(c) <i>Deduct:</i>				
	£	s.	d.	
Redemption of 1912 to				
1913 Treasury Bonds	625,889	11	6	
Half-year's reserve	90,000	0	0 ¹	
Miscellaneous expenses:				
Stamps, printing of				
bonds, etc.	49,474	4	1	168,750.— ¹
		765,363	15	7
(d) <i>Add:</i>				
	£1,346,636	4	5	\$3,746,250.—
Interest		114,168	9	8
				318,480.10
(e) <i>Subtract:</i>				
	£1,460,804	14	1	\$4,064,730.10
Amounts released		1,069,558	4	1
				4,064,730.10

¹ The equivalent of the half-year's reserve was refunded by the Bulgarian Government out of the proceeds of the Stabilisation Loan in execution of paragraph 2 of Article VI of the Protocol of March 10th, 1928 (Item 6 of Annex III to that Protocol).

(f) Amounts released, in leva			1,266,310,121 ¹
Placed at disposal of:			
(1) The Directorate for the Settlement of Refugees	1,168,824,302		
(2) The Government (for the reconstruction of devastated areas)	45,000,000		
	Leva. 1,213,824,302		1,213,824,302
(g) Equivalent of the half-year's reserve in leva			52,485,819 83,851,875
Surplus available	£391,246 10 0 (Deposited in London)	—	Leva 136,337,694 (Deposited with the National Bank of Bulgaria)

Appendix II.

STATEMENT OF THE 7½% STABILISATION LOAN OF 1928 AS AT JULY 31ST, 1930.

	Sterling Block		Dollar Block	French Franc Block
	£	s.	\$	
Nominal Amount	1,800,000	0 0	13,000,000	130,000,000
Net Amount	1,656,000	0 0	11,960,000	121,550,000
<i>Deduct:</i>				
Stamp duties and other expenses.	39,286	7 0	49,250	5,200,000
Total	£1,616,713	13 0	\$11,910,750	Fr. 116,350,000
Equivalent in leva			3,365,831,570	
Add			5,000,000 ²	
			Total	
Utilised up to July 31st.			3,370,831,570	
			2,868,982,630	
Surplus available on that date			501,848,940 ³	

Appendix III.

LAW REGARDING THE INVESTMENT AND EMPLOYMENT OF PUBLIC FUNDS, FUNDS OF THE SAVINGS BANK AND OF STATE UNDERTAKINGS (SANCTIONED BY THE UKASE OF MAY 18TH, 1930, AND PUBLISHED IN THE "OFFICIAL JOURNAL", NO. 50, OF JUNE 5TH, 1930).

Article 1. — In accordance with Article 60 of the Law on the National Bank of Bulgaria, all public and State funds, Post Office Savings Bank funds and funds of State undertakings must be deposited at the National Bank of Bulgaria.

Article 2. — With a view to ensuring the better employment of sums belonging to all public and State funds at present in existence or to be constituted in future, to the Savings Bank and

¹ Not including a sum of £24,144 os. 1d., which was used direct to pay in sterling for material supplied for the Rakovsky-Mastanla Railway.

² The equivalent of interest collected by the Bulgarian Government on sums deposited abroad and paid into the loan account to make up the sum earmarked for road improvement (see twelfth report, page 9, "(b) Roads").

³ This figure represents:

(1) The unexpended balance of the block of £1,250,000 earmarked for improvement of means of communication, namely:

65,594,013 leva at the National Bank of Bulgaria;
6,311,483.30 francs at the Bank of France;
£470,213 13s. 0d. at the Bank of England.

(2) The unexpended balance of the block of £500,000 earmarked for the reconstruction of areas devastated by the earthquake, namely:

86,000,000 leva at the National Bank of Bulgaria.

to public undertakings, at present deposited with the National Bank of Bulgaria, the Agricultural Bank of Bulgaria, the Central Co-operative Bank or elsewhere, as well as of sums which may in future be deposited or released, a special committee shall be set up, called "The Committee for Administration of Public Funds", composed of the Governor or one of the Deputy Governors of the National Bank of Bulgaria as President and one representative of the following institutions: the Ministry of Finance, the Agricultural Bank, the Central Co-operative Bank, the Public Debt Office, the Post Office Savings Bank and the particular fund for the purpose of which the Committee is convened.

This Committee shall meet at the Public Debt Office periodically as required—but, in any case, once a month—to decide upon the allocation of the sums available for investment and the method of their employment. The investments recommended must be consistent with the financial policy of the National Bank of Bulgaria and any investment which, in the opinion of the National Bank's representative on the Committee, would be incompatible with such policy must be rejected.

Article 3. — The Committee referred to in the preceding article shall examine how the sums belonging to the various funds, the Savings Bank and State undertakings which are not at present administered by the National Bank, are invested and decide on the steps to be taken in accordance with the provisions of the present law.

Article 4. — By decision of the Committee taken on the basis of information previously obtained on the actual commitments as well as the future requirements of the funds in question or of the Savings Bank, the sums available, immediately or in the future, may be employed as follows:

(a) For purchasing bonds of, or guaranteed by, the State, and Bulgarian or foreign currency.

(b) For deposit, at or without notice, with the Agricultural Bank of Bulgaria or the Central Co-operative Bank for investment as previously approved by the Committee.

Any difference of opinion arising on this subject within the Committee shall be referred for decision to the Minister of Finance.

(c) For deposit, at or without notice, with the Savings Bank.

(d) The National Bank may purchase for account of the funds, and up to 40 per cent of their amount, commercial bills similar to those which under its Statutes, it is authorised to purchase for its own account.

In case of need the Bank may discount the above bills provided that this transaction, at the time when it is effected, is not compatible with its credit policy.

(e) Short-term loans on the Savings Bank, up to a maximum of 20 per cent of the latter's capital, may be granted to the Directorate-General of Railways and Ports for its requirements.

Article 5. — The provisions of all other laws inconsistent with the present law are abrogated.

Appendix IV.

LAW AMENDING ARTICLE 3 OF THE LAW REGARDING THE STABILISATION OF THE LEVA AND CURRENCY CIRCULATION IN BULGARIA (SANCTIONED BY UKASE DATED FEBRUARY 26TH, 1930, AND PUBLISHED IN THE "OFFICIAL JOURNAL", No. 281, OF MARCH 15TH, 1930).

Sole Article. — In Article 3, paragraph 1, of the Law on the Stabilisation of the Leva and Currency Circulation in the Kingdom of Bulgaria, published in *Official Journal* No. 200, of December 3rd, 1928, the figure "680" should read "500" and at the end of Article 3, paragraph 3, after the word "alloy", should be added the following words: "calculated in both cases on the basis of 100 grammes for each kind of coin."

Appendix V.

LAW CONCERNING THE FISCAL EXEMPTIONS GRANTED TO JOINT-STOCK OR LIMITED PARTNERSHIP BANKS AND TO CO-OPERATIVE CREDIT ASSOCIATIONS (SANCTIONED BY UKASE DATED APRIL 17TH, 1930, AND PUBLISHED IN THE "OFFICIAL JOURNAL", No. 20, OF APRIL 28TH, 1930).

Article 1. — Joint-stock and limited partnership banks and co-operative credit societies shall be exempt from the payment of surtaxes and supplementary charges on:

(a) Deductions from net profits placed to reserve funds, to whatever amount, up to 100 per cent of the capital;

(b) Staff pension funds and other reserve funds, with the exception of funds earmarked for guaranteeing regular dividends;

(c) Secret reserves, if any, as shown by valorisation of the balance sheet;

(d) Premiums charged on share issues for the increase of capital and paid into the reserve fund with the object of equating such issues with the real value of the existing shares and stock.

Article 2. — Any instrument, deed (notarial deeds and shares included) drawn up or issued on the amalgamation of joint-stock or limited partnership companies and co-operative societies with limited liability legally constituted and properly registered, shall be exempt from all taxation (including the tax on capital referred to in Article 94b of the Law on the 6/12 of the budget for the second half of the financial year 1919-20 and the 10 per cent surtax for the " Law Courts Fund "), dues, stamp duties, etc., if such amalgamation took place and was registered between April 1st, 1930, and December 31st, 1931.

The above exemption shall apply equally to amendments of statutes and increases of capital made on the amalgamation of the above-mentioned companies and associations.

Taxes, dues, contributions, etc., which have already been paid for amalgamations applied for before April 1st, 1930, shall not be refunded.

Appendix VI.

POSITION OF THE NATIONAL BANK OF BULGARIA.

	As at May 31st, 1930 (in leva)	As at June 30th, 1930 (in leva)	As at July 31st, 1930 (in leva)
<i>Assets.</i>			
1. Gold coin and bullion	1,411,405,036	1,418,182,362	1,422,285,598
2. Silver	169,962,221	169,962,221	169,962,190
3. Foreign gold exchange	348,531,659	348,823,308	320,341,684
4. Other foreign exchange	509,157,337	488,572,763	589,684,447
5. Bulgarian small coinage	86,946,656	85,769,724	82,692,665
6. Bills of exchange and promissory notes:			
Commercial Bills	635,931,839	557,874,318	514,541,339
Treasury Bills	—	—	—
7. Advances:			
To the Government	—	—	—
Other advances	346,956,776	345,989,877	330,953,570
8. State debt	3,339,302,000	3,279,302,000	3,279,302,000
9. Investments	264,918,979	331,855,576	329,402,902
10. Buildings and equipment	26,469,665	26,779,485	26,858,725
11. Other assets	323,552,621	321,724,085	313,102,394
Total assets	7,463,134,793	7,374,835,723	7,379,127,517
<i>Liabilities:</i>			
12. Capital paid up	500,000,000	500,000,000	500,000,000
13. Reserve funds	1,253,724,591	1,253,466,091	1,253,890,635
14. Notes in circulation	3,364,122,882	3,396,249,205	3,435,193,857
15. Other sight liabilities in leva	1,705,562,736	1,540,002,542	1,445,799,552
16. Deposits, in leva, at notice	288,427,422	287,332,506	284,901,041
17. Foreign exchange liabilities	84,432,377	113,127,576	133,227,335
18. Other liabilities	266,864,782	284,657,801	326,115,059
Total liabilities	7,463,134,793	7,374,835,723	7,379,127,517
<i>Cover:</i>			
(Proportion of gold and silver, plus net amount of foreign gold exchange, to bank-notes in circulation, plus sight liabilities)	36,40%	36,95%	36,45%
Discount rate	10%	10%	10%

Geneva, September 26th, 1930.

LEAGUE OF NATIONS

FINANCIAL WORK

REPORT PRESENTED BY THE SECOND COMMITTEE.

Rapporteur : M. VENNERTEN (Sweden).

The work carried out by the Financial Committee or under its general direction up to the end of last August has been recorded briefly in the report of the work of the League since the tenth session of the Assembly and in the supplement to that report. The last meeting of this Committee, however, only terminated on September 9th, and on that occasion the Committee submitted to the Council one of the most notable reports which it has prepared for a number of years. This report (document A.41.1930.II), which has been laid before the Second Committee, is divided into two parts. The first part deals with current work and the second contains a brief review of the Financial Committee's past work and a considered statement concerning its functions.

The Second Committee desires to draw special attention to this document, which was approved by the Council on September 24th, and especially to the second half of it.

The first part of the report records the successful termination, or proximate termination, of four of the major pieces of work which have occupied so much of the Committee's time in recent years — the Greek Refugee Settlement Scheme, the measures adopted in connection with Greek financial reconstruction, the Bulgarian Refugee Settlement Scheme and the monetary and banking reorganisation in Estonia.

But, since this report, considered so recently by the Council, was drafted — indeed, during the last few days — another, a fifth important undertaking for which the Financial Committee has been largely responsible — the Convention on Financial Assistance — has been brought to a successful conclusion.

While one chapter of the Financial Committee's work has thus closed, another has been opened which recounts a story, different, it is true, from the past, but of no less interest or significance.

Thus, the Financial Committee draws the attention of the Council to the fact that its special delegation set up to study certain aspects of the problem of the purchasing power of gold has now drafted an interim report dealing with one important aspect of the problem. Thus, too, a new piece of work has just been undertaken by the Committee which is of special interest in connection with the lines along which its activities are now being directed. During the course of its last meeting, the Bulgarian Government, with which the Committee has been for so long in the closest touch, asked that a study should be made of the organisation of the co-operative system in Bulgaria, under the general direction of the Committee; and it has now been definitely arranged that two experts of recognised authority on co-operative questions should be sent to study the situation on the spot. This enquiry is likely to prove of value, not only to the country directly interested, but also to the Committee itself in connection with another question of general importance that has recently come before it — namely, that of agricultural credits, referred to it by the Preliminary Conference with a View to Concerted Economic Action. This recent development will no doubt be watched by all agricultural States that are interested either in the assistance that may be afforded by special enquiries and advice or in the wider problem of the organisation of agricultural credit.

Of the four pieces of reconstruction work which are now terminating, that of the settlement of Greek refugees has deservedly attracted the most public attention. It is not, however, necessary to review in detail now the efforts which have been made during the last seven years to accomplish this end.

The progress of the work has been fully recorded in the twenty-seven reports of the Refugee Settlement Commission, particularly the nineteenth and twenty-seventh reports, and in the volume issued by the Commission in 1926. Moreover, the Assembly has in past years been informed of its progress, and is well aware of the beneficent economic, political and social consequences of the successful accomplishment of this great task.

Speaking of the million and a-half refugees who poured into Greece from Asia Minor in 1922, Mr. Howland, the past President of the Commission, says :

“ On the humanitarian side, imagination cannot compass the event. Only those can make the effort of understanding who have seen destitution, misery, disease and death in all their possible forms, and the scale of this disaster was so unprecedented as to demand even from such persons a new vision.”

The League's Commissioner in Bulgaria and the Financial Committee are of the opinion that the settlement of Bulgarian refugees will be finished by the middle of next year. Though the number of refugees was much smaller than in Greece, their settlement was of real importance both to the economic and to the political welfare of the country.

With reference to the work on financial reconstruction in Greece, it will be recollected that, when, in 1927, the Protocol for the Stabilisation Loan was signed, the Greek Government undertook to make quarterly reports to the Council on its budget situation. These reports have given the occasion for periodical consultations between representatives of the Greek Ministry of Finance and the Financial Committee of the League. The last of these reports has now been received. The work has been remarkably successful. The Greek budget has been in equilibrium during the last three years, and a number of financial administrative reforms of no small importance adopted.

The problem of financial reform in Estonia differed widely from that which had to be faced in Greece, and arose rather from currency and banking than from budgetary difficulties. When the Protocol for the Estonian Stabilisation Loan was signed, it was agreed, therefore, that the Council should nominate an adviser to the Central Bank to be appointed by the Estonian Government for a period of three years. This period has now come to an end, and the banking and currency reform has been successfully completed.

You will recollect that the Rapporteur of the Second Committee, the honourable delegate for Poland, M. Gliwic, in his extremely interesting speech last year, drew the attention of the Assembly to the fact that a special delegation consisting of certain members of the Financial Committee and other experts of international authority have been appointed “ to examine into, and report upon, the causes of fluctuations in the purchasing power of gold and their effects on the economic life of the nations ”. This delegation has made an exhaustive enquiry into the question, which must necessarily form the basis of its subsequent work, whether the prospective supply of gold is likely to prove adequate to meet the probable monetary demand in the future, and has prepared an interim report on this subject. As a result of its very careful and extensive study of the most authoritative sources of information on this subject, the delegation reached the considered conclusion, to quote the words of the Financial Committee itself, “ that the inadequacy of the supply of new gold available for money is likely to be such as to become a factor in the next few years exercising a depressing influence on prices ”. It adds, however, that remedial measures may be found to prevent the consequences anticipated making themselves felt for, at any rate, some time to come, and in the last pages of its report it indicated the directions in which, in its opinion, such remedial measures may be sought.

We have all of us learned to appreciate only too fully the disastrous effects of falling prices, and it is almost unnecessary therefore to emphasise the very great importance of the findings contained in this most illuminating report.

The Assembly will endorse the view expressed by the Financial Committee already approved by the Council, that the report as a whole deserves the serious consideration of the authorities which are responsible for the monetary systems in the different countries of the world.

Other questions on which the Financial Committee has been engaged in the course of the year under review include the Convention for Financial Assistance, to which reference has already been made, falsification of documents of value, the Greco-Bulgarian emigration, the proposed Saar loan, the Hungarian Committee of Control and the Agrarian Fund, the Danzig loans, etc.

Such, then, are the problems which have occupied the major portion of the time of the Financial Committee. But mention must be made also of the work of the Fiscal Committee, which is closely related to it.

The Fiscal Committee has been in existence now for a little more than a year. It is an advisory body for fiscal questions in general, but is primarily concerned with the question of double taxation. This youngest Standing Committee of the League is doing excellent work. It is preparing, at the moment, a multilateral Convention for the avoidance of double taxation. With the help of a grant from the Rockefeller Foundation, it is starting an enquiry into the manner in which the branches and subsidiaries of foreign companies are taxed in different countries. It has already drafted rules for distinguishing an autonomous agent from a permanent establishment, which is one of the most delicate questions in international tax law. It has also adopted, in first reading, rules for taxing patent and copyright royalties. It has prepared a statement on the bearing of the most-favoured-nation clause to taxation questions. With the Transit Organisation, it has prepared a draft Convention on the taxation of foreign motor-cars, etc.

This brief summary may suffice to show how wide is the range of questions with which the Fiscal Committee is engaged, and how actively it has been employed during this first year of its work. It should be added that the work which the League has conducted in the

field of double taxation in earlier years has no doubt contributed to the more equitable conditions which are resulting to-day from the series of bilateral agreements concerning double taxation recently signed between various States.

From what has already been said, it is obvious that the greater part of the time of the Financial Committee in recent years has been taken by its important work on financial reconstruction. As gradually, reconstruction schemes were brought to a successful termination, the Committee was able to devote more of its attention to general problems of international concern, and, very wisely in my opinion, has considered that it might be helpful at this stage to review briefly the work which it has accomplished and the new tasks which lie before it.

In the illuminating and important section of its report devoted to this subject, the Financial Committee divides its work into three main categories :

- (1) General financial questions ;
- (2) Advice and assistance to particular States ;
- (3) Advice on financial questions arising out of current political or administrative work of the Council.

Among the questions of a general financial order now occupying the attention of the Committee may be mentioned the problems of double taxation, of agricultural credits and of the influence of gold supplies on general economic welfare, to which allusion has already been made. These three questions are selected simply by way of illustration out of the many of outstanding importance that deserve and command the attention of the financial experts who have put their services at the disposal of the League.

The Financial Committee also alludes in its report to the question of the alternating periods of prosperity and depression. This question is being considered by the Second Committee in connection with the economic work of the League. In all such cases having at once economic and financial interest, the appropriate divisions of the Economic and Financial Organisation of the League will of course work in close co-operation.

The section of the report, which, in the opinion of the Second Committee, demands the special attention both of this Assembly and of each several Government, is that dealing with the advice and assistance which the Financial Committee is in a position to render to individual States. The reconstruction work carried out by the League during the last ten years has necessarily depended for its success on the sound advice which the Financial Committee has given. Incidentally, the raising of foreign loans has, in most cases, also been necessary in order to re-establish national finances on a sound basis. But, as the Financial Committee itself points out, that fact has been an accident of the abnormal circumstances of the past, and it is desirable that Governments should realise the facilities which the League offers for the wholly disinterested advice on financial questions of a body of persons of the standing and authority that the members of this Committee possess. The range of questions — whether they be related to questions of budgetary or taxation systems, currency or banking, the organisation of credit for agricultural or other credit, or the general financial conditions of a country — on which Governments may desire to avail themselves of such advice is obviously a wide one.

It is possible, of course, that the advice sought may have a bearing on some future loan that a country wishes to raise, and the Council has approved the suggestion that such advice should be given on the condition that, if the fact that it has been obtained " is mentioned in connection with a loan operation, the prospectus of the loan shall contain a statement drafted by the Committee explaining the exact limits of the responsibility it has assumed " .

It may, it is thought, be anticipated that, when advice is sought in the future, it will normally be either wholly unconnected with, or but indirectly related to, subsequent loan operations. It is not impossible, however, that problems of financial reconstruction more or less similar to those already undertaken may arise, or that a Government may desire to raise loans " under the auspices of the League " for general economic development. The Council has approved the proposal that loans for economic development in a particular country should not, in principle, be regarded as within the scope of loans which may be issued " under League auspices " ; but this is not to exclude the consideration of such loans when they present special international interest or advantages.

The third category of work before the Financial Committee— *i.e.*, " Advice on financial questions arising out of current political and administrative work of the Council ", is no less important than those to which reference has been made. The Financial Committee is, of course, the technical advisory body of the organs of the League of Nations on financial questions ; and, now that the work of reconstruction is so nearly completed, it may perhaps be expected that a greater proportion of its time will be devoted to the financial questions which arise out of the work of the League in other fields. The Financial Committee gives as examples of this kind of work financial questions arising in relation to work of the Mandates Commission, or the administration of the Saar, or the preparatory work in relation to Article 16 (and application, if the occasion arose), or budgetary problems in connection with disarmament.

The great reputation and authority acquired by the Committee during the past decade has been well deserved, for it is the fruit of hard and disinterested technical work which has produced practical and visible results known the world over.

It has often been said from the tribune of the Assembly, and particularly repeated this year, that we cannot expect from a new institution like the League quick and positive results in attempting to deal with the complex problems which beset the modern world. But here we have an example of practical results of far-reaching effect being obtained through the determined and careful work of a group of first-class experts animated by a determination to carry to a conclusion by co-operative effort the important tasks which have been submitted to it.

I beg to propose the following resolution to the Assembly :

“ The Assembly :

“ (1) Expresses its appreciation of the valuable work of the Financial Committee ;

“ (2) Draws the attention of all Governments to the interim report on the question of the purchasing power of gold submitted by the Financial Committee to the Council ;

“ (3) Approves the principles set out in the statement of the Financial Committee on its work and functions which is contained in the report on its thirty-ninth session, transmitted by the Council to the Assembly for its consideration ; and

“ (4) Expresses its appreciation of the work being undertaken by the Fiscal Committee.”

Geneva, September 29th, 1930.

LEAGUE OF NATIONS

ECONOMIC WORK OF THE LEAGUE OF NATIONS

12

**REPORT AND DRAFT RESOLUTIONS PRESENTED BY THE
SECOND COMMITTEE TO THE ASSEMBLY.**

Rapporteur: M. DE MICHELIS (Italy).

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A. GENERAL CONSIDERATIONS.

Before setting out in the present report the results of the Second Committee's discussions and submitting to the Assembly the conclusions arising therefrom, a few general impressions may be given of the main tendency of this Committee's work.

There is an unhesitating and clear determination to find a remedy for the confusion at present existing in world economy by strengthening, rationalising and systematising what is commonly called "concerted action" between States. It has been expressed with a force and depth of feeling that show the seriousness of the evils from which all countries in the world are suffering and betray a fear of the disasters that may result from this state of affairs and endanger international relations. Throughout all the Committee's discussions one idea has constantly recurred—a greater and more sincere effort must be made towards international co-operation, with a view to ensuring a peace resting on solid foundations.

To what points should this effort be directed in the economic sphere? Is it by closer co-operation between all the countries of one continent, by agreements between certain groups of such countries, by seeking for closer co-operation between continents, by lowering Customs tariffs, by rationalising the most-favoured-nation clause, by regulating credit, or by rendering more normal the movement of gold that the causes of the confusion and misunderstanding between the various countries can be most rapidly removed, and that a rational basis can be created for international trade? In the Second Committee's discussions, very few speakers questioned the value of one or other of these measures. Henceforward, there can be no doubt that they may all contribute to the desired result. Divergences of opinion appear when an effort is made to arrive at an agreement—which is, however, indispensable—on the relative importance and efficacy of these measures, the order in which they should be taken up, and the way in which they should be co-ordinated.

The investigation conducted by the Second Committee has, in this respect, given substantial results. The speeches of delegates have not only constituted a careful diagnosis of the economic ills and troubles prevailing in the world, but have also made a highly valuable contribution to that process of arranging the various tasks in order of succession, which is an essential element for the success of the work of the League.

It should be noted that the Committee had to conduct its work in accordance with the ideas and opinions expressed by the Assembly during the general discussion. Were any principles evolved from this general discussion that could guide the Committee in the investigation which it was about to make into the new demands imposed on the combined action of the States by the economic depression? Did this general discussion lead to the establishment of guiding principles which would facilitate the work of the Second Committee? It is unnecessary to recall all the statements made on any particular economic measure, but it is desirable to draw attention to certain points of agreement shown in the discussion in the Assembly which might at any rate direct the lines of the Committee's work.

Among the principal subjects forming what may be called the common setting of all the economic questions submitted to the present Assembly may be mentioned the inadequacy of national action, as a means of solving of the economic problem effectively and the more and more urgent necessity of organising world economic conditions, the usefulness of regional economic agreements—in particular, a European agreement within the organisation of the League—the evils of an excessive protectionism and the necessity of remedying them.

In addition to these general principles, other definite and special problems were raised in the debates which the Committee had to take into consideration. We may mention the manner in which, and the extent to which, the struggle against protection should be carried on; the obstacles encountered in applying the most-favoured-nation clause, and the necessity of an international settlement of this question; the basis, contents and limits of agreements between groups of States with common interests, or agreements for the exchange of certain commodities and articles; the agricultural depression; the distribution of gold; the circulation of capital, of raw materials and of labour; credit; the possibility of shortly convening the International Economic Conference.

In addition, the Committee had to report on the work accomplished since the last Assembly, particularly in execution of the resolution regarding concerted economic action. It has had the greatest satisfaction in recording the results obtained. At this point, the Committee would refer to the imposing volume of work accomplished by the Economic Organisation.

B. RESULTS OF THE LEAGUE'S WORK IN ECONOMIC QUESTIONS SINCE THE LAST ASSEMBLY.

I. The first step was taken by the *Preliminary Conference*, held at Geneva in February and March this year, which led to the establishment of the *Commercial Convention* and the *Protocol regarding the Programme of Future Negotiations*. It should be pointed out that, in pursuance of the decisions of the last Assembly, all the States Members and non-Members of the League of Nations had been invited to take part in this Conference. However, by a process of auto-selection, probably corresponding to deeply felt needs, this Conference assumed a definitely European character.

In fact, all the signatories of the Commercial Convention of March 24th, 1930, and of the Protocol of Future Negotiations are, without exception, European countries.

For the first task assigned to this Conference, a draft had been prepared by the Economic Committee in accordance with the Council's instructions. An attempt was made in this draft to embody the idea of a Customs truce on the basis of which the future negotiations were to be carried on. But, as the work of the Conference proceeded, the difficulties in the way of such a scheme loomed larger and larger as most countries did not feel that they were authorised definitely to abandon, even for a short period, the right to introduce modifications in their Customs system in favour of certain branches threatened by the depression. In taking this line, the Conference was influenced, in particular, by the precarious position of agriculture. It soon became evident that, if the Conference wished to maintain intact the project of the Customs truce, it would have to dispense with the co-operation of several important countries or destroy almost entirely the value of the principal undertaking by admitting a great number and variety of exceptions.

The Conference had apparently arrived at a deadlock, and it was only thanks to the goodwill of the delegates that it was able to adopt a new formula and draw up a Convention which has up to the present been signed by eighteen European countries. The Customs truce, as conceived by the Economic Committee, was replaced by the undertaking to prolong, until April 1st, 1931, any commercial agreements which might expire before that date.

This prolongation is supplemented by a system of safeguards intended to secure a relative measure of stability in the Customs system of the signatory countries.

At first sight, the Commercial Convention may appear a much less effective agreement than the Customs truce proper, but the Second Committee is of opinion that its value should not be underestimated. In this Convention the States have, for the first time, recognised in the most explicit manner the interdependence between their national tariff policy and the interests of other States. In consideration of this they have undertaken to submit any Customs increases—save any modifications of duties introduced by law or on account of urgent circumstances—to negotiations designed to minimise, as far as possible, the injury which such increases might cause to the interests of the other signatory States. This is undoubtedly a considerable advance.

2. The second part of the Conference was devoted to establishing a list of the questions which should form the subject of future negotiations.

The result of this work is recorded in a Protocol defining the limits within which the negotiations should take place and indicating the procedure to be followed in preparing these negotiations.

The signatures of only three countries are now required for the Protocol to constitute a complete framework corresponding to the idea of European economic union which was so strongly emphasised at the Tenth and Eleventh Assemblies.

3. In November 1929, the *International Conference for the Treatment of Foreigners* was held at Paris.

This Conference, which was attended by forty-seven countries from all parts of the world, had to deal with an extremely complicated question bearing on a wide range of subjects. It is not surprising that the Conference encountered great difficulties. It nevertheless accomplished extremely valuable work by discussing and defining, in the course of long debates, a great number of questions which are now cleared up and prepared for final decision.

The Conference began work on the basis of a draft inspired by liberal ideas and established by the Economic Committee. In many cases, the Paris Conference improved the provisions drawn up by the Economic Committee by making them clearer and surrounding them with the necessary safeguards; but it must be admitted that in its desire to make allowance for the special circumstances of this or that country, the Conference proceeded to weaken the provisions to such an extent that it found itself heading for an agreement that would certainly have provided even less than the present practice.

The Conference declined to adopt this course, and preferred to postpone the conclusion of the Convention to a second session, in preparation for which a Committee was formed.

4. *As regards the Convention for the Abolition of Import and Export Prohibitions and Restrictions*, the effects of the economic interdependence existing, in particular, between the many countries grouped together in Europe made themselves felt in no uncertain manner, and unfortunately to the detriment of the success of the contemplated action.

The fact that one of the signatory countries was unable to ratify the Convention led, by a chain of consequences involving one country after another, to the abstention of a whole group of closely connected countries, and thus reduced to seven the number of States between which the Convention is in force for a certain period. These are Great Britain, Denmark, the United States of America, Japan, Norway, the Netherlands, and Portugal—all countries in which, with few exceptions, the system of prohibitions is not applied.

5. The *Committee of Veterinary Experts* succeeded in evolving a number of important principles relating to the organisation of veterinary services, and to the institution of an international basis of a more effective struggle against animal diseases by closer co-operation between the services concerned.

6. In two spheres in particular the League of Nations has obtained striking results in the course of the past year.

The *International Conference for the Unification of the so-called "Continental" laws on bills of exchange* led to the conclusion of three Conventions, which have so far been signed by twenty-six States. In view of the attitude of these States, it is reasonable to expect that the

ratifications will take place within the periods laid down. The League of Nations will then have recorded marked progress in a question which should facilitate the normal and smooth development of commercial relations. In this way, the object of the Hague Conferences of 1910 and 1912 will have been achieved.

The regulation of the laws regarding cheques was referred to a second session of the same Conference, which will probably meet early in 1931. The interval between the two sessions is being employed in thorough preparatory work, and there is every reason to believe that the second Conference will prove as successful as the first.

7. Last year, the Assembly asked that the work relating to the *unification of Customs nomenclature* should be completed before the meeting of the Eleventh Assembly. The Second Committee noted the report submitted by the Sub-Committee of Experts to the Economic Committee, indicating what had so far been done, the work still to be accomplished and the reasons why the work could not be completed within the period laid down.

The unified Customs nomenclature can be drawn up in its entirety, accompanied by the necessary explanatory notes, by the end of the first half of 1931. The Sub-Committee of Experts has already contemplated certain forms of procedure to facilitate the adoption of the unified nomenclature by the various States and to maintain the unity of this nomenclature once it is adopted.

8. Immediately after the last Assembly, the Economic Committee summoned a joint meeting of coal experts who had already been heard in two separate groups.

The experts considered and discussed at length the various possibilities of international co-operation, to which attention had been drawn at previous meetings, including a proposal for the establishment of an international organisation grouping together delegates representing the Governments, labour, industry and consumers.

They further considered other international aspects of the question, such as, for example, how the artificial measures affecting the production or distribution of coal might be made less drastic.

The discussion thus begun was found most useful, and has furnished information and suggestions of great value: but the views concerning the different forms of possible co-operation were still too indeterminate to enable the Economic Committee to formulate conclusions.

It seemed necessary, moreover, to await the further progress of the work which is proceeding under the auspices of the International Labour Office on the adoption of international measures about conditions of work, and, in particular, hours of work in coal-mines. It will be remembered that, in June last, the International Labour Conference had before it a draft Convention, which did not obtain the necessary majority of votes and is to come up again at the next session of the Conference.

The Economic Committee will be in a position to resume its study of the question as soon as circumstances allow it to do so.

9. This year, for the first time, the Economic Committee has got into direct touch with the qualified representatives of agricultural circles by means of a meeting of experts, with the co-operation of the President and one other representative of the International Institute of Agriculture. This co-operation will provide a valuable basis for all the economic studies which the League may undertake on subjects connected with agriculture.

The reports of the experts on the nature and causes of agricultural depression in the various countries will shortly be collected together, and will undoubtedly constitute a useful basis for further discussions.

A powerful factor contributing to the conciliation of the various and sometimes conflicting views expressed concerning the programme of future work has been found, not only in that determined spirit referred to already, which actuates all persons having public responsibilities—the determination, that is, to overcome all obstacles and to organise economic peace, in the face of no matter what adversity or antagonisms—but also in the knowledge that the means to that end and the instrument required are available in the form of the Economic and Financial Organisation of the League of Nations. The Committee was unanimous, as the Assembly will doubtless be, in conveying to the latter an expression of its profound satisfaction.

10. It may be taken as certain that all problems referred for study to the Economic Organisation will be considered with the greatest care. The range and variety of the economic enquiries undertaken by the League, for which it is frequently criticised, are not the result of ill-considered initiative on the part of the executive organs of the Secretariat; they are simply the consequence of, or sequel to, decisions taken by the Assembly or the Council. The range and variety of these researches is due to the universal character of economic difficulties and their complexity and interdependence.

If the number and extent of these researches are not detrimental to thorough and efficient work, this system must be preferred to a system of fragmentary studies, limited in scope and taken up seriatim, which can only yield a partial reflection of economic realities. For time is a factor engendering continual, and sometimes abrupt, changes in these realities; and, though (as we have said above) it may be necessary for the success of the League's endeavours that the various subjects should be taken up in sequence and that efforts should be concentrated on them in turn, it is also important, at certain moments, to survey and appraise the economic situation in its manifold forms, in order to determine clearly what measures should be proposed and what their effects are likely to be.

We believe that the methods of the League of Nations, with its special studies and special conferences fitting into the framework of its general enquiries and general conferences, provides a sound means for procuring abundant and accurate information on the principal problems of the day.

C. WORK OF THE COMMITTEE.

I. *Development of the Economic Depression.*

In conformity with the preliminary discussion in the Assembly on economic subjects, the discussions of the Second Committee, which were dominated throughout by the worldwide economic depression, have either dealt in general terms with the causes and various aspects of the depression in certain countries or throughout the world, or have been directed to the elucidation of various problems of commercial policy which the development of the depression renders more and more urgent.

As regards the first point, the Committee did not consider it desirable to undertake an investigation into the causes of the economic depression to be carried on by the League independently of what others are doing in the same direction, but thought it would be well to collect the evidence which exists already and which is being gathered by different national institutions and to complete the investigations so far as there may be any lack of information.

Since the action consequent upon the first Conference is now in full swing, the Committee does not consider that the time has come to summon a Second World Economic Conference at an early date. The Economic and Financial Organisation of the League exists for the very purpose of keeping in touch with the progress of the work, elucidating obscure points, and following closely all the questions raised by the evolution of the depression. As a large number of enquiries have been conducted in the various countries on the subject of the depression and the difficulties of every kind to which it gives rise, the Committee considers that the Economic Section should devote itself to the task of scrutinising and co-ordinating this mass of data with a view to determining its main characteristics.

One special aspect of the question is that of the recurrence of periods of economic depression to which allusion was made by certain delegates in the first days of the present session.

When we consider the magnitude of the losses from which the world suffers during a period of economic stagnation similar to that through which the world is now passing, it is impossible not to be impressed by the almost absolute failure of society up to the present to devise any means by which such disasters may be averted. The Committee felt that this problem was one which imperatively demanded co-ordinated and concerted study, and recommends, therefore, in a separate resolution, (1) that the facts and special characteristics of the present depression should be ascertained and carefully sifted with the aid of work already done by national research institutions and (2) that an endeavour should also be made to study the causes of the recurrence of periods of prosperity and depression.

National investigations are already being conducted in certain countries. A number of research institutions have been founded in recent years to study this question, and a number of Governments have set up, in addition, central economic planning or advisory councils.

The Committee considers that the first step should be to ascertain, after consultation with the bodies just mentioned, by what means the work which is now being done may be co-ordinated and stimulated, to collate the results already reached, compare the experiences and researches of the various national institutions and thus at once to promote the world study of what is essentially a world problem and to devise means by which countries may acquire a greater control over their economic destinies.

The Committee, however, desires to add that it is fully conscious of the difficulties and obscurities of this highly technical scientific problem. It is not putting forward this recommendation on the assumption that any ready-made solution is likely to be rapidly discovered. It felt, however, that the League would be failing in its obligations if it refused to face the problem on the grounds that it was intricate or difficult.

The Committee notes with satisfaction that the number of ratifications necessary for the entry into force of the *International Convention relating to Economic Statistics* have now been received, and that it is, therefore, possible to begin work on the *Annual Survey of Economic Developments*, the preparation of which the Assembly recommended last year. This Survey, which is intended for the general reader, is, of course, wholly distinct from the scientific analysis of the special problems of the economic depression mentioned above.

In regard to one of the symptoms, and at the same time one of the most painful consequences, of the depression—viz., *unemployment*, the Committee understands that the International Labour Office is already enquiring into this question and into the movements of wages. It hopes that it will be possible to utilise the results of this enquiry for the projected study of the development and phases of the prevailing depression. It expresses the hope that close and continuous contact will be established to the greatest possible extent between the League of Nations Economic and Financial Organisation and the International Labour Office with a view to utilising the specialised experience of the competent organisation in connection with any other economic question that affects the interests of labour. This would apply, in particular, to the question of coal, which, as stated above, has been the subject of study and discussion by the League and which has formed the subject of a communication from the International Miners' Federation emphasising the pressing nature of this question. The Assembly cannot leave out of account the efforts which have been made by the International Labour Office, on the one hand, and the Miners' International Federation on the other to solve this important question in accordance with the general interest.

The Committee considers that the general interest is the interest also of the consuming countries. Provision should accordingly be made for the co-operation of the latter in all future enquiries or meetings.

2. *Agricultural Depression.*

The troubles from which agriculture is suffering, which are one of the primary causes, if not the sole primary cause, of the general economic depression, have been the theme of numerous speakers in the Committee, particularly the representatives of the agricultural countries of Europe. The fundamental facts are well known, and here again it would be useless to propose new enquiries. The depression has been diagnosed on a number of occasions and in more quarters than one. Additional enquiries can only yield more precise information as to the details and incidence of the depression as it has developed in particular circumstances and in particular countries. The data furnished by that valuable source of information, the International Institute of Agriculture, agree in indicating that, in the case of almost all essential commodities and raw materials, there has been a great increase in production, which is almost always in excess of the increase in consumption. In the case of cereals, and wheat in particular, the most recent data do not, unfortunately, suggest favourable prospects.

It will readily be understood that, under these circumstances and with these prospects, anxiety is increasing, that apprehension is deepening and that complaints are growing more and more insistent, while suggestions and recommendations of every kind advocating recourse to immediate and decisive remedial action abound. This state of mind was reflected in the discussions of the Committee, though tempered always by that attitude of reserve which a sense of responsibilities imposes on men of experience.

The Committee is bound to take note of all the work already accomplished by the International Institute of Agriculture, the close and continuous co-operation of which with the League of Nations is a sure guarantee of the value of the investigations and of the justification for such solutions as may be proposed. In particular, the Committee is glad to record the stimulus given by the co-operation of the two organisations in the studies on cereals and sugar, and it notes that invitations will shortly be issued by the Institute to the meetings in preparation for the second session of the World Conference on Wheat, one of these meetings being concerned with European countries and the other with countries oversea. If the Committee could express a wish on this subject, it would be that these meetings should study carefully the way in which new means may be found of utilising wheat for industrial purposes in view of the enormous stocks accumulated. Efforts towards a solution in this sense are already proceeding. It will be necessary to take them into account and to endeavour to extend them and give publicity to their methods and advantages.

Another wish which the Committee expresses is that all the countries concerned will duly afford the most effective assistance in their power to the forthcoming meeting of the Institute, which is to deal with European wheat problems.

3. *The Most-favoured-nation Clause.*

The uneasiness occasioned by the present depression is also responsible for certain difficulties which have arisen in connection with the application of the most-favoured-nation clause, as well as for the movement in the agricultural countries of Eastern Europe which has led to the proposals submitted by the latter to the other States represented in the Assembly.

Whether proposals relate to European agreements on the lines of the idea discussed in the Assembly at the initiative of the French Government, or to more limited projects for regional agreements inside Europe, or, again, to understandings covering the whole of particular branches of production, and not subject to any geographical limits—all these new and frequently conflicting ideas, springing from pressing needs, are so many symptoms of a situation the serious character of which is realised by all. The different countries, conscious of the fact that national action alone, however useful and necessary, is powerless to cope with current difficulties, are anxiously seeking for international solutions.

The Assembly cannot remain passive in face of this state of affairs. The Second Committee is of opinion, however, that it is desirable not to depart from the programme of concerted action which was drawn up, after mature reflection, by the Tenth Assembly.

Reference has already been made to certain divergences of view which became apparent in the Second Committee on the subject of the application of the most-favoured-nation clause. As stated, their origin is probably to be found in the serious difficulties with which agriculture has now to contend in almost every country. Had it not been for this depression, some countries would probably not have found themselves compelled to raise their Customs duties on certain important agricultural products, while compensating such increase by the admission of specified quotas at the old ratio of duty—a development which has been the subject of somewhat lively discussion in recent months.

The question which arises is whether, and, if so, under what conditions, the allocation of quotas is compatible with the spirit of the most-favoured-nation clause. Attention was also drawn to the desirability of studying the question whether the anti-dumping and countervailing duties are compatible with the clause, as also the question how the expression "similar products" should be interpreted.

The Second Committee has been led for these reasons to propose that the Economic Committee should continue its studies on this subject while considering the possibility of submitting the resolutions in due course to a Conference of Governments. The Economic Committee seems to be well fitted to deal with this question, on which it has already reached conclusions that have been favourably received by the majority of countries. The root of the problem is how to find a means of reconciling two conceptions, each of which might, according to the contrary views expressed, prove to be equally prejudicial.

A dogmatic and over-rigid interpretation of the most-favoured-nation clause—to which, for a long time past, commercial custom has allowed certain derogations of a geographical and ethnic character—might, as pointed out in the debate, render impossible partial adjustments which it would be very imprudent to condemn off-hand in the present serious situation. At the same time, it is necessary to prevent the most-favoured-nation clause, which is an invaluable instrument of economic understanding between peoples, from suffering to such an extent as to disturb the operation of the delicate mechanism of international trade.

In the course of discussion, two main ideas were voiced—namely, that a certain amount of elasticity should be cautiously allowed in the application of the clause whenever this appeared indispensable for the conclusion of agreements likely to bring about genuine progress in the economic life of nations; but, that, at the same time, any relaxation of the principle of the clause should be avoided, which might cause it to break down and might entail a fractional disruption of commercial relations.

Without desiring to anticipate the final opinion of the Economic Committee, the Second Committee desires to recall the conclusion at which the latter arrived in the matter of the relations between multilateral agreements of a general character concluded under the auspices of the League of Nations and bilateral Conventions based on the mutual accord of most-favoured-nation treatment.

4. *Bases and Limits of Regional Agreements.*

These reflections on the application of the most-favoured-nation clause were also suggested to the Second Committee by the fact that, both at its own meetings and at the plenary meetings of the Assembly, the question was raised whether the direction to be taken was that of European agreements—the scope of which would be virtually defined by the number and character of the signatories to the Protocol of Future Negotiations drawn up in March last—or rather that of regional agreements as forming an intermediate stage.

Although both these ideas found adherents among members of the Committee, the latter did not express an opinion.

The proposals submitted by the States which took part in the Warsaw Agricultural Conference in August last also raised similar questions of principle. On the one hand, they call for closer co-operation between agricultural countries with the object of mitigating the fierce competition which they are forced to engage in with one another and to organise harmoniously their production and trade. They wish to co-operate in order to secure better domestic organisation and, thereafter, to reach an agreement enabling them to discharge more profitably their function of grain suppliers to other European countries.

This section of the Warsaw Conference's programme cannot but command the Assembly's keenest approval. The disparity between the economic conditions of the above States and those of the so-called industrial countries, the different standard of life, the differences in the stage of organisation reached, the irrational distribution of capital, the difference in money rates are so many obstacles to the harmonious development of European economic forces. The Assembly, therefore, cannot but be gratified at the efforts of these countries to strengthen their economic structure.

The programme of the Warsaw Conference also includes requests addressed, primarily to the other European States signatories of the Protocol of Future Negotiations, and generally to the Members of the League of Nations who have met at Geneva.

One of the most important of these requests, from an international standpoint, is that for the preferential treatment which the other European States are asked to grant to the agricultural exports of the countries concerned.

During the discussions in the Second Committee, the representatives of European States, to whom this request is primarily addressed, stated that they would be glad if they could help to improve the economic situation of those countries, by enabling them to dispose at reasonable prices of their agricultural surpluses, particularly of their excess stocks of grain.

Certain delegations have, however, raised the strongest objections to the establishment of preferential treatment as provided in one of the resolutions of the Warsaw Conference. The delegations of Australia, Canada, India, New Zealand and the Union of South Africa without pronouncing upon the substance of the question, have expressed the opinion that the proposal contained in the Warsaw resolution to accord preferential treatment on the European markets to cereals produced in Europe is not a question on which the Eleventh Assembly of the League of Nations should express an opinion.

Certain other delegations pointed out that, if the question of principle of limited or regional preferential treatment were raised, they would hold that this question would have to extend to all preferential treatment whatsoever and between any States Members of the League.

The Second Committee desires not to prevent European States from improving their economic organisation, but desires to point out that the Tenth Assembly, in its resolution on concerted economic action, afforded other States the opportunity of intervening to protect their interests.

The Second Committee therefore believes that the proposals of the agricultural countries which met at Warsaw come within the scope of the economic reorganisation to be discussed between States signatories of the Protocol of Future Negotiations of March 24th, 1930, always provided, however, that, in accordance with the Tenth Assembly's resolution, the non-signatory

States may be asked to participate; and, further, that the result of all such negotiations shall be brought before a Conference which all States, without distinction, will be asked to attend.

5. *Concerted Economic Action.*

A question to which the Second Committee devoted special attention was the position of the Commercial Convention of March 24th, 1930, and the Programme of Negotiations with a View to Concerted Economic Action.

The Committee recommends that the largest possible number of States should ratify the Commercial Convention, and that States which have not signed or not ratified it should, at any rate, *in practice* give effect to its provisions.

The Committee would be gratified if, at the Conference to be held in November 1930 to decide the conditions under which the Commercial Convention will be brought into force, the States taking part would also give consideration to the Programme of Future Negotiations.

To this end the Economic and Financial Organisation of the League should be asked, first, to go through the replies to the questionnaire included in the Protocol, and single out from these replies the main points which might be discussed.

The Second Committee stresses the fact that, at any rate, no solution likely to improve economic relations should be rejected offhand. The future negotiations for joint concerted action will have reference, partly to Customs tariffs, properly so-called, in regard to which the two main proposals were to work by groups of articles and by groups of countries; partly to non-tariff questions, such as the unification of Customs nomenclature, indirect protectionism, and, in particular, export bounties, dumping, etc.

The work on these two kinds of question should, as far as possible, be conducted concurrently.

Dumping. — As regards *dumping*, the Second Committee was guided by the following considerations:

Whenever sales become difficult, either at home or abroad, owing to the usual customers having neither the means nor the need to make purchases, international competition tends to become abnormal, owing to the urgent necessity felt by large undertakings of securing, at whatever cost, employment for their workers and their plant. In such circumstances, the tendency is for dumping to develop all the more formidably, because, sometimes, owing to special circumstances, it can be practised in very many branches of manufacture and without the persons responsible being in any way concerned to maintain any proportion whatever between cost and sales prices.

The Second Committee was, naturally, disturbed by the alarming proportions which dumping has latterly assumed, but merely condemned once more this unhealthy practice.

6. *Other Questions.*

The following draft resolution seeks to establish a fair compromise by taking due account of the discussions held and the proposals made on other questions during the proceedings of the Committee. Only for the sake of brevity is no mention made of them here.

An exception, however, will be granted in the case of the question which dominated the Assembly—and which has been in the background of all the Committee's debates—the scheme for a European Federal Union. The Committee cannot close its proceedings without expressing the desire that the Assembly should assert the need for a permanent connection, and ultimately active co-operation, between the Economic Organisation and the Commission of Enquiry for European Union.

D. DRAFT RESOLUTIONS.

In conclusion the Second Committee has the honour to submit to the Assembly the following draft resolutions:

“ With reference to its resolution of September 1929, the Assembly is deeply impressed by the gravity of the economic depression at present prevailing throughout the world.

“ It believes that the concerted action contemplated a year ago is more than ever essential and urgent and should accordingly be immediately undertaken and vigorously pursued.

“ It stresses the special importance of the following points:

“ (1) It notes that the first stage referred to in the above resolution was completed at the Preliminary Conference with a View to Concerted Economic Action held at Geneva from February 17th to March 24th, 1930.

“ It accordingly makes an earnest appeal to all the States concerned to see that the Commercial Convention framed at that Conference is put into force as between the States signatories and obtains the accessions of the greatest possible number of other States.

“ (2) The Assembly has had under consideration the Protocol regarding the Programme of Future Negotiations and the report submitted to the Council by the Economic Committee on the work of its thirty-second session.

“ It expresses the hope that the Economic Committee may be able, at its next session, on the basis of the replies received from States represented at the Conference, to draw up concrete proposals so that the Council can, without delay, take steps to have the programme of future negotiations progressively carried into effect.

“ (3) The Assembly notes the proposals of the States which took part in the Warsaw Agricultural Conference, and, without desiring to pronounce on the controversial question of preferential treatment, it finds that these proposals are all part of the general programme for the organisation of the economic life of Europe and come within the scope of the meetings and negotiations provided for in the scheme of the Protocol of Future Negotiations.

“ (4) The Assembly observes that the question of the most-favoured-nation clause, which is included in the programme of future negotiations, has already been the subject of an exhaustive examination by the Economic Committee, the results of which were communicated to Governments; and requests the Council to instruct the Economic Committee to carry on, with the assistance of experts from the countries specially concerned, its investigations on this subject, bearing in mind the views expressed during the debates of the Second Committee.

“ The Assembly further requests the Council to put the question on the agenda of a Government Economic Conference as soon as the Economic Committee's investigations have made sufficient progress.

“ (5) The Assembly has taken particular note of the serious economic consequences of the various forms of dumping when they are encouraged by a policy of State intervention.

“ It expresses the desire that the subject of concerted action, not only in regard to the various forms of indirect protectionism, but also in regard to every aspect of dumping, should be studied with the least possible delay and within the framework of the future negotiations provided for in the Protocol of March 24th, 1930.

“ (6) The Assembly congratulates the Sub-Committee of Experts for the Unification of Customs Nomenclature on the work already accomplished, and recommends that the Economic Committee should supply the Council with information enabling it, at an early date, to apply the procedure proposed for facilitating the adoption by the various States of the unified nomenclature and for preserving the unity of the nomenclature after its adoption.

“ (7) Considering that disputes arising from conflicting interpretations of commercial Conventions or in connection with legislative or administrative enactments affecting international trade constitute an obstacle to economic co-operation, the Assembly endorses the recommendation already contained in the programme of future negotiations that the Economic Committee, on the basis of a careful survey of the existing juridical situations as regards treaties, should study the creation of a permanent organ of conciliation and arbitration to which all disputes among States arising from the interpretation and application of commercial conventions, whether bilateral or multilateral, might be referred without prejudice to the functions and jurisdiction of the Permanent Court of International Justice.

“ (8) Real progress in the direction of economic union cannot be restricted to the movement of commodities and capital, but must necessarily extend, under as liberal a system as possible, to the economic activities of companies and individuals.

“ The Assembly therefore deeply regrets that the complexity of the question prevented the Paris Conference of November 1929 from concluding a Convention on the Treatment of Foreigners which would have marked an improvement on the existing situation, and expresses the hope that no steps may be neglected which might contribute to the success of the second session of the Conference referred to in the Paris Protocol of December 1929 and the conclusion of a Convention on the most liberal bases possible.

“ (9) Noting that the Convention for the Abolition of Export and Import Prohibitions had, on July 1st, 1930, obtained a large number of ratifications, the Assembly regrets that certain special obstacles should have prevented this Convention from coming into force between all the countries signatory thereto, and earnestly hopes the States concerned will not abandon their decision to remove, by the abolition of prohibitions, one of the chief obstacles to the free movement of goods.

“ (10) The actual participation of Government representatives in the economic work of the League of Nations constitutes the essential guarantee for the conclusion and the entry into force of the international Conventions in conformity with the recommendations of the League of Nations:

“ The Assembly accordingly recommends that the Economic and Financial Organisation should secure the actual participation of Government representatives in the economic work of the League of Nations and that, with that end in view, the possibility of convening a Conference of Government delegates at the most suitable moment and under the most appropriate circumstances, if possible annually, should be considered.

“(11) The Commission set up by the Assembly resolution of September 17th, 1930, was instructed to consider the possibilities of close co-operation between European Governments in every field of international activity, including the economic field, and consequently the problems which this Commission will have to study are, to some extent, the same as the problems set forth in the Protocol regarding the Programme of Future Negotiations of March 24th, 1930, more especially as regards the most-favoured-nation clause and commercial policy.

“The Assembly therefore recommends that a close connection should be maintained between the work of this Commission and that involved in the execution of the above-mentioned Protocol, as both are of primary interest to the same States.

“(12) The work of the Committee of Veterinary Experts, acting under the instructions of the Economic Committee, has already led to the framing of certain important principles for the international organisation of the campaign against animal diseases, the internal organisation of veterinary services and technical co-operation on the international plane.

“The application of these principles would help to create an atmosphere of confidence between importing and exporting States, which would encourage the granting of wider facilities to international trade in animals and animal products.

“The Assembly therefore recommends that the Economic Committee should expedite this work in order, after the meeting of experts provided for October 1930, to trace the main outline of one or several international agreements on the question.

“(13) The Assembly is gratified to note the results of the Conference for the Unification of Laws in regard to Bills of Exchange and Promissory Notes, and trusts that these results will be successfully supplemented at the second session of the Conference by similar agreements regarding cheques.

“(14) Notified of the progress achieved by the Economic Committee in its investigations into international industrial agreements, the Assembly recommends that these investigations should be energetically pursued with a view to the drawing up of a general report on all the aspects of the question.

“(15) The Assembly, being informed of the results obtained by the meeting of agricultural experts summoned by the Economic Committee, expresses the hope that this essential co-operation in the consideration of all economic questions relating to agriculture will be continued.

“(16) The Assembly, impressed by the seriousness of the present situation, by the general recession of employment and trade, by the constant recurrence of such periods of economic depression and the failure up to the present to discover any concerted means for averting the losses incurred, resolves that the Economic and Financial Organisation of the League, which has already been studying the causes of fluctuations in the purchasing power of gold and their effect upon the economic life of the nations, should undertake the study of the course and phases of the present depression and the circumstances which led up to it and for this purpose it should collect the information compiled by institutions already in existence in different countries, centralise such information and, where necessary, fill up any gaps that exist.

“For this purpose the Economic Organisation, advised by, in particular the Economic Consultative Committee, should put itself in touch with national organisations, whether consultative or planning councils or research institutions concerned with this matter, and should further, with their aid, consider by what means the work now being conducted on the problem of the recurrence of periods of economic depression may be co-ordinated.

“Believing that the restoration of prosperity in the countries which are mainly concerned with agriculture and the production of raw materials is not only a worthy object in itself, but that it will also contribute to the restoration of prosperity in other countries, the Assembly desires that, in the course of the comprehensive enquiry into world economic depression referred to in the present recommendation, special attention should be devoted to the programme and investigations recommended by the agricultural experts who met at Geneva in January 1930, and to the result of the work carried out by international organisations specially qualified in such matters.

“It also recommends that, in connection with these investigations, account should be taken of the results of the enquiry conducted by the International Labour Office into unemployment and the work of other competent international bodies on this subject, in order that the Economic and Financial Organisation, having collected all the available information, may examine at the right moment the advisability of international action, due regard being had to the economic, financial and demographic aspects of the labour problem, including the question of raw materials.

“(17) In general, the Assembly recommends that, in the case of questions within the competence of other public bodies, the Economic Organisation should take advantage of the work and secure the assistance of the latter, particularly in regard to labour (International Labour Office) and agriculture (International Institute of Agriculture). The Assembly regards such continuous co-operation as an essential factor in the rationalisation of international activities.

“(18) The Assembly notes with satisfaction that the International Convention relating to Economic Statistics has now been ratified by ten States, and will therefore come into force before the end of the current year. It further notes that certain countries have already put into operation some of the provisions of the Convention.

“(19) The Assembly notes the recommendations of the Council that the work in connection with the *Annual Survey of Economic Developments*, the preparation of which was suggested at the last session of the Assembly, should not be undertaken until the Statistical Convention has come into force;

“It decides that, in order to fulfil this necessary condition:

“(a) The *Annual Survey* referred to above should be published as a League document;

“(b) The preparatory work for this enquiry should be begun during 1931.”

[Distributed to the Council and
the Members of the League.]

Official No.: **C. 567. M. 226.** 1930.II.

Geneva, September 30th, 1930.

LEAGUE OF NATIONS

14

WORK AND FUNCTIONS
OF THE
FINANCIAL COMMITTEE

INTRODUCTORY NOTE.

The report of the Financial Committee on its thirty-ninth session (document A.41.1930.II. [F.847]) contains a Statement dealing with the work and functions of the Committee. This Statement is reprinted separately herewith.

The Statement was approved by the Council on September 24th, 1930, and transmitted by it to the Assembly for the latter's consideration. It was approved by the Assembly on September 29th, 1930.

THE WORK AND FUNCTIONS OF THE FINANCIAL COMMITTEE.

The present meeting of the Financial Committee marks the conclusion of the first ten years of its existence. The Committee thinks it useful on this occasion to make a short general report on the stage it has now reached in its work. The main reason why this seems opportune at this moment is not the accident that a decade has just ended, but rather that the work of financial reconstruction is now so nearly completed that the kind of service which the League may render to its members in the financial field is changing in scope and in character. With or without the aid of the League, and whether or not under the direct or indirect influence and example of the work with which the League had been directly associated, the vast majority of countries with a complex economic structure have now reformed their finances and connected their currencies with gold. The process is, indeed, not complete; but, of the cases which remain, some require only the development of a policy already initiated and others present problems very different from those already solved by the League. One category of tasks is therefore nearly ended, while new problems have been brought into prominence.

In the last ten years, the principal, though by no means the sole, work of the Committee has been in connection with financial reconstruction or the establishment of refugees in certain countries. The tasks, even within each of these two spheres, have, indeed, differed considerably in importance, scope and character. In Austria, where disorganisation had proceeded very far, it was necessary to arrange for the issue of a loan guaranteed by a number of Governments and a comparatively extensive control through a League Commissioner responsible to the Council for some years. In Hungary, the problem was in some respects simpler, the required loan was issued without external guarantees, and the control through a League Commissioner was both shorter in duration and, in some aspects, modified in character. In Greece, the first problem which presented itself was the establishment of a very large number of refugees—the majority on the land; and a Commission suitable in composition for the direction of a vast task of land settlement was appointed. It was later necessary to assist Greece in placing her finances on a sound basis, and to help her in raising a loan for this purpose. The problem here, however, was not, as in the two earlier cases, one of restoring a rapidly depreciating currency, but only of strengthening and stabilising one which had elements of weakness; and the difference is reflected in the fact that the advice of a Financial Adviser appointed by the National Bank and periodical consultation of the Financial Committee by representatives of the Government and the Bank were sufficient as means of following the progress of the work. In Bulgaria, similarly, a work of refugee settlement on a much smaller scale was also followed by one of financial restoration, a single League Commissioner in this case both supervising the refugee work and also watching the financial reform as Financial Adviser. The work in these four countries has occupied the major part of the time of the Committee during these ten years. Assistance has also, however, been given to Estonia, in strengthening the National Bank, and to Danzig, both as regards the establishment of a currency and the raising of loans for constructive economic development.

In all these cases, loans were issued "under League auspices", nine being so issued in all.

The work undertaken in all the above-named countries had certain common features. In each case it involved some form of financial reconstruction, the issue of a loan or loans "under League auspices", and some form of responsibility on the part of the League for the execution as well as the original recommendation and adoption of the scheme. The variety, both in problem and in method, is, however, no less striking. For, in some cases, the whole economy of a disorganised country had to be dealt with; and, in another, only the strengthening and technical reform of a Central Bank was needed. Similarly, the method¹ adopted to associate the League with the progress of the work varied from the appointment of a Commissioner-General with extensive powers over the budget to an informal arrangement for periodical consultation.

In the first decade, therefore, the Committee has been mainly engaged upon one special and temporary category of work, reconstruction with the aid of loans issued under League auspices. This work has been important and exacting. It has naturally tended to postpone consideration of other more normal duties of the Committee as the financial advisers of the League within the framework of the Covenant. But, as stated above, this work is apparently nearing its end. No new loans have been issued under League auspices since 1928, and the work already undertaken in this sphere has been finished or is nearing completion.

The following pages describe, and classify, the work as it now is and is developing, and call attention to certain questions in respect of which it would be useful for the Council to lay down the principles on which the Committee should carry out its duties.

¹ As regards method, the Committee would draw special attention to the small book, published by the League, on *Principles and Methods of Financial Reconstruction*.

The work of the Committee has been, and is likely to be, very largely within that sphere of the League's duties which the Covenant describes as the "promotion of international co-operation". The development of this kind of work will, of course, depend upon expediency, opportunity and the desires of Member States at different times, and is subject to no other limiting considerations. In addition, however, the Committee is, of course, available, as the Council's financial adviser, in connection with any specific financial tasks, or the financial aspects of specific tasks arising under other parts of the Covenant.

The functions of a League Financial Committee fall, it is suggested, into three categories, each of which has some examples in past experience, but the relative importance of which seems likely to change considerably in future:

- I. General financial questions;
- II. Advice and assistance to particular States;
- III. Advice on financial questions arising out of current political or administrative work of the Council.

It will be well to consider each of these in turn.

I. GENERAL FINANCIAL QUESTIONS.

The Council will doubtless wish that, as in the past, the Committee shall consider it to be within its competence to watch general financial developments in relation to economic progress, and from time to time take the initiative of making proposals to the Council for the study of any general question that seems at the time to be of special importance.

The most notable, though not the only, examples of general financial questions, among work undertaken either on the request of the Council or on the initiative of the Committee approved by the Council, relate to double taxation, counterfeiting currency, and the gold problem. In each case the Committee has been concerned in the initiation, and, in varying degrees, the subsequent direction, of the work. But in every case the main work has been done through specialised *ad hoc* committees or Conferences. On the gold problem, a preliminary report on the prospective supply and demand for gold is now being submitted to the Council.¹ The Committee hopes to follow this by a fuller study, particularly of those aspects of the problem which have a direct bearing upon practical action.

Among other problems of a similar order which demand serious consideration now or are likely to necessitate such consideration in the near future may be mentioned, by way of example, that of the recurrence of alternating periods of prosperity and depression which the present difficult situation has forced upon public attention, and that of assisting the Economic Organisation in keeping the world informed of the course of financial development. The problem of what is sometimes called the trade cycle is possibly at certain points related to that of the supplies of monetary gold with which the Committee is already concerned. But it is much wider in its range, and for any serious study would require the collaboration of experts in a number of other branches of knowledge and activity in addition to that which is represented by the Financial Committee.

Another subject on which it may prove desirable for the Committee to arrange an appropriate study is that of the conditions which determine the flow of capital from one country into another, its sufficiency, its cost, its form (*e.g.*, for the purpose of short-term credit or long-term investment), etc. Such a study might cover such factors as the effect of taxation or taxation methods, apprehensions as to loss of investments in war or through political instability, or any deficiencies in the available mechanism for arranging different forms of credit transactions; or such a selection among these as the Committee might think to be specially important and suitable for consideration at any given moment.

The Committee has also always been interested in the work which the Economic Organisation does in keeping the world informed by means of special memoranda and co-ordinated statistics of economic progress and development, and it hopes in the future to help, by advice and direction, the extension of this work.

These are only examples of the kind of general questions on which from time to time a central international body of financial advisers may make a useful contribution to the solution of the world's financial problems, either directly or in conjunction with specialised *ad hoc* committees.

¹ Document C.375. M.161. 1930.II.

II. ADVICE AND ASSISTANCE TO INDIVIDUAL GOVERNMENTS.

I. *Advice without "League Loans".*

The basis of the whole of the reconstruction work conducted by the League in earlier years has consisted of advice given by the Committee on problems of financial and monetary reform. For the execution of the plans of reconstruction ultimately formulated as a result of this advice, foreign money has, in fact, in most cases, proved necessary, and the practical problem of raising that money by means of international loans has thus been forced upon the attention of the Committee. In the future, however, it may well be that a number of problems of a technical character will arise, the solution of which will not demand the flotation of special loans.

These problems might, for example, concern: Treasury, budget or taxation systems; currency or Central Bank systems; the organisation of general or agricultural credit; the general financial conditions of a country; special financial difficulties in connection with State railways or roads, State savings banks, other government undertakings, etc.

In fact, there is no necessary relationship between the advice which may be sought from or given by the Committee and the immediate or subsequent issue of loans on foreign markets, whether the advice is concerned with some detailed problem or with the general financial situation in any country.

Advice and assistance in such cases might be entirely unconnected with a loan; it might, as in Estonia, be ultimately followed by a League loan; it might be followed by a loan contracted direct by the Government and not under League auspices.

We think it would be very useful to Member States who may from time to time be thinking of consulting the Committee, that the attitude of the Council and Committee should be made clear beforehand on certain points that arise under the three above alternatives.

In the first place, we suggest that the principle just stated—that financial advice should not necessarily be given only in cases connected with international loans—should be clearly recognised.

In the second place, where it proves desirable that a loan should be issued "under the auspices of the League" (a "League loan"), the Committee considers that it necessarily follows that some measure of responsibility falls upon the League with regard to the subsequent carrying out of the scheme. These cases are dealt with in the next section.

There remains the third class, in respect of which it is most desirable that the League's position should be defined. The "advice" asked may be such as to have a bearing on some future loan that a country wishes to raise, and the wish to assist the issue may be one of the objects of the request. At the same time, the Government concerned may not wish to ask that the loan should be issued "under the auspices of the League", and may not need the help of the Committee as regards the framing of the whole of the scheme with which the loan may be connected or its execution. In the view of the Committee, there is no reason why it should not give its advice in such a case on such questions as it may be asked, without assuming any responsibility for the subsequent progress of the scheme, and without therefore being obliged to establish any system of supervision or periodical consultation. It is, however, obviously desirable that, in such cases, the limits of the League's responsibility should be exactly defined and clearly understood by all concerned. For this purpose two precautions are required:

(a) The issue of a public statement (such for example as the present report) endorsed by the Council, explaining the stage now reached in the League's financial work and pointing out that, now that financial reconstruction has been practically accomplished in most countries, recommendations of loans "under League auspices" will no longer be the normal work; that, more usually, advice only will be given, and, in that case, the League's responsibility will be limited in character to the nature of the advice and in time to the date at which it is given. It will not extend (except where specifically stated) to securing that the advice is followed or that any of the conditions declared to exist at the time of the advice are maintained afterwards.

(b) The stipulation by the Committee, whenever its advice is asked, that, if that advice is ever quoted, or even the fact of its being given mentioned in connection with a loan operation, the prospectus of the loan shall contain a statement drafted by the Committee, explaining the exact limits of the responsibility it has assumed.

These two precautions, combined with the opportunities of communicating information and of publicity which the Committee has, both through its members and otherwise, would, it is considered, be sufficient.

2. "League Loans."

There remain the cases in which the issue of loans "under the auspices of the League" ("League loans") may still be desirable in future.

There may, in the first place, still be problems of financial reconstruction more or less similar to those already undertaken, though these are not likely to be frequent in future.

The Committee is sometimes, however, asked whether it is prepared to consider schemes which are not covered by the precedents of financial reconstruction and refugee establishment. These raise the important question of principle: Should the League be prepared to be associated with the issue of a loan "under the auspices of the League" for purposes of economic development?

In general, the Committee considers that loans for these purposes should not be issued "under League auspices". There may be special circumstances, however, which would make such an issue desirable, as where the League has certain special responsibilities (*e.g.*, as regards Danzig), or where the project promises certain valuable international advantages which might not otherwise be attained.

It is desirable that the general attitude of the League should be known beforehand, and the Committee recommends that it should be defined in the following formula:

"Loans for economic development in a particular country should not, in principle, be regarded as within the scope of loans which may be issued 'under the auspices of the League', but this is not to exclude the consideration of such loans when they present special international interest or advantages."

In the light of the principle so indicated, any specific proposal should be considered on its merits at the time.

Where, in accordance with this principle, the issue of a loan "under the auspices of the League" is considered inadmissible, the Committee might still, of course, give advice on particular features of a scheme without assuming responsibility for the loan or the execution of any programme, subject to the conditions and safeguards described in the previous section.

Where, on the other hand, the issue of a loan "under the auspices of the League" is considered admissible and desirable, the necessary measures to enable the League to follow the progress made in the carrying out of any programme would be determined in relation to the circumstances of the particular case. The method would, as described above, be so arranged as to involve as little interference as possible, amounting, where the case permits, to no more than occasional consultation.

3. Disputes, Conciliation and Arbitration Work.

In a number of cases in the past, the Committee has acted as conciliators or arbitrators in connection with the interpretation or execution of loan contracts to which one of the parties is a Government. This has been done in cases in which no specific provision has been made beforehand in the loan contract (as in the case of the Disconto Gesellschaft loan to Bulgaria), on the request of the two parties and after consideration by the Council of the general character of the dispute, and may also arise in accordance with a provision in the original contract. If such contracts be made in the future, they should, we think, be submitted at the time of negotiation to the League of Nations for approval. But it would only be necessary for the League to consider whether the loan was, in its general character, such as it could be associated with, and whether the actual arbitration clause was satisfactory. It would not be necessary to examine the conditions and details of the loan.

We believe that the development of such arbitration work would have valuable results for a number of reasons.

A real service might be rendered to lenders by helping to secure a settlement of disputes and the execution of contracts by means of the collective moral authority which association with the League gives (and consequently also to borrowers in the negotiations through this prospect), without the dangerous and difficult use of pressure by individual Governments. And, incidentally, such an association would help to form an effective public opinion encouraging the better and more constructive forms of international loans, as distinct from those which include obviously undesirable features.

III. ADVICE ON FINANCIAL QUESTIONS ARISING OUT OF CURRENT POLITICAL AND ADMINISTRATIVE WORK OF THE COUNCIL.

In the whole of its work, the Committee has, of course, acted as the technical advisory body to the Council of the League on financial questions. But, in addition to the problems described above, which have been primarily financial in character, the Council has referred to it from time to time the specifically financial aspects of other problems arising in the course of the Council's current political and administrative work. The preparation of the scheme of financial assistance, as a part of the general proposals advocated by the Committee on Arbitration and Security, may be taken as an example of this kind of work, though usually the questions referred are likely to be of a more limited scope and application. A more typical example is, perhaps, to be found in the work done by the Committee in relation to questions arising from Greco-Bulgarian emigration.

Financial questions arising in relation to work of the Mandates Commission, or the administration of the Saar, or the preparatory work in relation to Article 16 (and application if the occasion arose), or budgetary problems in connection with disarmament, are only instances of financial questions which have arisen or may arise within almost any sphere of the League's work on which the advice of the Committee may be needed.

* * *

The above report is an attempt to describe the main character of the work hitherto undertaken by the Committee; the stage now reached in it; the change in character of the work which is taking place as a result of the general progress in financial stabilisation that the world has now achieved; and to call attention to certain questions on which decisions of principle are desirable as a guidance to future development. A general statement endorsed by the Council would, the Committee believes, at this date be useful as a guide both to Member States, to the Council itself and League organs generally, and certainly to the Committee itself, as an indication of the kind of service which may, with prospects of useful results, be asked of the Committee, and the kind which may not.

For this purpose, the Committee ventures to suggest that the Council and Assembly should authorise the publication of this report as a statement endorsed by them, with such amendments or additions as they may consider desirable.

Geneva, September 22nd, 1930.

LEAGUE OF NATIONS

**APPLICATION OF THE
INTERNATIONAL CONVENTION RELATING
TO THE SIMPLIFICATION OF CUSTOMS
FORMALITIES.**

Signed at Geneva on November 3rd, 1923.

**MEASURES TAKEN BY THE GOVERNMENTS TO GIVE
EFFECT TO THE PROVISIONS OF THE CONVENTION.**

**Summaries communicated by the Governments Parties
to the Convention in Execution of Article 9.¹**

SIXTH SERIES

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Text of the Summaries communicated by the Governments of the following States:	
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¹ For the previous Series, see :
Document C.354.M.127.1927.II.
Document C.180.M.56.1928.II.
Document C.126.M.42.1929.II.
Document C.539.M.193.1929.II.
Document C.183.M.85.1930.II.

Estonia.

[*Translation.*]

SUMMARY No. 1 COMMUNICATED IN A LETTER OF SEPTEMBER 1ST, 1930, FROM THE MINISTRY
FOR FOREIGN AFFAIRS.

.....

As most of the measures laid down in the Convention of November 3rd, 1923, were already in force in Estonia before the latter's accession, on May 28th, 1930, to the said Convention, the Estonian Government has not thought it necessary to amend its legislation for the special purpose of adapting it to the provisions of the Convention. The Government, however, intends to be guided by the principles of the Convention whenever any amendments are made in the existing Estonian Customs laws.

The Estonian Government begs to submit, on certain points of detail, the following observations :

Ad Articles 1 and 2.

Estonian Customs legislation, which is based on the Customs Law of March 7th, 1923, was framed with the predominant idea of granting every possible facility to trade, and is already in agreement with the principles laid down in these articles. A technical revision of the Customs tariff is at present being carried out.

As most-favoured-nation treatment is a principle of Estonian Customs policy, persons and goods, irrespective of their nationality or origin, receive uniform treatment in every way as regards Customs duties and formalities.

Ad Article 3.

Estonian Customs legislation contains only a very small number of import and export prohibitions.

Detailed information on the import and export prohibitions in force in Estonia was sent to the Secretary-General of the League of Nations in a letter from the Ministry for Foreign Affairs dated December 13th, 1924, in connection with a resolution adopted on September 29th, 1924, by the Fifth Assembly of the League aimed at the final abolition of such prohibition.

In a letter of September 2nd, 1927, the Ministry for Foreign Affairs also forwarded a list of all the changes made in this connection after 1924, since when the situation has remained practically unaltered.

Ad Articles 4 and 5.

All regulations relating to Customs formalities, Customs tariffs or modifications in the said regulations or tariffs have, in accordance with the terms of the Convention, been published from time to time in the Estonian *Official Gazette*, and this practice will be continued.

Traders requiring to procure official information in regard to Customs tariffs or the amounts of charges to which any given class of goods is liable may apply to any Estonian Customs office.

Ad Article 6.

Copies of all Customs publications issued in accordance with Articles 4 and 5 will be sent by the Ministry for Foreign Affairs direct to the legations or consulates of the contracting States at Tallinn, to the Secretariat of the League of Nations, and to the International Office for the Publication of Customs Tariffs at Brussels.

Ad Article 7.

The measures taken to prevent the arbitrary or unjust application of Customs laws and regulations have already appeared in the Customs Law.

Complaints regarding the application of these laws and regulations should be sent to the Customs Committee attached to the Minister for Economic Affairs.

Ad Article 8.

Arrangements have already been made for imported goods, regarding which there is a doubt as to the exact application of the Customs tariff, to be at once placed at the consignee's disposal, subject to deposit of an amount sufficient to guarantee payment of all duties chargeable on the said goods.

Ad Article 10.

The current Estonian provisions regarding Customs treatment of samples and specimens do not differ from those in Article 10. In most of the commercial treaties concluded in recent years by Estonia, samples and specimens are treated in accordance with the provisions of Article 10. Identity cards are issued by the Commercial Department of the Ministry of Economic Affairs.

Ad Article 11.

The cases in which certificates of origin are required are shown in the " Rules for the Application of the General and Minimum Customs Tariffs " annexed to this summary.

The conditions governing their issue are laid down in the following treaties of commerce and special agreements :

Treaty of Commerce and Navigation between Estonia and Finland, October 29th, 1921, Article 6 (League of Nations *Treaty Series*, Vol. XIII) ;

Treaty of Commerce and Navigation between Estonia and the United Kingdom of January 18th, 1926, Article 7 (*T. S.*, Vol. XLVIII) ;

Treaty of Commerce between Estonia and Switzerland of October 14th, 1925, Article 12 (*T. S.* Vol. XLIX) ;

Treaty of Commerce and Navigation between Estonia and Belgium of September 28th, 1926, Article 11 (*T. S.*, Vol. LXII) ;

Commercial Convention between Estonia and Greece of January 4th, 1927, Article 14 (*T. S.*, Vol. LXIX) ;

Treaty of Commerce and Navigation between Estonia and Poland of February 19th, 1927, Article IX (only in force as regards Customs treatment, not published in the *Treaty Series*) ;

Provisional Economic Treaty between Estonia and Latvia of March 25th, 1928, Article 3 (*T. S.*, Vol. LXXII) ;

Treaty of Commerce between Estonia and Czechoslovakia of June 20th, 1927, Article 10 (*T. S.*, Vol. LXXVII) ;

Treaty of Commerce between Estonia and France of March 15th, 1929, Article 7 (*T. S.*, Vol. LXXXIX) ;

Treaty of Commerce between Estonia and Austria of December 11th, 1928, Article X (*T. S.*, Vol. XCII) ;

Treaty of Commerce and Navigation between Estonia and Germany of December 7th, 1928, Article 17 (Registered No. 2273) ;

Treaty of Commerce between Estonia and Union of Soviet Socialist Republics of May 17th, 1929, Article 14 (*T. S.*, Vol. XCIV) ;

Treaty of Commerce and Navigation between Estonia and Hungary of April 29th, 1929, Article 13 (*T. S.*, Vol. XCVI) ;

Exchange of Notes between Estonia and Latvia of August 31st, 1928 ;

Exchange of Notes between Estonia and Finland of July 10th, 1930.

As a rule, the organisations designated by the Estonian Government for the issue of certificates of origin are : the Commercial Department of the Ministry of Economic Affairs, the Chamber of Commerce and Industry and its branch offices, the Customs Offices, and the Estonian diplomatic and consular agents within the limits of the powers granted to them.

In the case of goods exported to Latvia, the following additional organisations are authorised to issue certificates of origin : the Pärnu Stock Exchange Committee and Tartu Association of Manufacturers.

No fee, other than the stamp duty legally chargeable, is levied for the issue of certificates of origin.

Ad Article 12.

The production of consular invoices is not required in Estonia.

Ad Article 13.

The present practice in Estonia entirely accords with the provision of this article. Agreements concluded with certain foreign countries concerning the recognition of suitable certificates guaranteeing the quality, purity, district of production, etc., of certain articles exported from the said countries are already in force.

Ad Articles 14, 15 and 16.

The existing practice in Estonia corresponds to the provisions and recommendations contained in these articles and their annexes.

Annex.

RULES FOR THE APPLICATION OF THE GENERAL AND MINIMUM CUSTOMS TARIFFS.

Basis: No. 1 of the Customs Law, the Law enforcing the general and minimum Customs tariffs, commercial treaties with foreign States.

The following rules shall be enforced in applying the general and minimum Customs tariffs :

§ 1. — The general Customs tariff shall apply to all goods coming from countries which have not concluded commercial treaties with Estonia, or the origin of which is not established.

§ 2. — The minimum Customs tariff — *i.e.*, the conventional and fundamental tariffs — shall apply to all goods coming from countries which have concluded commercial treaties with Estonia, on the following conditions :

(1) For purposes of identification, a certificate of origin is required :

(a) For the goods specified under numbers 1 (paragraph 2), 2, 6, 7, 10 (carob beans), 11, 15, 18, 19, 20, 21, 27 (paragraphs 1 and 2), 28, 51, 54, 62, 87 (paragraph 2), 124, 179 (paragraphs 1 and 3), 180 (paragraphs 1 and 4), 195, 196 and 197 of the Customs Tariff except cases coming under § 2, paragraph 2, (a), (b), (c), (d), (e) and (g) of the present rules.

(b) For the goods specified in Lists A and C relating to Article V of the Finnish-Estonian Commercial Treaty, for the purpose of benefiting by the special privileges of that treaty.

(2) A certificate of origin is not required :

(a) When goods coming under Nos. 27 and 28 of the Customs Tariff are accompanied by a certificate in accordance with the conditions of the Franco-Estonian Commercial Treaty confirming their purity and their right to a regional appellation of origin ;

(b) When goods are imported direct as postal packets from the contracting States ;

(c) When goods are imported from contracting States by travellers for their own use and not for purposes of trade ;

(d) When samples are imported by commercial travellers ;

(e) When the origin of the goods in one of the contracting States is proved by trade-marks on the goods themselves or on its immediate get-up (not on the outside packing for transport purposes).

Customs authorities must make a reference to these marks in the inspection documents ;

(f) When, in accordance with No. 189 of the Customs Law or the Note thereto annexed, the importer of the goods produces invoices or specifications with exact data on the origin of goods imported through the usual channel. This privilege shall not apply to the goods mentioned in § 2, paragraph 1(a) of these Rules ;

(g) When tobacco is exported by a business house belonging to a contracting State or to Estonia, having its seat in a contracting State and entered in the Commercial Register of the latter, and when such tobacco is imported by a business house in Estonia or in a contracting State, having its seat in Estonia and entered in the Estonian Commercial Register. For this purpose, production shall be required of : (i) general documents (for a calendar year) regarding tobacco exporting and importing firms ; documents concerning an exporting firm must be certified by the authorities of foreign States and legalised by the Estonian diplomatic or consular representative ; and (ii) original signed invoices for each separate consignment. If invoices are certified by the authorities of foreign States, they shall not require legalisation by the Estonian diplomatic or consular representative.

§ 3. — When, as a result of reliable information, the origin of goods is disputable, the Customs authorities may require in every case the production of certificates of origin, which must be effected within three months at the latest from the day on which the Customs authorities make such a demand.

§ 4. — The certificate of origin must certify that the goods imported originate in one of the contracting countries or have undergone treatment therein. Treatment shall only be considered as such if it is economically justified, and this justification shall, in case of doubt, be determined by the usual procedure laid down in the Customs Law ; in the case of goods treated in Finland and referred to in § 2, paragraph 1 (b), only when the value of the raw material plus the cost of treatment amounts to at least one-half of the value of the goods.

§ 5. — A certificate of origin must contain the following information : mode of packing, number of packages, marks and numbers ; nature and character (commercial nomenclature) of the goods and the exact quantities in gross and net weight, or the pieces, number or dimensions if the goods are offered for sale in such a manner.

§ 6. — When the goods are imported direct from the country of origin, the certificate of origin to be presented must be issued by the competent authorities (Chambers of Commerce, Customs offices, etc.) of that country within a period of twenty days at most in the case of European countries, and within three months in the case of non-European countries after the despatch of the goods. This time-limit shall not apply to the certificates of origin referred to in § 3.

§ 7. — When the goods are imported from a third country, presentation must be made of :

(a) the certificate of origin referred to in § 6, together with a supplementary certificate issued by the Customs authority or the management of the free port attesting that the goods have been under the continuous control of the Customs and have not undergone any handling, or

(b) the certificate of origin issued by the diplomatic or consular representative of the country or origin of the goods in the third country ; or

(c) the certificate of origin issued by the competent authority of the third country on the basis of information obtained at the place where the certificate was issued, giving the name of the country of origin, if Estonia has granted to such third country the same privileges as are enjoyed by the country of origin of the goods ; or

(d) The certificate of origin issued by the Estonian diplomatic or consular representatives, where so empowered, on the basis of information obtained at the place where the certificate was issued.

Note. — All the certificates referred to in § 7 must be issued within the periods referred to in § 6.

§ 8. — All documents of origin (certificates of origin and supplementary certificates) issued by the authorities of the contracting countries must be legalised by the Estonian diplomatic or consular representative having his seat in the country where the document of origin is issued. If there is no Estonian diplomatic or consular representative in such country, the documents of origin produced may be legalised by the representative of such country in Estonia.

§ 9. — Documents of origin do not require legalisation in the case of goods belonging to countries with which an agreement has been concluded on this subject on the basis of reciprocity.

§ 10. — Documents of origin must, if possible, be presented to the Customs authorities before examination of the goods, and in any case before the goods are withdrawn from the Customs. After such period, the certificates of origin shall not be recognised except where the person entitled to the goods has applied, before Customs clearance, for permission to deposit samples thereof (or had an exact description of the goods entered by the Customs authorities in the examination documents) and has been authorised to deposit the difference between the amount of the duties assessed under the general tariff and the duties computed on the basis of the preferential tariff. This privilege of producing documents of origin after the goods have left the Customs shall only apply in cases where the origin of the goods is indisputable and where documents of origin have, for any reason whatever, not yet been produced to the Customs. In such a case the goods shall be entered in the examination documents and be cleared through the Customs on the basis of the conventional tariff, and the aforesaid difference of Customs duties shall be levied merely as a guarantee. If, within one month after Customs clearance and release of the goods, no documents of origin have been produced, the Customs duty deposited as guarantee shall be considered as finally collected to cover Customs duties. Where a reasonable explanation is given, the Customs authorities may extend the time-limit by two months. The above supplementary documents of origin must similarly be issued within the periods referred to in § 6.

§ 11. — On the present Rules coming into force, the Instructions of the Ministry of Finance, No. 646-M, of April 27th, 1927 ; and No. 3004-M, of July 3rd, 1928 ; No. 4918, of September 10th and October 16th, 1928 ; and No. 7522-M, of January 22nd, 1929 (RT 47-1927 and RT 58-1928, RT 75 and 85-1928 and RT 8-1929) shall be abrogated.

§ 12. — The present Rules shall come into force one month after their publication in the *Riigi Teataja*.

Sweden.

SECOND SUMMARY COMMUNICATED BY LETTER FROM THE MINISTRY FOR FOREIGN AFFAIRS,
DATED MAY 25TH, 1930.¹

[*Translation.*]

During the triennial period, May 1927 to April 1930, Sweden has adopted a new Customs Ordinance (*Tullstadga*) and thereafter special Customs Regulations (*Tullordning*), both of which came into force on May 1st, 1928. The Customs Ordinance, which was promulgated by the King, contains little but fundamental provisions concerning foreign trade, its obligations and rights; whereas the Customs Regulations, issued by the Customs administration, furnish rulings of minor importance. This division into two texts is intended to facilitate the granting of exemptions and the adoption, as and when required, of amendments of a non-statutory character to the provisions concerning foreign trade.

The above-mentioned texts contain various regulations the result of which has been greatly to facilitate and simplify the execution of Customs formalities. We may mention the following examples :

Under the clause in the Customs Ordinance previously in force, vessels were required, on their arrival in Sweden, and in some cases on their departure, to stop at special points for Customs inspection. Moreover, Customs supervision of foreign goods exported from a given Customs district usually continued until the vessel reached the open sea. These forms of Customs supervision of vessels and goods have, as a rule, been abandoned in favour of a general supervision carried out by coastguards.

A former regulation required that dutiable goods exported by rail should undergo some measure of Customs inspection on arrival at the frontier station through which they left the country. This provision has now been abrogated, and the railways have been made responsible for Customs control from the time the Customs office delivers the goods to the station whence they are to be despatched.

The former Customs Ordinance contained a clause under which goods from abroad had to be declared at the Customs within eight days after arrival. On the expiry of this period, the consignee became liable to a fine. This provision has also been abrogated, and it is now laid down that goods need not be declared before being cleared through the Customs.

The new Customs Ordinance makes valuable concessions in regard to duties payable on goods which have been lost or have diminished in weight before being released by the Customs authorities; thus, not only goods accidentally damaged or lost, or diminished in weight owing to leakage, are granted relief from Customs duties and other import charges, but also those which have lost in weight owing to evaporation, desiccation, etc.

The rules for statistics of goods which were previously contained in a separate ordinance have now been incorporated in the Customs Ordinance, and the opportunity has been taken to introduce various simplifications. Thus, contrary to past procedure, a time-limit may now be given for the handing-in of statistical data without the party concerned having to give any special undertaking and without the goods being liable to detention, pending the receipt of such data.

It should, moreover, be noted that goods may now be unloaded at a larger number of small Customs stations, and that facilities are now freely granted when a vessel or any other means of transport applies to enter or leave a port which is not a Customs station with dutiable goods.

Lastly, the new Customs Ordinance provides for relief from certain charges in connection with the guarding of goods by the Customs and the payment of import duties in respect of which charges were previously imposed on traders. Thus, the guarding of goods in sheds or at the docks is now always carried out free of charge. Another rule benefits tourists; it provides that motor-cars registered in Sweden, or furnished with a pass valid in that country, may now be cleared through the Customs free of charge.

Not only are certain formalities for which a charge was formerly made never executed gratuitously, but a new tariff for exceptional measures carried out by the Customs authorities has been introduced, reducing, to a varying extent, the charges made for other formalities.

During the triennial period under consideration, a new Customs tariff (*Tulltaxa*) was also promulgated and came into force on January 1st, 1930. It is the outcome of a far-reaching technical revision of the previous tariff, having as its main object the simplification of the Customs tariff and its rearrangement in a clearer form. The new tariff does not differ appreciably from the old one as regards the scale of the protective duties and the treatment afforded to the various types of commodities.

Mention may be made of the following technical amendments :

¹ For the text of the first summary, see document C.354.M.127.1927.II.

In the first place, important changes have been made in the grouping. Whereas the former tariff was divided into sixteen main groups and twenty-five subsidiary groups, the new tariff has twenty main groups and sixty-two subsidiary groups. The grouping and the allocation of the categories of goods as between the various groups have been carried out as far as possible in conformity with the draft framework for international Customs nomenclature drawn up at the instance of the League of Nations by special experts appointed by the Secretariat. Sweden is thus the first country to give practical proof of its adhesion to this programme.

The new tariff considerably reduces the amount of specialisation by cutting down the number of headings from 1,387 to 1,153. Moreover, a large number of the notes accompanying various headings in the former tariff have now been eliminated. For example, the numerous notes to the effect that certain packings were to be included in the dutiable weight are covered in the new tariff by a general provision to which reference is made by means of letters of the alphabet attached to the various tariff numbers.

In drafting the tariff, every endeavour was made to word the headings so that misunderstandings or misinterpretations should be avoided as far as possible. With this end in view, the headings were abbreviated and simplified, all superfluous items being omitted.

Before the new Customs tariff came into force, the information furnished for commercial statistics had to conform to a list called the statistical list of commodities, the specification of which differed in many particulars from those of the Customs tariff. In consequence, when clearing goods, reference had to be made both to the tariff and to the list, so that the Customs formalities were considerably complicated and prolonged. In order to avoid this inconvenience, the list has been incorporated in the new Customs tariff, which, therefore, now includes all information necessary for clearing purposes, collection of charges and statistics.

Simultaneously with the new Customs tariff, new provisions relating to drawback came into force. These afford greatly enhanced opportunities for obtaining a refund of the duties paid on goods imported from abroad and re-exported, in the same condition or after transformation.

The underlying idea of the new rules is that the procedure for refunding should be based to a larger extent than formerly on confidence in the trader or manufacturer, whose claim to the drawback is therefore carefully scrutinised in the light of his business reputation and other respects before his application is allowed. In this manner, it is possible to concede valuable facilities in connection with Customs treatment, the main consideration being, in such cases, the commercial standing of the parties concerned.

Under the former regulations, an application for drawback might be refused when the goods in respect of which the refund was demanded were also produced in Sweden, and could therefore be obtained in the country. This restriction has been abolished. Furthermore, the right to the so-called "commercial refund" — that is to say, a refund in respect of goods re-exported without having undergone transformation, a right hitherto restricted to certain specified articles — has been extended to all kinds of goods against which no objection is raised by the Customs authorities on technical grounds or for similar reasons.

Yugoslavia.

FIRST SUMMARY COMMUNICATED BY LETTER BY THE PERMANENT DELEGATION OF THE KINGDOM OF YUGOSLAVIA ACCREDITED TO THE LEAGUE OF NATIONS, DATED AUGUST 7TH, 1930.

[*Translation.*]

Ad Articles 1 and 2.

The principles embodied in these two articles of the Convention had already been adopted in their entirety in the autonomous Regulations of the Kingdom of Yugoslavia. They have also been introduced into all commercial agreements which, without exception, contain the most-favoured-nation clause.

Ad Article 3.

Yugoslavia does not follow a policy of import or export prohibitions or a policy of rationing.

Cases in which measures of this kind might be enacted are provided for in commercial agreements (for instance, in Article 7 of the Agreement with the Belgo-Luxemburg Union and in Article 9 of the Agreement with the United Kingdom of Great Britain and Ireland). As regards the issue of any licences, the provisions of the Convention have been applied almost textually (see Article 7 of the Agreement with the United Kingdom of Great Britain and Ireland).

Ad Article 4.

This article is applied through the publication in the *Official Journal* and in the *Financial Bulletin* of all regulations, laws, modifications and supplements to laws. These laws and regulations enter into force on the date of their publication in the *Official Journal*.

Ad Article 5.

The publication in accordance with Article 4 makes it possible to follow any modifications that are introduced. Further, a Customs tariff was printed in July 1929 with all modifications and all supplements added up to that date.

In accordance with the autonomous Regulations and in virtue of Article 10 of the Agreement with Germany, the competent Customs authorities are bound to supply, in a manner binding upon them, any Customs information requested with regard to the tariffs applied to goods.

Ad Article 6.

This article is applied by sending the documents in question to the Secretariat of the League of Nations and to the contracting parties.

Ad Article 7.

The right of appeal is ensured by the Customs Law. The final appeal is to the Supreme Administrative Court (Conseil d'Etat).

Ad Article 8.

In accordance with Article 18, paragraph (a), of the Draft Law on the General Customs Tariff, goods may be put at the entire disposal of their owner before the Customs duties have been paid, subject to the deposit of security in money.

Ad Article 10.

The application of the principle stated in this article concerning samples and specimens and of the relevant provisions in the Agreements with the United Kingdom of Great Britain and Ireland, the Belgo-Luxemburg Union and Germany, is governed by Regulation C, No. 18293/928, *Official Journal*, dated June 9th, 1928.

Ad Article 11.

The question of certificates of origin is governed by the regulation published in document C, No. 143918, *Official Journal*, No. 181, dated August 17th, 1922, and by subsequent modifications and supplements.

In virtue of Article 12, paragraph 9, of the Agreement with France, certificates of origin are not required in the case of postal parcels, parcels up to 5 kilogrammes conveyed by aeroplane and commercial travellers' samples and specimens.

Ad Article 12.

Consular invoices are not required.

Ad Article 13.

In accordance with the spirit of the recommendations made in this article, the Final Protocol concerning Tariff Item 115 of the Agreement with Spain provides that certificates of analysis relating to wines and issued by the Spanish authorities shall be accepted by the Yugoslav authorities subject to the right of the latter to verify such analyses when necessary.

Ad Article 14.

Many of the recommendations contained in this article have been introduced in the autonomous Administrative Regulations.

Ad Article 15.

Registered luggage may be forwarded without Customs examination at the frontier to any place where there is a Customs office.

Ad Article 16.

Temporary import and export are governed by the Customs Law and the autonomous Regulations which accord the greatest facilities.

The Yugoslav Government has no remark to make concerning the other articles in the Convention.

Genève, le 14 octobre 1930.

SOCIÉTÉ DES NATIONS

**CONVENTION INTERNATIONALE DU
3 NOVEMBRE 1923 POUR LA SIMPLIFICATION
DES FORMALITÉS DOUANIÈRES**

Application de l'article 10, alinéas 6 et 8, et de
l'article 11, n° 2, de cette Convention.

DEUXIÈME SÉRIE¹

LEAGUE OF NATIONS

**INTERNATIONAL CONVENTION
OF NOVEMBER 3RD, 1923, RELATING TO THE
SIMPLIFICATION OF CUSTOMS FORMALITIES**

Application of Article 10, Paragraphs 6 and 8, and
of Article 11, No. 2, of this Convention..

SECOND SERIES¹

¹ Pour la première série, voir document C.198.M.75.1929.II.
For the previous series, see document C.198.M.75.1929.II.

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I.

LISTE DES BUREAUX DE DOUANE OUVERTS AUX OPÉRATIONS DE LIBÉRATION DE LA CAUTION DOUANIÈRE.

LIST OF THE CUSTOMS OFFICES WHICH EFFECT THE RELEASE OF SECURITY FOR PAYMENT OF DUTIES.

HONGRIE — HUNGARY.

Budapest	Hegyeshalom	Sátoraljaujhely
Barcs	Kelebia	Sopron
Beregsurány	Komárom	Szentgotthárd
Biharkeresztes	Lökosháza	Szob
Bozsok	Mohács	Szombathely
Esztergom	Oroszvár	Tiszabecs
Gyékényes	Pinkamindszent	Zsira
Hidasnémeti	Somoskoújfalu	

YOUGOSLAVIE — YUGOSLAVIA.

Les expéditions d'exportation, ainsi que la libération totale ou partielle de la caution douanière, celle concernant les échantillons de métaux précieux exceptée, peuvent être effectuées aux bureaux de douane suivants:

Exports and the total or partial release of security for payment of Customs duty may be effected through the following Customs offices, except in the case of samples of precious metals:

a) Douanes-frontières des gares de chemins de fer suivants:

(a) Customs offices at frontier railway stations:

Bitolj	Jesenice	Subotica
Caribrod	Maribor	Velika Kikinda
Djevdjelija	Rakek	

b) Douanes maritimes suivantes:

(b) Customs offices at maritime ports:

Dubrovnik	Metkovic	Susak
Kotor	Split	

c) Douanes-frontières fluviales suivantes:

(c) Customs offices on rivers:

Bezdan	Prahovo	Veliko Gradiste
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d) Douanes suivantes situées à l'intérieur du pays:

(d) Customs offices in the interior of the country:

Beograd	Osijek	Skoplje
Ljubljana	Sarajevo	Zagreb
Novi Sad		

Les expéditions d'exportation, ainsi que la libération totale ou partielle de la caution douanière pour les échantillons et modèles de métaux précieux ne peuvent être effectuées qu'aux bureaux de douane suivants:

In the case of samples and specimens of precious metals, exports and the total or partial release of the security for payment of Customs duties may only be effected at the following Customs offices:

Beograd	Novi Sad	Subotica
Ljubljana	Sarajevo	Zagreb
Maribor	Split	

Les dispositions du présent règlement ne seront appliquées qu'aux échantillons et modèles importés des pays signataires de la Convention.

The present regulations are only applicable to samples and specimens imported from countries which signed the Convention.

II.

LISTE DES AUTORITÉS RECONNUES COMPÉTENTES POUR
DÉLIVRER LES CARTES DE LÉGITIMATION.

LIST OF THE AUTHORITIES RECOGNISED AS COMPETENT
TO ISSUE IDENTITY CARDS.

ALLEMAGNE — GERMANY.

Prusse — Prussia.

1. Le ministre de l'Intérieur. — The Minister of the Interior.
2. Les présidents des Administrations provinciales (die Regierungspräsidenten). — The Presidents of Administrative Districts.
3. Les autorités de police de l'Etat. — The State Police Authorities.
4. Les sous-préfets et les fonctionnaires auxiliaires de sous-préfecture à : — Administrative Heads and Assistant Administrative Officials at:

Neuenhaus	Norderney	Borkum
Bentheim (Comté de — County of)		

5. Les autorités de police des villes et, en outre : — The Police Authorities of the Towns and also :
Dans la régence de Prusse occidentale : — In the Administrative District of West Prussia :
Les autorités de police de — the Police Authorities at Christburg (cercle de — Kreis of Stuhm), pour les districts de : — for the Districts of:

Baumgarth	Lichtfelde	Sparau
Adl. Bruch	Posilge	Trankwitz

Dans la régence de Breslau : — In the Administrative District of Breslau:

Les autorités de police de — the Police Authorities of Canth (cercle de — Kreis of Neumarkt), pour les localités de : — for the Localities of:

Beilau	Ocklitz	Schimmelwitz
Kammendorf	Landau	Jürtsch
Sachwitz	Neudorf	Borganie
Fürstenau	Polsnitz	Mettkau
Simschütz		

Dans la régence de Liegnitz : — In the Administrative District of Liegnitz:

Les autorités de police de — the Police Authorities of Haynau (cercle de — Kreis of Goldberg-Haynau), pour le canton de : — for the Local Court District of:

Haynau

Les autorités de police de Schlawa — the Police Authorities of Schlawa (cercle de — Kreis of Freystadt, N./Schl.), pour le district de : — for the District of:

Schlawa

Dans la régence de : — In the Administrative District of Oppeln:

Les autorités de police de — the Police Authorities at Ottmachau (cercle de — Kreis of Grottkau), pour les districts de — for the Districts of:

Woitze	Lobedau	Zedlitz
Klein-Mahlendorf	Ellguth	Lindenau

Dans la régence de: — In the Administrative District of Merseburg:

Les autorités de police de — the Police Authorities at Stolberg/Harz (cercle de — Kreis of Sangerhausen), pour les districts de — for the Districts of:

Rottleberode Schloss Stolberg	Breitenstein	Schwenda
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Les autorités de police de — the Police Authorities at Heringen/Helme (cercle de — Kreis of Sangerhausen), pour les districts de — for the Districts of:

Uthleben	Görsbach	Heringen (Château)
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Les autorités de police de — the Police Authorities at Kelbra (cercle de — Kreis of Sangerhausen), pour les districts de — for the Districts of:

Berga Rossla/Harz Rossla/Schloss	Alte Stolberg Questenbergsche Forsten Bennungen	Agnesdorf Dietersdorf Breitungen
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Les autorités de police de — the Police Authorities at Artern/Unstrut, pour les districts de — for the Districts of:

Gehofen, Schönfeld

Les autorités de police de — the Police Authorities at Ortrand (cercle de — Kreis of Liebenwerda), pour le district de — for the District of:

Grossthiemig

Les autorités de police de — the Police Authorities of Mühlberg (cercle de — Kreis of Liebenwerda), pour le district de — for the District of:

Fichtenberg

Dans la régence de Schleswig: — In the Administrative District of Schleswig:

Les autorités de police de — the Police Authorities of Marne, pour les districts de — for the Districts of:

Marne (campagne) — (country)	Kronprinzenkoog	Friedrichskoog
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Et des territoires de — and the Areas of:

Marne et Meldorf

Dans la régence de: — in the Administrative District of Wiesbaden:

Les autorités de police — the Police Authorities of Frankfurt a.M.-Höchst, pour les banlieues occupées de — for the still occupied outlying Districts of:

Höchst Nied	Griesheim Sossenheim	Schwanheim
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6. Les Commissaires de police. — The Police Inspectors.

7. Les autorités de police locale des campagnes ci-après: — The following Local Country Police Authorities of:

Dans la régence de: — In the Administrative District of Königsberg:

Cercle de — Kreis of Fischhausen: Cranz (pour les districts de — for the Districts of: Cranz, Rossitten, Wosegau, Michelau, Grünhoff, Laptau, Radau, Schugsten, Fritzen, Plutwinnen, Kirschnehmen) und Rauschen

(pour les districts de — for the Districts of: Rauschen, Neukuhren, St. Lorenz, Warnicken, Gr. Kuhren, Gr. Dierschkeim)

Cercle de: — Kreis of Rastenburg:

Korschen

Cercle de: — Kreis of Labiau:

Lauknen

Dans la régence de: — In the Administrative District of Potsdam:

Cercle de: — Kreis of Niederbarnim:

Erkner

Hohenneuendorf

Neuenhagen

Cercle de: — Kreis of Oberbarnim:

Heegermühle

Wolfswinkel

Cercle de: — Kreis of Heeskow-Storkow:

Bad Saarow

Cercle de: — Kreis of Osthavelland:

Hennigsdorf

Velten

Bornstedt

(pour les districts de — for the Districts of: Bornim, Bornstedt)

Cercle de: — Kreis of Ostprignitz:

Zechlin

Cercle de: — Kreis of Teltow:

Neu-Babelsberg
Stahnsdorf
Grossbeeren
Mahlow

Eichwalde
Zeuthen
Wildau

Königswusterhausen
Senzig
Zossen

Dans la régence de: — In the Administrative District of Frankfurt a. O.:

Cercle de: — Kreis of Cottbus:

Kolkwitz

Ströbitz

Cercle de: — Kreis of Guben:

Neuzelle

Cercle de: — Kreis of Landsberg a. W.:

Vietz

Cercle de: — Kreis of Sorau:

Döbern

Cercle de: — Kreis of Spremberg:

Welzow

Cercle de: — Kreis of Züllichau-Schwiebus:

Stentsch

Tschicherzig

Dans la régence de: — In the Administrative District of Stettin:

Cercle de: — Kreis of Ueckermünde:

Torgelow

Dans la régence de: — In the Administrative District of Stralsund:

Cercle de: — Kreis of Rügen:

Sassnitz

Dans la régence de: — In the Administrative District of Breslau:

Cercle de: — Kreis of Glatz:

Altheide-Bad

Bad Kudowa

Cercle de: — Kreis of Reichenbach:

Peterswaldau

Cercle de: — Kreis of Schweidnitz:

Saarau

Cercle de: — Kreis of Trebnitz:

Obernigk

Cercle de: — Kreis of Waldenburg:

Polsnitz
Wüstewaltersdorf

Wüstegiersdorf

Görbersdorf

Cercle de: — Kreis of Gr. Wartenberg:

Dalbersdorf
Goschütz
Klein-Schönwald

Rudelsdorf
Schollendorf
Neu Stradam

Tschechenhammer
Neumittelwalde

Dans la régence de: — In the Administrative District of Liegnitz:

Cercle de: — Kreis of Hirschberg:

Bad Warmbrunn

Cercle de: — Kreis of Hoyerswerda:

Bernsdorf O.-L.

Cercle de: — Kreis of Landeshut:

Rothenbach

Cercle de: — Kreis of Lauban:

Meffersdorf

Cercle de: — Kreis of Rothenburg O.-L.:

Niesky O.-L.

Weisswasser O.-L.

Cercle de: — Kreis Sagan i. Schl.:

Freiwaldau

Halbau

(pour les districts de — for the Districts of: Halbau und Burau)

Cercle de: — Kreis of Sprottau:

Mallmitz	Oberleschen	Primkenau
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Dans la régence de: — In the Administrative District of Oppeln:

Cercle de: — Kreis of Cosel:

Kandrzin	Klodnitz	Slawentzitz
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Cercle de: — Kreis of Gleiwitz:

Brynnek Gr. Kottulin	Langendorf Schloss Tost	Schwieben Tworog
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Cercle de: — Kreis of Gr. Strehlitz:

Gogolin	Zawadzki
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Cercle de: — Kreis of Neustadt:

Schloss Oberglogau	Zellin
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Dans la régence de: — In the Administrative District of Magdeburg:

Cercle de: — Kreis of Gardelegen:

Weferlingen

Cercle de: — Kreis of Jericho I:

Biederitz

Cercle de: — Kreis of Jericho II:

Kirchmöser

Cercle de: — Kreis of Wanzleben:

Gross-Ottersleben

Cercle de: — Kreis of Stendal:

Tangerhütte

Dans la régence de: — In the Administrative District of Merseburg:

Cercle de: — Kreis of Liebenwerda:

Falkenberg	Mückenberg
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Cercle de: — Kreis of Torgau:

Annaburg

Dans la régence de: — In the Administrative District of Schleswig:

Cercle de: Kreis of Steinburg:

Horst

Cercle de: — Kreis of Süderdiethmarschen:

Brunsbüttelkoog

(ainsi que pour les districts de: — and also for the Districts of Brunsbüttel und Eddelak)

Cercle de: — Kreis of Südtondern:

Neukirchen Medelby Alkersum (pour les habitants de l'île de Föhr, non compris Wyk — for the inhabitants of Föhr Island excluding Wyk)	Süderlügum Leck Nebel (île d'Amrum — Amrun Island) Süderende	Ladelund Keitum (pour les habitants de l'île de Sylt, sauf Westerland — for the inhabitants of Sylt Island except Westerland)
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Cercle de: — Kreis of Pinneberg:

Lockstedt

Cercle de: — Kreis of Plön:

Laboe

Elmschenhagen

Cercle de: — Kreis of Segeberg:

Wiemersdorf
Hagen
Kaltenkirchen
Kisdorf
Henstedt

Nahe
Borstel
Glasau
Seedorf
Pronsdorf

Alveslohe
Bornhöved
Tarbek

Cercle de: — Kreis of Herzogtum Lauenburg:

Friedrichsruh

Schwarzenbek

Börnsen

Cercle de: — Kreis of Oldenburg:

Lensahn

Cercle de: — Kreis of Bordesholm:

Heikendorf

(ainsi que pour les districts d' — and also for the Districts of Oppendorf und Schönkirchen)

Dans la régence de: — In the Administrative District of Hildesheim:

Cercle de: — Kreis of Marienburg:

Autorité municipale de: — Local Council at Bockenem;

Cercle de: — Kreis of Osterode:

Autorité municipale de: — Local Council at Bad Lauterberg i. H.;

Dans la régence de: — In the Administrative District of Münster:

Les autorités de district, à l'exception de: — The District Authorities, except: Waltrop, Herten und Westerholt

Les autorités de district de Datteln ne sont compétentes que pour les communes d'Ahsen et Flaesheim — the District Authorities of Datteln are only competent for the Communes of Ahsen and Flaesheim; Celles du district de Marl pour les communes de Hamm-Bossendorf et Polsum — the District Authorities of Marl for the Communes of Hamm-Bossendorf and Polsum.

Dans la régence de: — In the Administrative District of Minden:

Toutes les autorités de district. — All District Authorities.

Dans la régence de: — In the Administrative District of Arnberg:

Toutes les autorités de district. — All District Authorities.

Dans la régence de: — In the Administrative District of Kassel:

Cercle de: — Kreis of Hanau (campagne) — (country):

Bergen-Enkheim

Cercle de: — Kreis of Rotenberg:

Bebra

Cercle de: — Kreis of Schmalkalden:

Steinbach-Hallenberg

Brotterode

Cercle de: — Kreis of Witzenhausen:

Bad Soden a. W.

Cercle du Comté de: — Kreis of the County of Schaumburg:

Bad Nenndorf

Cercle de la: — Kreis of the Twiste:

Arolsen

Mengeringhausen

Cercle de l': — Kreis of the Eisenbergs:

Corbach

Cercle de l': — Kreis of the Eder:

Bad Wildungen

Dans la régence de: — In the Administrative District of Wiesbaden:

Cercle de: — Kreis of Dillenburg

Driedorf

Strassebersbach

Sinn

Cercle de: — Kreis of Montabaur:

Höhr

Grenzhausen

Cercle de: — Kreis of Goarshausen:

Camp a. Rh. (y compris — including Bornhofen)

Cercle de: — Main-Taunus-Kreis:

Flörsheim

Bad Soden

Dans la régence de: — In the Administrative District of Koblenz:

Toutes les autorités de district. — All District Authorities.

Dans la régence de: — In the Administrative District of Düsseldorf:

Toutes les autorités de district. — All District Authorities.

Dans la régence de: — In the Administrative District of Köln:

Toutes les autorités de district. — All District Authorities.

Dans la régence de Trèves: — In the Administrative District of Trier:

Toutes les autorités de district. — All the District Authorities.

Dans la régence de Aix-la-Chapelle: — In the Administrative District of Aachen:

Toutes les autorités de district. — All the District Authorities.

Dans la régence de: — In the Administrative District of Sigmaringen:

Cercle de: — Kreis of Sigmaringen:

Achberg

Bavière — Bavaria.

I. CHEFS-LIEUX DE DISTRICT — DISTRICT OFFICES.

Nom — Name	Régence — Administrative district	Nom — Name	Régence — Administrative district
Aibling Bad	Obb.	Bamberg II.	Ofr.
Aichach	Obb.	Bayreuth	Ofr.
Altötting	Obb.	Beilngries	Opf.
Alzenau	Ufr.	Berchtesgaden	Obb.
Amberg	Opf.	Bergzabern	Pf.
Ansbach	Mfr.	Bogen	Nb.
Aschaffenburg	Ufr.	Brückenau	Ufr.
Augsburg	Schw.	Burglengenfeld	Opf.

Nom — Name	Régence — Administrative district	Nom — Name	Régence — Administrative district
Cham	Opf.	Markt Oberdorf	Schw.
Coburg	Ofr.	Mellrichstadt	Ufr.
Dachau	Obb.	Memmingen	Schw.
Deggendorf	Nb.	Miesbach	Obb.
Dillingen	Schw.	Miltenberg	Ufr.
Dingolfing	Nb.	Mindelheim	Schw.
Dinkelsbühl	Mfr.	Mühdorf	Obb.
Donauwörth	Schw.	Münchberg	Ofr.
Dürkheim	Pf.	München	Obb.
Ebermannstadt	Ofr.	Nabburg	Opf.
Ebern	Ufr.	Naila	Ofr.
Ebersberg	Obb.	Neuburg a. D.	Schw.
Eggenfelden	Nb.	Neumarkt i. O.	Opf.
Eichstätt	Mfr.	Neunburg v. W.	Opf.
Erding	Obb.	Neustadt a. A.	Mfr.
Erlangen	Mfr.	Neustadt a. H.	Pf.
Eschenbach	Opf.	Neustadt a. S.	Ufr.
Feuchtwangen	Mfr.	Neustadt a. W. N.	Opf.
Forchheim	Ofr.	Neu-Ulm	Schw.
Frankentahl	Pf.	Nördlingen	Schw.
Freising	Obb.	Nürnberg	Mfr.
Friedberg	Obb.	Obernburg	Ufr.
Fürstenfeldbruck	Obb.	Oberviechtach	Opf.
Fürth	Mfr.	Ochsenfurt	Ufr.
Füssen	Schw.	Parsberg	Opf.
Garmisch	Obb.	Passau	Nb.
Gemünden	Ufr.	Pegnitz	Ofr.
Germersheim	Pf.	Pfaffenhofen	Obb.
Gerolzhofen	Ufr.	Pfarrkirchen	Nb.
Grafenau	Nb.	Pirmasens	Pf.
Griesbach	Nb.	Regen	Nb.
Günzburg	Schw.	Regensburg	Opf.
Gunzenhausen	Mfr.	Rehau	Ofr.
Hammelburg	Ufr.	Riedenburg	Opf.
Hassfurt	Ufr.	Rockenhausen	Pf.
Hersbruck	Mfr.	Roding	Opf.
Hilpoltstein	Mfr.	Rosenheim	Obb.
Höchstadt a. A.	Ofr.	Rothenburg o. T.	Mfr.
Hof	Ofr.	Rottenburg	Nb.
Hofheim	Ufr.	Scheinfeld	Mfr.
Homburg (Territ. de la Saar-Saar Territory)		Schongau	Obb.
Illertissen	Schw.	Schrobenhausen	Obb.
St. Ingbert (Territ. de la Saar-Saar Territory)		Schwabach	Mfr.
Ingolstadt	Obb.	Schwabmünchen	Schw.
Kaiserslautern	Pf.	Schweinfurt	Ufr.
Karlstadt	Ufr.	Sonthofen	Schw.
Kaufbeuren	Schw.	Speyer	Pf.
Kelheim	Nb.	Stadtsteinach	Ofr.
Kemnath	Opf.	Staffelstein	Ofr.
Kempten	Schw.	Starnberg	Obb.
Kirchheimbolanden	Pf.	Straubing	Nb.
Kissingen	Ufr.	Sulzbach	Opf.
Kitzingen	Ufr.	Teuschnitz	Ofr.
Königshofen i. Gr.	Ufr.	Tirschenreuth	Opf.
Kötzting	Nb.	Tölz Bad	Obb.
Kronach	Ofr.	Traunstein	Obb.
Krumbach	Schw.	Uffenheim	Mfr.
Kulmbach	Schw.	Viechtach	Nb.
Kusel	Pf.	Vilsbiburg	Nb.
Landau (Pf.)	Pf.	Vilshofen	Nb.
Landau a. J.	Nb.	Vohenstrauss	Opf.
Landsberg	Obb.	Waldmünchen	Opf.
Landshut	Nb.	Wasserburg	Obb.
Lauf	Mfr.	Wegscheid	Nb.
Laufen	Obb.	Weilheim	Obb.
Lichtenfels	Ofr.	Weissenburg i. B.	Mfr.
Lindau	Schw.	Wertingen	Schw.
Lohr	Ufr.	Wolftratshausen	Obb.
Ludwigshafen	Pf.	Wolfstein	Nb.
Mainburg	Nb.	Würzburg	Ufr.
Mallersdorf	Nb.	Wunsiedel	Ofr.
Marktheidenfeld	Urf.	Zweibrücken	Pf.

II. CONSEILS MUNICIPAUX DES COMMUNES AUTONOMES.
II. MUNICIPAL COUNCILS OF THE AUTONOMOUS COMMUNES.

Nom — Name	Régence — Administrative district	Nom — Name	Régence — Administrative district
Amberg	Opf.	Lindau	Schw.
Ansbach	Mfr.	Ludwigshafen	Pf.
Aschaffenburg	Ufr.	Marktredwitz	Ofr.
Augsburg	Schw.	Memmingen	Schw.
Bad Kissingen	Ufr.	München	Obb.
Bamberg	Ofr.	Neuburg a. D	Schw.
Bayreuth	Ofr.	Neumarkt	Opf.
Coburg	Ofr.	Neustadt a. H.	Pf.
Deggendorf	Nb.	Neustadt bei Coburg	Ofr.
Dillingen	Schw.	Neu-Ulm	Schw.
Dinkelsbühl	Mfr.	Nördlingen	Schw.
Donauwörth	Schw.	Nürnberg	Mfr.
Eichstätt	Mfr.	Passau	Nb.
Erlangen	Mfr.	Pirmasens	Pf.
Forchheim	Ofr.	Regensburg	Opf.
Frankenthal	Pf.	Rodach	Ofr.
Freising	Obb.	Rosenheim	Obb.
Fürth	Mfr.	Rothenburg o. T.	Mfr.
Günzburg	Schw.	Schwabach	Mfr.
Hof	Ofr.	Schwandorf	Opf.
Ingolstadt	Obb.	Schweinfurt	Ufr.
Kaiserslautern	Pf.	Selb	Ofr.
Kaufbeuren	Schw.	Straubing	Nb.
Kempten	Schw.	Speyer	Pf.
Kitzingen	Ufr.	Traunstein	Obb.
Kulmbach	Ofr.	Weiden	Opf.
Landau	Pf.	Weissenburg i. B.	Mfr.
Landsberg	Obb.	Würzburg	Ufr.
Landshut	Nb.	Zweibrücken	Pf.

Note: Obb. = Oberbayern (Haute-Bavière) (Upper Bavaria).
Nb. = Niederbayern (Basse-Bavière) (Lower Bavaria).
Ufr. = Unterfranken (Basse-Franconie) (Lower Franconia).
Ofr. = Oberfranken (Haute-Franconie) (Upper Franconia).
Mfr. = Mittelfranken (Franconie-Moyenne) (Middle Franconia).
Opf. = Oberpfalz (Haut-Palatinat) (Upper Palatinate).
Pf. = Pfalz (Palatinat) (Palatinate).
Schw. = Schwaben (Souabe) (Swabia).

III. SERVICES EXTÉRIEURS DES OFFICES DE DISTRICT.
III. BRANCH OFFICES OF DISTRICT OFFICES. — (BEZIRKSAMTSAUSSENSTELLEN).

- | | |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| 1. De l'Office de District (Bezirksamt) de Berchtesgaden in <i>Bad Reichenhall</i> . Obb. | 1. Of the District Office of Berchtesgaden at <i>Bad Reichenhall</i> . |
| 2. De l'Office de District (Bezirksamt) Kaiserslautern in <i>Landstuhl</i> . Pf. | 2. Of the District Office of Kaiserslautern at <i>Landstuhl</i> . |
| 3. De l'Office de District (Bezirksamt) de Kusel in <i>Waldmohr</i> . Pf. | 3. Of the District Office of Kusel at <i>Waldmohr</i> . |

Saxe — Saxony.

Les sous-préfectures (Amtshauptmannschaften) de: — The Provostries of:

Annaberg	Glauchau	Pirna
Auerbach	Grimma	Plauen
Bautzen	Grossenhain	Rochlitz
Borna	Kamenz	Schwarzenberg
Chemnitz	Leipzig	Stollberg
Dippoldiswalde	Löbau	Werdau
Dresden	Marienberg	Zittau
Döbeln	Meissen	Zwickau
Flöha	Ölsnitz i. V.	Bureau auxiliaire de la sous-pré-
Freiberg	Oschatz	fecture de Sayda. — Provostry
		branch-office at Sayda.

Les municipalités de: — The Town Councils of:

Adorf i. V.	Hainichen	Oschatz
Annaberg i. Erzgeb.	Hartha/Sa.	Pegau
Aue i. Erzgeb.	Hohenstein - Ernstthal	Penig
Auerbach i. V.	Kamenz/Sa.	Pirna s. E.
Bad Schandau	Kirchberg/Sa.	Plauen i. V.
Bautzen	Klingenthal	Pulsnitz
Bernstedt/Sa.	Königstein a. E.	Radeberg
Bischofswerda/Sa.	Kötzschenbroda	Radebeul
Borna/district de Leipzig	Leipzig	Reichenbach i. V.
Buchholz/Sa.	Leisnig	Ries s. Elbe
Burgstädt/Sa.	Lengenfeld i. V.	Rochlitz/Sa.
Chemnitz	Lichtenstein - Callenberg	Rodewisch i. V.
Colditz	Limbach/Sa.	Rosswein
Crimmitschau	Löbau/Sa.	Sayda i. Erzgeb.
Dippoldiswalde/Sa.	Lommatzsch	Schneeberg
Döbeln	Lössnitz i. Erzgeb.	Schöneck i. V.
Dresden	Marienberg/Sa.	Schwarzenberg i. Erzgeb.
Ehrenfriedersdorf/Sa.	Markneukirchen i. V.	Sebnitz/Sa.
Eibenstock	Markranstädt/Sa.	Stollberg i. Erzgeb.
Falkenstein i. V.	Meerane/Sa.	Taucha district de Leipzig
Frankenberg/Sa.	Meissen	Thum/Sa.
Freiberg	Mittweida	Treuen i. V.
Freital	Mylau i. V.	Waldenburg/Sa.
Geithain	Netzschkau i. V.	Waldheim/Sa.
Geringswalde	Neustadt/Sa.	Werdau
Geyer	Neustädtel	Wilsdruff
Glauchau	Nossen	Wurzen
Grimma	Öderan	Zittau
Groitzsch	Olbernhau (Erzgeb.)	Zwickau
Grossenhain	Olsnitz i. V.	Zschopau

Württemberg.

I. La Présidence de la police à Stuttgart. — The Central Police Authorities of Stuttgart.

II. Les sous-préfectures (Oberämter) suivantes: — The Provostrics of:

Aalen	Heilbronn	Reutlingen
Backnang	Herrenberg	Riedlingen
Balingen	Horb	Rottenburg
Besigheim	Kirchheim	Rottweil
Biberach	Künzelsau	Saulgau
Blaubeuren	Laupheim	Schorndorf
Böblingen	Leonberg	Spaichingen
Brackenheim	Leutkirch	Stuttgart Amt
Calw	Ludwigsburg	(Amtsoberamt)
Crailsheim	Marbach	Sulz
Ehingen	Maulbronn	Tettnang
Ellwangen	Mergentheim	Tubingen
Esslingen	Münsingen	Tuttlingen
Freudenstadt	Nagold	Ulm
Gaildorf	Neckarsulm	Urach
Geislingen	Neresheim	Vaihingen
Gerabronn	Neuenbürg	Waiblingen
Gmünd	Nürtingen	Waldsee
Göppingen	Oberndorf	Wangen
Hall	Oehringen	Welzheim
Heidenheim	Ravensburg	

Bade — Baden.

I. L'Office de district, la Direction de la police, à: — The District Office and the Police Authorities of:

Mannheim	Karlsruhe	Freiburg
Heidelberg	Pforzheim	

II. La Direction de la police à: — The Police Authorities of:

Baden-Baden

III. Les Offices de district (Bezirksämter) suivants: — The District Offices of:

Adelsheim	Lörrach	Staufen
Bretten	Messkirch	Stockach
Bruchsal	Mosbach	Tauberbischofsheim
Buchen	Müllheim	Überlingen
Bühl	Neustadt	Villingen
Donaueschingen	Oberkirch	Waldkirch
Emmendingen	Offenburg	Waldshut
Engen	Pfullendorf	Weinheim
Ettlingen	Rastatt	Wertheim
Kehl	Säckingen	Wiesloch
Konstanz	Schopfheim	Wolfach
Lahr	Sinsheim	

Thuringe — Thuringia.

Les Tribunaux administratifs des cercles municipaux (Kreisverwaltungsgerichte für die Stadtkreise) suivants: — The Administrative Courts for the Urban Districts of:

Gera	Eisenach	Apolda
Jena	Altenburg	Arnstadt
Gotha	Greiz	Zella-Mehlis
Weimar		

Les Tribunaux administratifs des cercles ruraux (Kreisverwaltungsgerichte für die Landkreise) suivants: — The Administrative Courts for the Rural Districts of:

Stadtroda	Sonneberg	Saalfeld
Weimar	Schleiz	Rudolfstadt
Eisenach	Greiz	Arnstadt
Meiningen	Altenburg	Gotha
Bildburghausen	Gera	Sonderhausen

Le Tribunal administratif de la division de cercle (Kreisverwaltungsgericht für die Kreisabteilung) de: — The Administrative Court for the District Division of:

Camburg

Hesse.

Office de cercle (Kreisamt) hessois de: — The Hessian District Office of:

Darmstadt	Offenbach a/M.	Schotten
Bensheim a. d. B.	Giessen	Mainz
Dieburg	Alsfeld (Oberhessen)	Alzey (Rhein Hessen)
Erbach i/O.	Büdingen	Bingen a/Rh.
Gross-Gerau	Friedberg (Hessen)	Oppenheim a/Rh.
Heppenheim a. d. B.	Lauterbach (Oberhessen)	Worms a/Rh.

Hambourg — Hamburg.

Les Autorités de police à Hambourg. — The Police Authorities of Hamburg.
L'administrateur du district de Cuxhaven. — District Administrator at Cuxhaven.

Mecklembourg-Schwerin.

A. Les Municipalités de: — The Town Councils of:

Boizenburg	Kröpelin	Ribnitz
Brüel	Laage	Röbel
Bützow	Lübz	Rostock
Crivitz	Ludwigslust	Schwaan
Doberan	Malchin	Schwerin
Dömitz	Malchow	Stavenhagen
Gadebusch	Marlow	Sternberg
Gnoien	Neubukow	Sülze
Goldberg	Neukalen	Tessin
Grabow	Neustadt	Teterow
Grevesmühlen	Parchim	Waren
Güstrow	Penzlin	Warin
Hagenow	Plau	Wismar
Krakow	Rehna	Wittenburg

B. Les sous-préfectures des districts de: — District Office of the Districts of:

Grevesmühlen	Malchin	Schwerin
Güstrow	Parchim	Waren
Hagenow	Rostock	Wismar
Ludwigslust		

Brunswick.

La Direction de la police à: — The Police Authorities of:

Braunschweig (Brunswick)

La Direction de cercle (Kreisdirektionen) de: — The District Authorities of:

Braunschweig	Helmstedt	Holzminden
Wolfenbüttel	Gandersheim	Blankenburg-Harz

Oldenbourg — Oldenburg.

Municipalité d'Oldenbourg.	The Urban Municipality of Oldenburg.
Sous-préfecture d'Oldenbourg à Oldenbourg.	The Provostry of Oldenburg at Oldenburg.
Sous-préfecture de Westerstede à Westerstede.	The Provostry of Westerstede at Westerstede.
Sous-préfecture de Jever à Jever.	The Provostry of Jever at Jever.
Municipalité à Jever.	The Urban Municipality of Jever.
Sous-préfecture de Varel à Varel.	The Provostry of Varel at Varel.
Municipalité de Varel.	The Urban Municipality of Varel.
Sous-préfecture de Butjadingen à Nordenham.	The Provostry of Butjadingen at Nordenham.
Sous-préfecture de Brake à Brake.	The Provostry of Brake at Brake.
Sous-préfecture de Elsfleth à Elsfleth.	The Provostry of Elsfleth at Elsfleth.
Sous-préfecture de Delmenhorst à Delmenhorst.	The Provostry of Delmenhorst at Delmenhorst.
Municipalité à Delmenhorst. [sen.]	The Urban Municipality of Delmenhorst.
Sous-préfecture de Wildeshausen à Wildeshau-	The Provostry of Wildeshausen at Wildeshausen.
Sous-préfecture de Vechta à Vechta.	The Provostry of Vechta at Vechta.
Sous-préfecture de Cloppenburg à Cloppenburg.	The Provostry of Cloppenburg at Cloppenburg.
Sous-préfecture de Friesoythe à Friesoythe.	The Provostry of Friesoythe at Friesoythe.
Administration à Eutin.	The Administrative Authorities of Eutin.
Maire de la ville de Birkenfeld.	The Urban Burgwarter of Birkenfeld.
Maire de la commune rurale de Birkenfeld.	The Rural Burgomaster of Birkenfeld.
Maire de Niederbrombach.	The Burgomaster of Niederbrombach.
Maire de la ville d'Idar.	The Urban Burgomaster of Idar.
Maire de la commune rurale d'Idar.	The Rural Burgomaster of Idar.
Maire de la ville d'Oberstein.	The Urban Burgomaster of Oberstein.
Maire de Herrstein.	The Burgomaster of Herrstein.
Maire de Nohfelden.	The Burgomaster of Nohfelden.

Anhalt.

L'Administration de police de: — The Police Authorities of:

Dessau	Raguhn	Wörlitz
Jessnitz		Oranienbaum

La Direction de cercle de (Kreisdirektion): — The District Authorities of:

Dessau

La Police de: — The Police Authorities of:

Cöthen	Gröbzig	Radegast
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La sous-préfecture de: — The District Authorities of:

Cöthen

La Police de: — The Police Authorities of:

Zerbst	Coswig
Rosslan	Lindau

III. Les Offices de district (Bezirksämter) suivants: — The District Offices of:

Adelsheim	Lörrach	Staufen
Bretten	Messkirch	Stockach
Bruchsal	Mosbach	Tauberbischofsheim
Buchen	Müllheim	Überlingen
Bühl	Neustadt	Villingen
Donaueschingen	Oberkirch	Waldkirch
Emmendingen	Offenburg	Waldshut
Engen	Pfullendorf	Weinheim
Ettlingen	Rastatt	Wertheim
Kehl	Säckingen	Wiesloch
Konstanz	Schopfheim	Wolfach
Lahr	Sinsheim	

Thuringe — Thuringia.

Les Tribunaux administratifs des cercles municipaux (Kreisverwaltungsgerichte für die Stadtkreise) suivants: — The Administrative Courts for the Urban Districts of:

Gera	Eisenach	Apolda
Jena	Altenburg	Arnstadt
Gotha	Greiz	Zella-Mehlis
Weimar		

Les Tribunaux administratifs des cercles ruraux (Kreisverwaltungsgerichte für die Landkreise) suivants: — The Administrative Courts for the Rural Districts of:

Stadtroda	Sonneberg	Saalfeld
Weimar	Schleiz	Rudolfstadt
Eisenach	Greiz	Arnstadt
Meiningen	Altenburg	Gotha
Bildburghausen	Gera	Sonderhausen

Le Tribunal administratif de la division de cercle (Kreisverwaltungsgericht für die Kreisabteilung) de: — The Administrative Court for the District Division of:

Camburg

Hesse.

Office de cercle (Kreisamt) hessois de: — The Hessian District Office of:

Darmstadt	Offenbach a/M.	Schotten
Bensheim a. d. B.	Giessen	Mainz
Dieburg	Alsfeld (Oberhessen)	Alzey (Rhein Hessen)
Erbach i/O.	Büdingen	Bingen a/Rh.
Gross-Gerau	Friedberg (Hessen)	Oppenheim a/Rh.
Heppenheim a. d. B.	Lauterbach (Oberhessen)	Worms a/Rh.

Hambourg — Hamburg.

Les Autorités de police à Hambourg. — The Police Authorities of Hamburg.
L'administrateur du district de Cuxhaven. — District Administrator at Cuxhaven.

Mecklembourg-Schwerin.

A. Les Municipalités de: — The Town Councils of:

Boizenburg	Kröpin	Ribnitz
Brüel	Laage	Röbel
Bützow	Lübz	Rostock
Crivitz	Ludwigslust	Schwaan
Doberan	Malchin	Schwerin
Dömitz	Malchow	Stavenhagen
Gadebusch	Marlow	Sternberg
Gnoien	Neubukow	Sülze
Goldberg	Neukalen	Tessin
Grabow	Neustadt	Teterow
Grevesmühlen	Parchim	Waren
Güstrow	Penzlin	Warin
Hagenow	Plau	Wismar
Krakow	Rehna	Wittenburg

B. Les sous-préfectures des districts de: — District Office of the Districts of:

Grevesmühlen	Malchin	Schwerin
Güstrow	Parchim	Waren
Hagenow	Rostock	Wismar
Ludwigslust		

Brunswick.

La Direction de la police à: — The Police Authorities of:

Braunschweig (Brunswick)

La Direction de cercle (Kreisdirektionen) de: — The District Authorities of:

Braunschweig	Helmstedt	Holzminden
Wolfenbüttel	Gandersheim	Blankenburg-Harz

Oldenbourg — Oldenburg.

Municipalité d'Oldenbourg.	The Urban Municipality of Oldenburg.
Sous-préfecture d'Oldenbourg à Oldenbourg.	The Provostry of Oldenburg at Oldenburg.
Sous-préfecture de Westerstede à Westerstede.	The Provostry of Westerstede at Westerstede.
Sous-préfecture de Jever à Jever.	The Provostry of Jever at Jever.
Municipalité à Jever.	The Urban Municipality of Jever.
Sous-préfecture de Varel à Varel.	The Provostry of Varel at Varel.
Municipalité de Varel.	The Urban Municipality of Varel.
Sous-préfecture de Butjadingen à Nordenham.	The Provostry of Butjadingen at Nordenham.
Sous-préfecture de Brake à Brake.	The Provostry of Brake at Brake.
Sous-préfecture de Elsfleth à Elsfleth.	The Provostry of Elsfleth at Elsfleth.
Sous-préfecture de Delmenhorst à Delmenhorst.	The Provostry of Delmenhorst at Delmenhorst.
Municipalité à Delmenhorst.	The Urban Municipality of Delmenhorst.
Sous-préfecture de Wildeshausen à Wildeshausen.	The Provostry of Wildeshausen at Wildeshausen.
Sous-préfecture de Vechta à Vechta.	The Provostry of Vechta at Vechta.
Sous-préfecture de Cloppenburg à Cloppenburg.	The Provostry of Cloppenburg at Cloppenburg.
Sous-préfecture de Friesoythe à Friesoythe.	The Provostry of Friesoythe at Friesoythe.
Administration à Eutin.	The Administrative Authorities of Eutin.
Maire de la ville de Birkenfeld.	The Urban Burgwarter of Birkenfeld.
Maire de la commune rurale de Birkenfeld.	The Rural Burgomaster of Birkenfeld.
Maire de Niederbrombach.	The Burgomaster of Niederbrombach.
Maire de la ville d'Idar.	The Urban Burgomaster of Idar.
Maire de la commune rurale d'Idar.	The Rural Burgomaster of Idar.
Maire de la ville d'Oberstein.	The Urban Burgomaster of Oberstein.
Maire de Herrstein.	The Burgomaster of Herrstein.
Maire de Nohfelden.	The Burgomaster of Nohfelden.

Anhalt.

L'Administration de police de: — The Police Authorities of:

Dessau	Raguhn	Wörlitz
Jessnitz		Oranienbaum

La Direction de cercle de (Kreisdirektion): — The District Authorities of:

Dessau

La Police de: — The Police Authorities of:

Cöthen	Gröbzig	Radegast
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La sous-préfecture de: — The District Authorities of:

Cöthen

La Police de: — The Police Authorities of:

Zerbst	Coswig
Rosslan	Lindau

La sous-préfecture de: — The District Authorities of:

Zerbst

La Police de: — The Police Authorities of:

Bernburg
Leopoldshall
Güsten

Sandersleben
Nienburg
Hecklingen

La sous-préfecture de: — The District Authorities of:

Bernburg

La Police de: — The Police Authorities of:

Ballenstedt
Gernrode

Hoym
Harzgerode

Güntersberge
Grossalsleben

La sous-préfecture de: — The District Authorities of:

Ballenstedt

Brême — Bremen.

La Direction de la Police à Brême. — The Police Authorities of Bremen.

L'Administration de Brême à Bremerhaven. — The Bremen Administrative Office at Bremerhaven.

L'Administration de Brême à Vegesack. — The Bremen Administrative Office at Vegesack.

Lippe.

La Municipalité de: — The Municipality of:

Detmold
Lemgo
Lage
Schötmar

Bad Salzuffen
Blomberg
Barntrup

Horn
Oerlinghausen
Schwalenberg

Le sous-préfet de: — The Administrative Head of:

Detmold
Brake

Schötmar
Blomberg

Lübeck.

La Police de Lübeck. — The Police Authorities of Lübeck.

Mecklembourg-Strelitz.

La Commission de Commerce (Gewerbekommission) à: — The Trade Commission in:

Neustrelitz.

Schaumburg-Lippe.

Les Municipalités de: — The Municipality of:

Bückeberg

Stadthagen

Les sous-préfectures (Landratsamt) de: — The Rural Council of:

Bückeberg

Stadthagen

LUXEMBOURG — LUXEMBURG.

Les cartes de légitimation proprement dites pour voyageurs de commerce ont été abolies dans le Grand-Duché avec la fin de l'Union douanière germano-luxembourgeoise. La Convention économique belgo-luxembourgeoise ne les a pas réintroduites, et les milieux commerciaux, les considérant comme une gêne sérieuse pour la liberté du commerce, n'en ont pas demandé le rétablissement. Ces cartes sont actuellement remplacées par les cartes d'identité que délivrent les autorités communales et qui renseignent également sur la profession des intéressés.

Identity cards—*cartes de légitimation* in the strict sense of the term—for commercial travellers were abolished in the Grand-Duchy when the Germano-Luxemburg Customs Union was brought to an end. They were not reintroduced by the Belgo-Luxemburg Economic Convention, nor have the various commercial circles, which regard them as a serious hindrance to freedom of commerce, asked for their reintroduction. They are now replaced by identity cards which are issued by the communal authorities, and which also state the holder's occupation.

YOUgoslavie — YUGOSLAVIA.

La Chambre de Commerce de Belgrade. — Belgrade Chamber of Commerce.

La Chambre des Métiers de Belgrade. — Belgrade Chamber of Trades.

La Chambre d'Industrie de Belgrade. — Belgrade Chamber of Industry.

Les Chambres de Commerce et d'Industrie de: — The Chambers of Commerce and Industry of:

Skoplje
Zagreb

Osijek
Sarajevo
Split

Dubrovnik
Ljubljana

Les Chambres de Commerce, d'Industrie et de Métiers de: — The Chambers of Commerce, Industry and Trades of:

Novi Sad

Veliki Bečkerek

Podgorica

III.

LISTE DES ORGANISMES HABILITÉS POUR LA DÉLIVRANCE
DES CERTIFICATS D'ORIGINE (ARTICLE II, N° 2).

LIST OF ORGANISATIONS WHICH HAVE BEEN DESIGNATED
FOR THE PURPOSE OF DELIVERING CERTIFICATES OF ORIGIN
(ARTICLE II, No. 2).

GRANDE-BRETAGNE — GREAT BRITAIN.

Le présent texte remplace celui paru dans le document C.198.M.75.1929.II.

The present text replaces that contained in document C.198.M.75.1929.II.

Aucune organisation n'a jamais été désignée officiellement comme autorité habilitée pour délivrer les certificats d'origine en général. Cependant, conformément aux accords conclus récemment par la Grande-Bretagne avec les Pays-Bas, la Suisse et d'autres pays, pour la reconnaissance mutuelle des certificats d'origine délivrés par les Chambres de Commerce, il a été décidé que ces certificats doivent être délivrés par les Chambres de Commerce de la Grande-Bretagne et de l'Irlande du Nord affiliées à l'Association des Chambres de Commerce britanniques, ainsi qu'il est indiqué ci-dessous:

No organisation has ever been officially designated as the recognised authority for issuing certificates of origin in general. In pursuance, however, of recent agreements concluded by Great Britain with the Netherlands, Switzerland and other countries for the mutual acceptance of certificates of origin issued by Chambers of Commerce, it has been arranged that the certificates should be issued by the Chambers of Commerce in Great Britain and Northern Ireland affiliated to the Association of British Chambers of Commerce as set out below:

LISTE DES CHAMBRES DE COMMERCE EN GRANDE-BRETAGNE ET EN IRLANDE AFFILIÉES A L'ASSOCIATION DES CHAMBRES DE COMMERCE BRITANNIQUES.

LIST OF CHAMBERS OF COMMERCE IN GREAT BRITAIN AND IRELAND AFFILIATED TO THE ASSOCIATION OF BRITISH CHAMBERS OF COMMERCE.

Angleterre et Pays de Galles — England and Wales

Aldershot	Goole	North Staffs (Piccadilly)
Barnsley	Great Grimsby	Tunstall, Stoke-on-Trent.
Barrow-in-Furness	Great Yarmouth	Northampton
Bath	Halifax	Norwich
Batley and Birstal	Hartlepool	Nottingham
Birkenhead	Hereford	Oldham
Birmingham	Huddersfield	Ossett
Blackburn	Hull	Plymouth
Bolton	Ipswich	Portsmouth
Bradford	Isle of Wight (38, Quay Road, Newport)	Port Talbot
Bridgwater	Kendal	Preston
Brighton and Hove	Kidderminster	Reading
Bristol	Leeds	Rotherham
Burnley	Leicester	Sheffield
Bury	Lincoln	Southampton
Cambridge	Liverpool	Stockton-on-Tees
Cardiff	Llanelly	Stratford-on-Avon
Chester	London (97, Cannon Street, E.C. 4.)	Stroud
Chesterfield	Lowestoft	Sunderland
Cleckheaton and Heckmond-wike	Luton	Swansea
Coventry	Manchester	Trowbridge
Croydon	Mansfield	Wakefield
Derby	Middlesbrough	Walsall
Dewsbury	Newark	Warrington
Dover	Newcastle-on-Tyne and Gateshead	Widnes
Dudley	Newport (Mon.)	Winchester
Exeter		Wolverhampton
Falmouth		Woolwich (22-24, Williams St., S.E. 18)
Gloucester		Worcester

Ecosse — Scotland.

Aberdeen, Arbroath, Dundee, Edinburgh, Glasgow, Greenock, Leith, South of Scotland (110, High Street, Galashiels, N.B.)

Irlande du Nord — Northern Ireland.

Belfast

Londonderry

GRÈCE — GREECE.

Le présent texte remplace celui paru dans le document C.198.M.75.1929.II.

The present text replaces that contained in document C.198.M.75.1929.II.

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Les autorités douanières. | 1. The Customs authorities. |
| 2. Les Chambres de Commerce et d'Industrie. | 2. The Chambers of Commerce and Industry. |
| 3. Les maisons industrielles, pour les exportations de produits de leur industrie, à condition que les certificats délivrés par elles portent la légalisation d'une autorité ou d'un organisme compétent (Chambre de Commerce). | 3. Industrial undertakings—in regard to the exportation of products of their industry; provided that the certificates delivered by them are authenticated by a competent authority or organisation (Chamber of Commerce). |
| 4. Les Bureaux de protection du tabac grec, (sièges actuels à Volo, Salonique et Cavalla), pour les exportations de tabacs, sans préjudice de la compétence des autres organismes. | 4. The Greek Tobacco Protection Offices (present offices at Volo, Salonica and Cavalla) in respect of tobacco exports, without prejudice to the competence of the other organisations. |
| 5. La zone franche de Salonique. | 5. The Salonica Free Zone. |

LUXEMBOURG — LUXEMBURG.

La Chambre de Commerce à Luxembourg et les autorités communales.

The Chamber of Commerce at Luxemburg and the Municipal Authorities.

YUGOSLAVIE — YUGOSLAVIA.

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Chambre de Commerce, Belgrade (Trgovačka Komora). | 1. Chamber of Commerce, Belgrade (Trgovačka Komora). |
| 2. Chambre d'Industrie, Belgrade (Industrijska Komora). | 2. Chamber of Industry, Belgrade (Industrijska Komora). |
| 3. Chambre de Métiers, Belgrade (Sanatska Komora). | 3. Chamber of Crafts, Belgrade (Sanatska Komora). |
| 4. Chambre de Commerce et d'Industrie, Zagreb (Komora za Trgovinu, Obrt i Industriju). | 4. Chamber of Commerce and Industry, Zagreb (Komora za Trgovinu, Obrt i Industriju). |
| 5. Chambre de Commerce et d'Industrie, Osijek (Trgovačko-Obrtnička Komora). | 5. Chamber of Commerce and Industry, Osijek (Trgovačko-Obrtnička Komora). |
| 6. Chambre de Commerce et d'Industrie, Ljubljana. | 6. Chamber of Commerce and Industry, Ljubljana. |
| 7. Chambre de Commerce et d'Industrie, Sarajevo. | 7. Chamber of Commerce and Industry, Sarajevo. |
| 8. Chambre de Commerce et d'Industrie, Split. | 8. Chamber of Commerce and Industry, Split. |
| 9. Chambre de Commerce et d'Industrie, Dubrovnik. | 9. Chamber of Commerce and Industry, Dubrovnik. |
| 10. Chambre de Commerce et d'Industrie, Skoplje (Trgovačko-Industrijska Komora). | 10. Chamber of Commerce and Industry, Skoplje (Trgovačko-Industrijska Komora). |
| 11. Chambre de Commerce, d'Industrie et de Métiers, Novi Sad (Trgovačko-Industrijska i Zanatska Komora). | 11. Chamber of Commerce, Industry and Crafts, Novi Sad (Trgovačko-Industrijska i Zanatska Komora). |
| 12. Chambre de Commerce, d'Industrie et de Métiers, Veliki Bečkerek. | 12. Chamber of Commerce, Industry and Crafts, Veliki Bečkerek. |
| 13. Chambre de Commerce, d'Industrie et de Métiers, Podgorica. | 13. Chamber of Commerce, Industry and Crafts, Podgorica. |
| 14. Toutes les douanes du Royaume sont habilitées pour la délivrance des certificats d'origine pour les marchandises d'exportation, conformément à l'article 33 du Règlement douanier pour l'expédition et le magasinage des marchandises sous l'inspection des autorités douanières. | 14. All Yugoslav Customs offices are competent to issue certificates of origin for export goods in accordance with Article 33 of the Customs Regulations for the forwarding and warehousing of goods under the inspection of the Customs authorities. |
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- 1930.II.43. List of Ports of Loading and Unloading open to International Trade (First Edition).
- 1930.II.44.(19) Second International Conference with a View to Concerted Economic Action (Geneva, November 17th, 1930)— Replies of the Governments to the Questionnaire annexed to Article 1 of the Protocol regarding the Programme of Future Negotiations (with Three Addenda). 351-418H.
- 1930.II.45.(20) *Idem.* Proposals of the Economic Committee to serve as a Basis for the Future Negotiations. 419-421H.
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[Distributed to the Council
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Official No.: C. 523. M. 215. 1930. II.

GENEVA, October 22nd, 1930.

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AND OF THE

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3. ABBREVIATIONS AND REFERENCES

ABBREVIATIONS

Cttee.	=	Committee.
Conf.	=	Conference.
Conv.	=	Convention.
Cl.	=	Council.
Econ.	=	Economic.
Finan.	=	Financial.
Govt.	=	Government.
Int.	=	International.
I.L.O.	=	International Labour Office.
Perm.	=	Permanent.
Prelim.	=	Preliminary.
Prep.	=	Preparatory.
Recomm.	=	Recommendation.
Resol.	=	Resolution.
Sec. Gen.	=	Secretary-General.
Subst.	=	Substitute.
Suppl. :	=	Supplementary.

REFERENCES

Cl. XIV (P. II) : 151	=	Minutes of the 14th Session of the Council, Part II, page 151.
(O. J.) Cl. XVIII : 83	=	Official Journal, 18th Session of the Council, page 83.
20/48/267 : 7	=	Document No. 20/48/267, page 7.

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- India, Poland, U.S.A. on reconstituted Cttee.
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M. van der Cruyssen subst. for
M. de Wouters d'Oplinter
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M. Dolezal subst. for M. Wieniawski
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M. Engell subst. for M. Jensen
(O. J.) Cl. XXXIV : 954
(O. J.) Cl. XXXV : 1503
M. Fighiera subst. for M. Serruys
(O. J.) Cl. XLVI : 1165
M. Gliwic subst. for M. Wieniawski
(O. J.) Cl. XLI : 1360
M. Gupta subst. for M. Lindsay
(O. J.) Cl. LV : 1228
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M. Ibl subst. for M. Dvoracek
(O. J.) Cl. XXXIV : 954
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(O. J.) Cl. XXXIX : 564
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(O. J.) Cl. L : 1005
M. Neves subst. for M. B. Carniero
(O. J.) Cl. XXV : 952
M. Ito subst. for M. Matsuyama
(O. J.) Cl. XLVI : 1165
M. Krbec subst. for M. Dvoracek
(O. J.) Cl. XXXIII : 516
M. Morgenstierne subst. for M. Jahn
(O. J.) Cl. LIV : 629
M. Niemeyer subst. for Sir Basil Blackett
(O. J.) Cl. XXIII : 208
M. di Nola subst. for M. Pirelli
(O. J.) Cl. XXX : 1472
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(O. J.) Cl. XLIV : 569
M. Peroutka subst. for M. Dvoracek
(O. J.) Cl. LI : 1514
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M. Pugliesi subst. for M. Pirelli
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M. Rose subst. for M. Wieniawski
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Geneva, October 7th, 1930.

LEAGUE OF NATIONS

18

**SECOND INTERNATIONAL CONFERENCE
WITH A VIEW TO CONCERTED ECONOMIC ACTION**

(Geneva, November 17th, 1930)

**REPLIES OF THE GOVERNMENTS TO THE QUESTIONNAIRE
ANNEXED TO ARTICLE I OF THE PROTOCOL REGARDING THE
PROGRAMME OF FUTURE NEGOTIATIONS**

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Germany.

[Translation.]

In Article I, paragraph 2, of the Protocol regarding the programme of future negotiations, the Governments are invited to formulate "in their replies, if possible, concrete proposals capable of serving as a basis for future negotiations". The Government of the Reich considers that, at the present stage of the discussion, it is impossible to formulate, in regard to the various questions, any concrete proposals such as would formally bind the Government at any future negotiations. On the contrary, the Government regards its reply as a simple statement, which does not in any way bind it, of the points to be examined at later conversations.

ANNEX : REPLY TO THE QUESTIONNAIRE. ¹

A.

(a) As regards agriculture, the principal articles of which a surplus is produced in Germany are barley, oats and sugar. There is sometimes an over-supply of potatoes and products derived from potatoes (seed, flour), and of live-stock (cattle, pigs, horses). There is, likewise, a seasonal surplus of market-garden plants and fruits.

Rye, oats and sugar are the products for which the *exportation* surplus is highest. An excess of *imports* of these articles occurs only in years when the harvest is really bad ; as a general rule, there is an *exportation* surplus.

Products in thousands of tons	1913	1925	1926	1927	1928	1929
Rye	582	—148	35	—663	65	408
Oats	157	—339	—176	—180	163	395
Sugar.	1,123	25	109	55	—51	174

An excess of *imports* is indicated by a minus sign in front of the above figures.

The disposal abroad of the other commodities mentioned above, of which there is over-production in Germany, is, apart from other obstacles, hampered mainly by the lower price-levels obtaining abroad.

(b) The normal outlets for the most important products mentioned under A (a) are :

Rye : The northern countries and the Baltic States.

Oats : Great Britain, Netherlands, Belgium and Denmark.

Potatoes and products derived from potatoes : Italy, France, Great Britain and Denmark.

Sugar : France, Great Britain, Scandinavia and British India.

Flour : Great Britain, Scandinavia, Netherlands, Finland, Switzerland and Czechoslovakia.

Exports of German agricultural products to countries outside Europe are, generally speaking, lower than those to European countries.

(c) Among the practical means of facilitating the disposal and distribution of surplus agricultural production in the normal markets and in other countries with an insufficient production, mention may first be made of *internal* measures devised to achieve improved and uniform quality (standardised products).

We may further mention, as having the same object, the various conventions *concluded between States* for the purpose of forming the producing and consuming countries concerned into a market constituting a homogeneous whole—that is to say, abolishing, so far as possible, within the limits of this market, impediments to the normal disposal of the products in question. In this connection the best means of all would be the formation between countries with a surplus production and importing countries of general Customs unions, which, however, should not, of course, be limited to agricultural products. Should such Customs unions, owing to the numerous objections raised against them, be impracticable for the moment, it would be possible to contemplate the conclusion between the said States of agreements

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c); B; C and D).

for the granting of preferential tariffs. It must not, however, be forgotten that a certain number of European countries are bound by long-term commercial treaties containing the general most-favoured-nation clause, which might prevent the conclusion of agreements for preferential tariffs. It might further be recommended that the States should conjointly and systematically consider how far the situation might be improved by the granting of Customs quotas, and whether there would not be almost insuperable objections to this method as a result of the fact that the consequences of such quotas would be manifold owing to the operation of the most-favoured-nation clause. It should be observed that the surplus production of the European countries is so low that, even if it were absorbed by the European importing countries, the latter would still be obliged to import commodities in considerable quantities from other countries (see Table I attached).

There are grounds for asking whether it would be expedient to use the method of collective conventions to encourage the conclusion of treaties such as those mentioned concerning Customs unions, preferential tariffs, or, as the case may be, the granting of Customs quotas between countries with an over-production and importing countries. The experience of collective treaties acquired hitherto does not encourage the adoption of this method. For that reason, it would, perhaps, be advisable to recommend that the first step should be bilateral negotiations; and that, at the outset, the countries concerned should be left free to get into touch with those other States with which they are, in principle, prepared to enter upon such negotiations.

B.

If, as was suggested in the reply to Question A, it were found possible to increase the purchasing power of the agricultural countries by ensuring the disposal of their agricultural surpluses, these countries could, without any other measures being necessary, buy a larger quantity of industrial products. Greater facilities for the disposal of agricultural products is, therefore, a practical means of facilitating the disposal of industrial products.

The formation of Customs unions would be accompanied by an extension of the markets for manufactured products. If preferential tariff agreements or agreements for the granting of Customs quotas were concluded in respect of agricultural products, such arrangements should, naturally, be set off by the conclusion of similar agreements concerning manufactured products.

Furthermore, the practical methods of facilitating the disposal of manufactured products *in countries whose production is mainly agricultural* and which need industrial products are to reduce their Customs tariffs and to lessen the commercial impediments to the importation of industrial commodities. This result may be obtained by the reduction of the Customs tariff in all manner of ways (the States acting either independently or bilaterally or by means of collective treaties, as was recommended, in particular, by the World Economic Conference).

Any measure taken by the *countries whose production is chiefly industrial* with the object of extending the market or concentrating production at the most suitable spot—more especially in the case of the financially powerful industries—will make it possible to reduce prices and thereby to extend markets and augment by the purchasing capacity of the consuming countries.

Again, the purchasing capacity of the consuming countries may be increased by the granting of credits to such countries. A measure of that kind, however, in so far as concerns Germany, encounters serious difficulties owing to the dearth of capital, which, as is well known, has been a marked feature of the post-war period.

C.

The Customs and administrative measures which are likely to promote the extension of markets are all those which further the reduction or abolition of Customs barriers between two or more States and the removal of import and export prohibitions and other impediments to trade—in particular, indirect protectionism. Among these measures we may include treaties for the conclusion of Customs unions, or, again, conventions for the granting of preferential tariffs, provided they are framed in such a manner as to make the reciprocal exchange of goods really and appreciably easier; and likewise, speaking generally, agreements concluded between States for bilateral or collective tariff reductions and Customs quotas.

Apart, however, from official measures, agreements between industries or agricultural associations in various countries might also help to widen the markets and to improve international trade.

D.

Europe has to import considerable quantities of industrial and agricultural raw materials. There is, generally speaking, only very little over-production of raw materials in the European countries. If it is desired to facilitate the trade in raw materials in Europe, it would be desirable to employ for this purpose all the various measures set forth in the reply to Questions A to C. To effect any general improvement in the trade in raw materials, the first step would be to abolish import prohibitions and export taxes where they still exist, as well as all other export restrictions.

Annex.

TABLE I.
*Excess of Exports of Certain Important Agricultural Products
of Various European Countries.*
(In thousands of tons.)

Pays	Froment — Wheat				Farine de froment Wheat flour				Orge — Barley				Maïs — Maize				Seigle — Rye				Avoine — Oats				Beurre — Butter				Country								
	1925	1926	1927	1928	1925	1926	1927	1928	1925	1926	1927	1928	1925	1926	1927	1928	1925	1926	1927	1928	1925	1926	1927	1928	1925	1926	1927	1928									
Allemagne	—	—	—	—	—	—	—	17	—	—	—	—	—	—	—	—	—	35	—	65	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Germany
Bulgarie	1	36	39	20	15	44	15	8	20	23	78	37	116	99	129	47	1	13	20	24	1	—	—	—	—	—	—	—	—	—	—	—	—	—	Bulgaria		
Espagne	—	—	—	—	14	15	15	8	—	—	21	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Spain		
Hongrie.....	204	404	311	284	191	147	155	196	38	48	53	29	173	141	15	31	124	220	137	121	31	45	26	8	—	—	—	—	—	—	—	—	—	—	Hungary		
Roumanie.....	—	271	209	—	20	106	67	—	188	581	703	415	579	690	1766	—	1	26	61	*	21	61	89	*	—	—	—	—	—	—	—	—	—	Roumania			
Yougoslavie	146	296	63	155	—	32	12	—	11	—	16	—	1000	894	191	—	3	11	6	—	—	—	7	*4	—	—	—	—	—	—	—	—	—	Yugoslavia			
Russie	326	1045	768	—	—	6	19	—	481	720	64	—	97	258	132	—	9	223	355	*	10	16	100	*4	25	27	32	—	—	—	—	—	—	Russia			
Danemark	—	—	—	—	—	—	—	—	—	5	—	22	—	—	—	—	—	—	—	—	—	—	—	—	122	131	142	147	—	—	—	—	—	—	Denmark		
Lettonie	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7	10	11	13	—	—	—	—	—	—	Latvia		
Estonie	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6	9	10	11	—	—	—	—	—	—	Estonia		
Suède	—	—	—	—	—	—	—	—	13	32	11	—	—	—	—	—	—	—	—	—	—	—	10	—	9	15	18	17	—	—	—	—	—	—	Sweden		
Finlande	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13	13	15	13	—	—	—	—	—	—	Finland		
Pays-Bas.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	37	44	46	45	—	—	—	—	—	—	The Netherlands		
France.....	—	—	—	—	1	26	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	4	5	9	—	—	—	—	—	—	France		
Italie	—	—	—	—	77	24	17	22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4	3	—	—	—	—	—	—	—	Italy		
Belgique	—	—	—	—	54	4	10	14	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Belgium		
Autriche	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Austria		
Pologne.....	53	44	—	—	—	5	—	—	100	137	60	108	—	—	—	—	111	214	—	—	—	60	—	—	—	—	—	—	—	—	—	—	—	—	—	Poland	
Portugal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Portugal	

* 1928 figures not yet available.

TABLE II.

Excess of Imports into Europe of Certain Important Agricultural Products.
(In thousands of tons.)

Produits — Products	1925	1926	1927	1928
Froment } Wheat }	12.934	10.777	15.740	15.500
Farine de froment } Wheat flour }	1.516	10.061	10.692	954
Orge } Barley }	1.639	1.391	2.586	2.685
Maïs } Maize }	3.966	4.824	8.149	8.160
Seigle } Rye }	1.098	327	1.320	. *
Avoine } Oats }	1.559	1.054	778	. *
Beurre } Butter }	150	110	86	. *

* Figures not yet available.

Austria.

[*Translation.*]

A. ¹

The Federal Government must first point out that Austria is a State of mixed economic structure. It is not one of the countries which are, strictly speaking, exporters of agricultural products, yet it cannot be classified among those which are solely importers of such articles. In certain branches of agriculture, more particularly cereals, Austrian production is insufficient ; nevertheless, even in the case of these commodities, the percentage of requirements covered by national production is so substantial that it forms a very important factor in the country's economic life. In other respects, Austria is distinctly a country of over-production.

(a) There is over-production in the following articles : timber, draught animals and breeding stock, dairy products, horses (cold-blooded), potatoes, and certain fruits and vegetables.

(b) The normal outlets for these products are :

(1) For timber : Italy, Germany, France, Czechoslovakia, Switzerland and Hungary ; it is of capital importance to Austria's timber industry to retain these markets where she has always disposed of her surplus production.

(2) For draught animals and breeding stock : Germany and, to some extent, Italy and Czechoslovakia ; Austria breeding stock used to find a considerable market in the countries situated east of Austria ; but, at present, exports to these countries have fallen materially. In the Alpine districts of Austria, where stock-breeding is one of the most important rural industries, it is vitally important to retain markets already held and to recover the outlets towards the east.

(3) For dairy products : Germany (butter and cheese) and Switzerland (butter).

(4) For horses (of Northern strain) : Germany.

(5) For potatoes : Italy.

(6) For fruits and vegetables : Germany, Italy and France.

(c) In the opinion of the Federal Government, one practical means of ensuring the disposal of surpluses, apart from Customs measures, would be to create organisations for the distribution of production. In the case of stock-breeding, the Federal Government would further suggest that it might be expedient to arrange for agreements by which countries exporting cattle for slaughter would undertake to import stock cattle from the countries where they disposed of their live-stock for slaughter.

The Federal Government would further add that the adjustment of the problems exercising Austrian agriculturists, whether as the chief suppliers of agricultural products for domestic requirements or as exporters of certain other articles, would seem to call for regional agreements as, although the trade in some of these articles far exceeds that commonly known as frontier traffic, it only embraces, in actual fact, rather restricted areas and has nothing in common with international trade properly so-called. The Federal Government thoroughly realises the serious objections which might be raised, from many points of view, to such agreements between the parties concerned. It is, nevertheless, true that an adjustment of the relations between agricultural and industrial countries and—the Federal Government feels it must stress this—countries of mixed economic structure will require further special negotiations with a view to maintaining a balance between reciprocal concessions. On this point, the Federal Government will venture later to make certain suggestions.

B.

Austrian manufacturing industry is of long standing and considerable proportions. Built up at the outset at the centre of the Austro-Hungarian Monarchy, Austrian industry found its outlets primarily in the huge domestic market devoid of all Customs barriers, and, also, in the neighbouring countries, more particularly the agricultural States to the east. When Austrian economic life recovered from the crisis experienced immediately after the war, Austrian industrial exports naturally flowed again towards the old markets with which they still had traditional connections. Recent changes, however, in trade movements show that the importance of these markets for Austrian exports has steadily decreased and that Austrian industry has had to turn to Western and to overseas markets.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire to the States. (A, (a), (b) and (c) ; B ; C and D).

The annexed table, giving the values of exports of finished products and of the main semi-manufactured products during the last six years, shows that exports to the agricultural countries (Hungary, Poland, Roumania, Yugoslavia) have fallen during this period from 646 to 491 million schillings (or from 37.6 per cent of the total exports of such goods to 26.7 per cent). Similarly, exports to all States, whether merely contiguous or the Succession States of the former Monarchy (Czechoslovakia, Germany, Hungary, Italy, Poland, Roumania, Switzerland, Yugoslavia), fell from, 1,274 to 1,199 million schillings (or from 74.3 per cent to 65.4 per cent). At the same time, exports to the other European States and to overseas countries rose from 441 to 636 millions (or from 25.7 per cent to 34.6 per cent). The increase in exports to overseas countries (from 139 to 233 millions—*i.e.*, 8.1 per cent to 12.2 per cent) is specially notable.

The above figures prove that, technically as well as commercially, Austrian industry can compete on the international market. If exports to former markets, which, geographically at least, would appear to be the natural ones for the disposal of Austrian manufactures have nevertheless seriously fallen, the explanation must be sought elsewhere.

The Federal Government is fully aware that the agrarian crisis affecting agricultural countries has diminished their purchasing power, and that this is reflected in the above figures. This change in the movement of trade seems also to be due to the gradual industrialisation of agricultural States, as well as to the measures of protection that they have adopted.

The practical means for facilitating the disposal of manufactured products would, therefore, appear to be mainly of a Customs character. On the one hand, the Western markets which these goods have recently captured should be preserved; while, on the other hand, they should be ensured access to the markets of agricultural countries, and at the same time the problem of disposing of the latter's agricultural exports so solved as to enable them to increase their purchasing capacity.

C.

In these circumstances, and bearing in mind that only proposals lending themselves to collective negotiations are likely to be capable of serving as a basis for the future negotiations referred to in Article 1 of the Protocol of March 24th, 1930, the Federal Government begs to propose the following two negotiations :

(1) That negotiations should be held between States which have hitherto not consolidated their Customs duties by treaties, and which are referred to in Article IV of the Commercial Convention of March 24th, 1930, on the one hand, and States which conclude treaties of commerce with tariff provisions, on the other hand.

The purpose of these negotiations would be the maintenance by the first group of States of the *status quo*, subject to the other group making tariff concessions. This is a question which lends itself to collective negotiations, because the States in the first group would not undertake to maintain the existing situation with one country merely, and because an individual State would be equally unable to make the corresponding concessions. These negotiations might be opened on the ratification of the Commercial Convention of March 24th, 1930.

(2) That negotiations should take place between European States exporting agricultural products and States importing them.

The purpose of these negotiations would be to dispose of the surplus production of agricultural States and to secure corresponding concessions from the same States. Here, also, it would appear expedient for negotiations to be conducted as simultaneously as possible between all the States concerned, as no one State would be able, on account of its own agriculture, to make the required concessions without an assurance that the over-production of exporting States would be distributed among several countries and not depress its own market only. It will, moreover, be much easier for States exporting agricultural products to make equivalent concessions if they obtain facilities for their exports, not merely on one market but in more extensive areas.

D.

The Federal Government believes that the economic agreements contemplated by the negotiations which it has ventured to propose in the preceding paragraph would also furnish the practical means to ensure the movement of European raw materials amongst the different countries, particularly if they were coupled with the creation of large national import and export organisations.

Annex.

Value of Austrian Exports of Manufactured Products and of Principal Semi-manufactured Products.
(In millions of Schillings.)

Pays de destination	1924		1925		1926		1927		1928		1929		Country of destination
	Chiffres absolus Actual figures	%											
Allemagne.....	176	10,3	208	12,7	124	8,5	250	14,6	262	14,2	229	12,5	Germany
Italie	174	10,2	175	10,7	147	10,1	139	8,2	143	7,8	159	8,7	Italy
Pologne	176	10,3	148	9,1	58	4,0	86	5,0	104	5,6	92	5,0	Poland
Roumanie	127	7,4	111	6,8	105	7,2	122	7,1	124	6,7	107	5,8	Roumania
Suisse.....	114	6,6	74	4,5	90	6,2	94	5,5	105	5,7	95	5,2	Switzerland
Yougoslavie ...	193	11,2	164	10,1	139	9,6	143	8,4	151	8,2	154	8,4	Yugoslavia
Tchécoslovaquie	164	9,6	159	9,8	158	10,9	185	10,8	216	11,7	225	12,3	Czechoslovakia
Hongrie	150	8,7	141	8,7	149	10,3	175	10,2	158	8,6	138	7,5	Hungary
France	45	2,7	48	2,9	50	3,4	45	2,6	45	2,5	63	3,4	France
Autres Etats d'Europe ...	257	14,9	264	16,1	256	17,7	283	16,5	310	16,8	350	19,0	Others Euro- pean States
Pays d'outre- mer.....	139	8,1	139	8,6	175	12,1	190	11,1	225	12,2	223	12,2	Oversea States
Total	1.715	100	1.631	100	1.451	100	1.712	100	1.843	100	1.835	100	Total

Belgium.

[*Translation.*]

Before replying to the questionnaire contained in the Protocol of March 24th, 1930, it may be well to recall a few of the main features of the economic system of Belgium.

Belgium has a greater density of population than any other country in Europe; it has an average of 262 inhabitants per square kilometre. Further, the country has been very highly industrialised for nearly a century. Of the entire working population, 47 per cent, or nearly a half, are engaged in industry, 18 per cent in trade and 15 per cent in agriculture. There are two primary consequences of this situation. First, as the natural resources furnished by the national territory are much below the quantities required to ensure the livelihood of so numerous a population and the supplies necessary for so highly developed an industry, Belgium has to import a large part of her foodstuffs and practically the entire quantity of raw materials consumed by her industry. Coal alone is extracted in large quantities, but here again the output is insufficient, and 40 per cent of the national requirements have to be met by importation.

Secondly, it is a vital necessity for the Belgian population to export the products of their labour. The exportable surplus amounts to close on half the total industrial and agricultural production. In the chief branches of industry, this surplus reaches a considerably higher percentage, 95 per cent in the case of plate-glass and window-pane glass; 66 per cent, approximately, in the case of zinc, explosives and matches; 54 per cent in the case of rolled metallurgical products, etc. In money value, the exportable surplus amounts to four thousand millions Belgian francs for textiles, close on three thousand millions for articles manufactured from minerals, approximately eight thousand millions for metals and metal articles, one thousand and five hundred millions for glass articles, etc.

The loss to Belgium of the normal markets in which these considerable surpluses are disposed of, or even a threat to these markets, would create a crisis which would shake the Belgian economic system to its very foundations. The export problem is not accordingly one that merely arises from time to time. It has at all times been the fundamental problem of Belgian commercial policy.

A. ¹

(a) and (b) While Belgium has to import certain quantities of agricultural products, chiefly raw materials for agriculture (oil-cake, maize, fertilisers), she is, on the other hand, owing to her intensive system of agricultural production and the growth of market gardening, floriculture, forestry, bird-rearing and horse-breeding, obliged to find abroad outlets for commodities which have a relatively high value.

There are certain products of which there is always a surplus—that is to say, products which Belgium must necessarily export in larger or smaller quantities each year—and others which she exports at certain seasons of the year and imports at other seasons. Lastly, in view of certain agricultural changes, it is to be anticipated that in a very short time Belgium will definitely begin to export other products. We may mention, for instance, pork and butter.

I. TABLE OF AGRICULTURAL PRODUCTS SHOWING A FAVOURABLE TRADE BALANCE.

Products	Average Exports, 1927, 1928, 1929	Markets
<i>A. Vegetable Products.</i>		
Sugar	1,103,847 metric quintals	France, Germany, Canada, Canary Islands, British India, Morocco, Netherlands, Switzerland, United Kingdom, Belgian Congo, Egypt, Spain, Finland, Norway, Persia, Uruguay, China, Denmark.
" Witloof " chicory . . .	248,458 metric quintals	France, Netherlands, United Kingdom, U.S.A., Germany.
Potatoes	2,886,616 metric quintals	Germany, France, Netherlands, United Kingdom.
Chicory root	364,483 metric quintals	Germany, France, Netherlands, England, Switzerland.
Live plants	103,071,000 francs	Germany, France, Italy, Netherlands, Sweden, Switzerland, Great Britain, Canada, Spain.
Asparagus	5,653 metric quintals	Germany, Netherlands.
Cauliflower	82,721 metric quintals	Germany, Netherlands.
Tomatoes	26,810 metric quintals	Germany, Great Britain, Netherlands, France.
Vegetables and fruit, preserved vegetables (green peas)	111,790 metric quintals	Belgian Congo, Germany, Argentine, Canada, U.S.A., France, Hamburg, Netherlands, United Kingdom.
Fresh grapes	27,738 metric quintals	U.S.A., Germany, United Kingdom.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c); B; C and D).

Products	Average Exports, 1927, 1928, 1929	Markets
Fresh plums	39,384 metric quintals	Netherlands, United Kingdom.
Fresh apples	226,434 metric quintals	Germany, Netherlands, United Kingdom.
Fresh pears	438,233 metric quintals	Germany, France, Netherlands, United Kingdom.
Fresh cherries	29,966 metric quintals	France, Netherlands, United Kingdom.
Fresh strawberries	1,854 metric quintals	Germany, France, Netherlands.
Fruits not specially mentioned in the tariff schedule	14,071 metric quintals	Netherlands, United Kingdom.
Fruits: Total	786,820 metric quintals	

B. *Animal Products.*

Horses	22,657 head	Germany, France, Netherlands.
Rabbits (slaughtered, but not chilled)	21,496 metric quintals	France, United Kingdom.
Eggs	626,989,000 eggs	Germany, Spain, France, Netherlands, United Kingdom, Switzerland.

II. AGRICULTURAL PRODUCTS OF WHICH THERE IS A SEASONAL SURPLUS AND FOR WHICH, WITH THE EXCEPTION OF THE FIRST, A STEADY EXPORT IS EXPECTED.

Products	Average Exports, 1927, 1928, 1929	Markets
1. <i>Beef (not chilled)</i>	32,205 metric quintals	Germany, France.
2. <i>Pork (not chilled)</i>	18,167 metric quintals	France, Germany, England.
3. <i>Butter</i>	14,385 metric quintals	Belgian Congo, Germany, France, United Kingdom.

(c) Among the practical means that might be employed to ensure the disposal and distribution of surplus production in the normal markets mentioned above and in other countries with insufficient production we may mention :

- The organisation of a commercial information service for agriculture ;
- The standardisation of Customs tariff nomenclatures and regulations ;
- The abolition of import duties and other restrictions on the free movement of agricultural products ;
- The adoption of transport facilities to take into account the special requirements of agriculture : cold storage trucks, etc.

B.

The Belgian Government is prepared to take part in any conference called to seek for means to increase the extent to which it is possible to augment the purchasing capacity of countries which consume manufactured products.

C.

There does not appear to be any one solution, applicable indiscriminately to all products and all countries, for the problem of the extension of markets and the improvement of international trade. Even if we considered only the European States, the differences of situations and interests would make any such solution impossible. The Belgian Government considers that any study of the extension of markets and the improvement of international trade will have to be based on the nature of the goods.

As regards *agricultural and breeding products*, the reduction or, better still, the total abolition of the import duties collected at the time of importation in the countries which form our principal markets, would certainly be calculated to widen the markets and to improve international trade. Dumping, and all similar practices having the same results, should be done away with completely and sanitary and other measures which greatly hamper Belgian exports of agricultural products should be reduced to what is strictly necessary.

All the commodities appearing under heading A are subject to heavy import taxes in almost all countries. The products in regard to which Belgian agriculture is particularly hard hit are potatoes, " Witloof " chicory, chicory root, horses, eggs and butter. The annex to the present note explains in detail the restrictions imposed on exports of these products in a number of foreign countries.

The question of *manufactured products* will now be considered (Section D will deal with raw materials). As has been seen above, the Belgian population derives its livelihood to a very large extent from the exportation of the products of its labour. Belgium, therefore, is normally an exporter of large quantities of manufactured goods. The proportion of our exports of manufactures to our total exports varied, between 1922 and 1929, from 55 to 60 per cent. The same is true, in varying degrees, of several European countries, more particularly of Belgium's three great neighbours, Germany, France and Great Britain.

Special attention should be paid to a first category of manufactures. These are mass products such as crude or simply rolled metals, plate-glass, window-pane glass, cement, etc.

Although certain of our neighbours, such as Great Britain and the Netherlands, afford us important outlets for these products, the greater part of our production goes to non-producing countries or countries with only a small production. The quantity sent to these countries amounts on an average to about 75 per cent of our total exports for window-pane glass and plate-glass, over 80 per cent for cement, 70 per cent for the bulk of rolled products and as much as 80 per cent for rails, sheet iron, wire and rods.

In the case of these goods, the extension of the market should not, we think, be sought for principally among the other great European producing countries.

There is no apparent probability of a considerable development of trade inside this group in the near future. The reason is simple. In the majority of cases, the production of the countries in question exceeds the requirements of the home market. The products concerned are of a uniform type and their quality hardly varies from one country to another. Any important movements can be the result only of price differences. From this point of view the possibilities of competition are likewise few. Mass products are often heavy and their transport, especially by rail, involves high costs. The trade between producing countries is accordingly determined by the localisation of industries. Each manufacturing centre has its own zone of influence which, in certain cases, will pass beyond the frontier, provided Customs tariffs are not unduly high.

Taking these factors into account, we may recommend that production should be distributed and localised on as rational a basis as possible and that trade between the different producing countries should be regularised.

This latter point is one of special importance to Belgium by reason of her liberal Customs policy. In time of crisis, or after overproduction, the principal producers, other than Belgium, can, owing to the Customs tariffs by which they are surrounded, maintain remunerative rates on the home market and sell their surplus products at low prices in neighbouring countries which, like Belgium, have hardly any protection at all. There is no need to dwell on the loss caused by practices of this nature to those who suffer from them.

This is not the place to consider the problem of industrial agreements with which the League has already dealt on several occasions and which, moreover, it still has under investigation. It may, however, be observed that, as regards the products in question, agreements of this kind, *in the present circumstances*, afford the best means of ensuring normal relations between the European producing countries.

These agreements may be plurilateral or bilateral. There are many of them already in existence; for instance, the International Steel Consortium, the Association of European Rail Manufacturers, the International Steel and Iron-Tube Combine, the International Machine-Yarn Cartel, the International Plate-Glass Convention, the agreements concluded by the Belgian cement manufacturers with the German, French and Swiss cement manufacturers, etc. Other associations are in course of formation.

The majority are based on the stipulation of territorial protection—that is to say, each market is, in principle, reserved to the national industry. In certain cases, however, import quotas may be allowed to other producing countries. Regulations of this kind, the object of which is primarily to take into account certain local circumstances, are very valuable to countries like Belgium, whose production greatly exceeds the requirements of the home market. Combines of this sort may also include provisions regarding the distribution of foreign markets.

* * *

High quality products, such as textiles, mechanical and electrical construction products, motor cars, tyres, leather, wooden objects, paper, etc., require separate examination. Although the surplus of Belgian production of these products, like that of other European producing countries, is mainly exported to non-producing countries or countries with a low production, there is nevertheless a brisk trade even within the group of the producing countries. For instance, more than half Belgium's textile exports go to Germany, France, Great Britain, the Netherlands, Switzerland and Italy. This trade is to be explained principally by the fact that these are not products of a uniform type or quality but, on the contrary, goods which are produced in a great number of varieties.

Here, again, the liberal character of the Belgian Customs system places us in a particularly delicate situation. The differences between the Belgian tariff and those of certain neighbouring countries are the cause of a very serious disequilibrium in our trade with the said countries. This disequilibrium, which is now no longer intermittent—but, on the contrary, practically permanent—is particularly noticeable in the case of textiles. For instance, in 1929, French imports of textiles into the Belgo-Luxemburg Economic Union amounted to 1,203,702 thousand francs, whereas the exports to France hardly exceeded 128,010 thousand francs, out of a total Belgian export of about four thousand million francs.

So marked a disproportion is abnormal and gives rise to constantly stronger demands for increased duties. These demands are based not only on the material loss sustained by Belgium, but also on the unequal conditions of competition.

The question arises in what way the trade in these products could be made normal.

(a) A solution could not, we think, be found in direct agreements between producers, of the kind which exist for steel or plate-glass. The nature of the products is hardly suitable for agreements which involve the rationing of production or the distribution of markets.

(b) In the absence of an agreement between producers, a collective Customs agreement, binding the different European countries concerned, might be considered. The case which, *prima facie*, appears the simplest, is that in which competition from outside Europe raises a common Customs problem for the European producing countries as a whole. This is the case, among others, of the motor-car and tyre industry.

If it is merely desired to determine the conditions under which the various European countries would compete among themselves, we encounter a serious difficulty—namely, that of finding, within any single group of products, the factors which would ensure the necessary offset for the conclusion of an agreement. This difficulty can only be got round by making the negotiations cover very wide categories of products. In any case, this would be a solution which we cannot hope to achieve in the near future.

In this connection, it would be desirable to ascertain whether there are not cases where an agreement like that concerning export duties on bones might not be considered. The formula employed is to classify the adhering countries in different categories according to their individual situations and to limit the protective rate in each category respectively. With an elastic system of this kind it is possible to bring within a single agreement countries at very different stages of economic development. The enquiries made with a view to agreements of this sort would be greatly facilitated by the adoption of a uniform Customs nomenclature and, if it were possible, by the carrying out, within a short period of time, of the suggestion contained in the French memorandum annexed to the Protocol of March 24th, 1930, regarding the programme of future negotiations. The object of this suggestion is to convert the specific duties in the various Customs tariffs into *ad valorem* duties. If absolutely necessary, it might be possible to go no further than to convert the existing specific duties into a single currency.

(c) In cases where collective agreements were found impracticable, it would be desirable to use the method of bilateral agreements—that is to say, ordinary commercial treaties.

* * *

So far we have only considered, in regard to the Customs problem, tariff questions in the strict sense of the term—that is to say, those relating to the height of the duties. There are other questions which are of great importance in this connection—in particular, those bearing on indirect protectionism, Customs formalities, Customs nomenclature, export bounties, etc. These questions, are being exhaustively studied by the League's Economic Organisation and it will accordingly suffice if we merely mention them here. The Belgian Government attaches great importance to the early conclusion of collective agreements on these different points. We single out for special mention those devised for the adoption of a uniform Customs nomenclature and the abolition of export bounties.

* * *

Apart from the general problems examined above, there are, in the matter of commercial policy, two questions which occupy the front rank to-day and demand a prompt solution. In mentioning them, we shall not be going outside the range of the questions contained in the Protocol of March 24th, 1930.

The first relates to the adjustment of the interests of agricultural countries and industrial countries.

Belgium's Customs policy as regards agricultural products is a particularly liberal one. Out of the 368 items in the tariff schedule for agricultural and breeding products, there are 207—*i.e.*, 56 per cent which are free of import duty. An even more accurate idea of the liberal character of the Belgian tariff will be gained when it is realised that, in 1929, out of a total import of 13,011,491 thousand francs worth of agricultural products of all kinds, 10,650,952 thousand francs worth—*i.e.*, 81 per cent of the total—entered the country free of all duty. All the essential products, such as cereals, wool, cotton, grain, are duty free. The only duties that exist are, in almost every case, imposed purely for revenue purposes. This system allows exports from essentially agricultural countries to develop freely. We think that the latter can hardly hope for a more favourable system.

The question, however, is far more complicated than it appears to be at first sight. In Europe, there is no country with an exclusively agricultural economic system, while there is likewise no country with an exclusively industrial economic system. Belgium is generally held to be an essentially industrial country, and yet the importance of agriculture in her economic system cannot fail to be recognised. This branch of the national activity is one of the most important in the country as regards the value both of national production and national exports. In the problem of the general adjustment of agricultural interests and industrial interests, Belgium therefore will have to put forward claims in regard to agriculture as well as industry.

Belgium has no intention of modifying the liberal system governing the admission of agricultural products to her territory. The question arises whether she could consolidate this system by treaty. Without giving any final opinion on this subject, Belgium must nevertheless say at once that, in order to enable her to do so, the three following conditions must be fulfilled as a minimum :

(1) She must obtain guarantees for the export of her own agricultural products to the countries which are the normal outlets for these products ;

(2) She must obtain equivalent advantages for her industrial products in the agricultural countries ;

(3) She must secure an arrangement safeguarding her against the threat to her unprotected market resulting from the system of export or import bounties in force in certain countries, more particularly in regard to cereals.

The second question which calls for the attention of the various Governments is the desirability of an agreement with countries like Great Britain, the Netherlands and the Scandinavian countries, which pursue traditionally an autonomous commercial policy—that is to say, countries which, in principle, do not consolidate their tariff duties by treaty.

These countries of course have a relatively liberal Customs system, but a great advance would be made towards the stabilisation of commercial relations if it were stabilised by commercial agreements.

The Commercial Convention of March 24th already involves on the part of the countries in question an undertaking not to increase the protective duties in their tariffs, nor to introduce new ones. The Commercial Convention, however, is a purely transitional instrument and we must even now consider the arrangements by which it will be followed.

The Belgian Government considers that it would be desirable for these States to agree to conclude commercial treaties with tariffs annexed thereto, stipulating, on each side, for very wide guarantees in regard to trade between the countries concerned.

Belgium, although not one of these countries, has nevertheless, like them, a fundamentally liberal Customs policy. We have at present consolidated by commercial agreement about a quarter of the duties in our tariff schedule. This consolidation is very valuable to the countries benefiting by it, since it stabilises certain specific duties, the majority of which have scarcely been adjusted to the present price-level and the incidence of which is thus appreciably lower than at the time of the Customs reform in 1924. Belgium cannot, however, extend these consolidated duties unless the countries to which we export our products give us, in return, definite guarantees for the maintenance and development of our business.

D.

Belgium is largely dependent on foreign countries for her supplies of raw materials. We import annually about 18 thousand million Belgian francs worth of raw or roughly-worked materials—that is to say, an amount equivalent to more than half our total imports. Some of these raw materials which are among the most important to our economic system come exclusively from Europe—in particular, coal and certain ores. We attach the greatest importance to there being no impediment to the movement of raw materials of European origin. In particular, we consider that trade should not be hampered by prohibitions, restrictions or discriminations. Measures should be taken to overcome the difficulties which at present prevent a large number of countries from adhering to the Convention for the Abolition of Prohibitions.

Annex.

1. *Potatoes.* — The following are the duties levied in Germany : ¹

From February 15th to April 15th	8.50 francs per 100 kilogrammes.
From April 1st to July 31st	12.75 francs per 100 kilogrammes.
From August 1st to August 31st	34.— francs per 100 kilogrammes.
From September 1st to February 14th.	17.— francs per 100 kilogrammes.

The following are the duties levied in France which is another market for potato products :

From March 1st to July 15th	29.60 francs
For the remainder of the year	21.15 francs

2. "*Witloof*" *chicory.* — France : 10.90 francs per 100 kilogrammes ; Netherlands : 8 per cent *ad valorem* ; U.S.A. : approximately 50 per cent *ad valorem* ; Germany : 34 francs per 100 kilogrammes.

3. *Chicory root.* — Germany : 7 francs per 100 kilogrammes for dried roots ; France : 4 or 17 francs per 100 kilogrammes for fresh and dried roots respectively ; Switzerland : 7 francs per 100 kilogrammes.

4. *Horses.* — Germany : 1,190 francs per horse, if worth less than 21,250 francs, and 3,060 francs per horse, if worth more than 21,250 francs ; France : horses less than 5 years old, 588 francs each, horses more than 5 years old, 882 francs each.

These rates are reduced respectively to 238 and 315 francs for a quota of 5,200 horses.

5. *Eggs.* — Germany : 255 francs per 100 kilogrammes. In consequence of the treaty with Italy the duty remains provisionally constant at 42.50 francs per 100 kilogrammes ; France : 33.60 francs per 100 kilogrammes ; Switzerland : 104 francs per 100 kilogrammes.

¹ All the duties given in this annex are shown in *Belgian francs.*

6. *Butter*. — France : 280 francs per 100 kilogrammes ; Germany : 233.75 francs per 100 kilogrammes, pending a revision of the treaty with Finland. In the latter case the tariff will be increased to not less than 425 francs per 100 kilogrammes until the end of 1933.

* * *

Among the many sanitary and phytopathological measures restricting our foreign trade and which we are anxious to have abolished we may single out the following for special mention :

Whereas imports of Belgian *potatoes* into France are subject only to one formality (production of a phytopathological certificate), Germany requires the following conditions :

(a) Consignments may only be despatched in fresh packing or, if in bulk, in closed trucks ;

(b) Each package—or in the case of goods despatched in bulk, each truck—must be sealed by the phytopathological service of the country of origin ;

(c) Each consignment must be accompanied by a phytopathological certificate containing a description of the consignment and testifying

(1) That the consignment has been inspected by an expert of the phytopathological service and found free from black scurf ;

(2) That the consignment comes from a farm not infected by black scurf and that the disease has not been observed within a radius of 2 kilometres ;

(3) That the packing has not been utilised before ;

(4) That each packing or each truck has been sealed by an expert of the phytopathological service ;

(d) The consignment is only allowed to enter Germany after a phytopathological inspection at the cost of the importer.

Live Plants. — The exportation of live plants to various countries is greatly impeded or even totally prevented by a number of phytopathological and other formalities.

Great Britain.

A.¹

With the exception of pedigree live-stock and seed potatoes, the United Kingdom is not, on balance, an exporter of agricultural products. His Majesty's Government in the United Kingdom would prefer to await the views of other countries in regard to these Questions. At the same time, as the United Kingdom is an importing country, His Majesty's Government are naturally interested in many aspects of the problem.

B.

As regards the disposal of manufactured products, His Majesty's Government wish to emphasise the primary importance, in their opinion, among the means for bringing about this object, of reducing Customs tariffs to a moderate level. In this connection, they would recall the view expressed by the World Economic Conference that tariffs "are at present one of the chief barriers to trade". The Conference, it will be remembered, drew special attention to the increases made in most countries, since before the war, of the duties on manufactured articles, and their diagnosis of the causes of this tendency appears sufficiently noteworthy to be recalled here. After referring to the factor of currency depreciation—a complicating element which has now happily been almost entirely removed—the report of the Conference proceeds :

"A second reason for the present tariff situation, both in Europe and elsewhere, is the desire of nations to keep existing or recently established industries in being, by means of tariffs, on a scale which they would not otherwise be able to maintain. These industries have grown to their present extent, in some cases, as a result of abnormal expansion during the war; in others, as a result of the desire of certain nations to attain a degree of economic independence which is not justified by their slender resources; and, again, in others, with a view to providing employment for surplus labour for which certain former outlets are at present closed.

"This increase in productive capacity has often outrun the capacity of the country to absorb the products, either as regards its material needs or its purchasing power. The result has been, either that the plant left idle has overweighted the costs of production, particularly when borrowed capital is involved, or that, in order to utilise the whole plant, and to give some return to the capital employed, it has been necessary to turn to the foreign market and so to intensify international competition.

"The desire to deal with the problem of excessive industrial capacity has usually led to an attempt to reserve the home market for home production by means of tariff barriers erected with a view to creating an independent national economy capable of producing, under the protection of the tariff wall, an increase of invested wealth and a more satisfactory return for the work of the nation. This effort to attain self-sufficiency cannot hope to succeed unless it is justified by the size, natural resources, economic advantages and geographical situation of a country. There are very few countries in the world which can hope to attain it. The artificial increase of plant which is only partly employed has meant, not only uneconomical and costly production, but also a wasteful use of the world's reduced capital resources. It has thus been one of the causes which has maintained an abnormally high rate of interest in recent years. It should be added that, so long as unduly high tariffs are maintained, this uneconomic use of capital continues and creates an increasing number of vested interests which resist a return to a sounder policy."

His Majesty's Government would further add that, while they recognise that Customs tariffs are not the only form of obstacle to trade which falls to be considered in this connection, and that much importance also attaches to such practices as fall within the generic description of "Indirect Protectionism", nevertheless, in their view, the cardinal influence is that exercised by Customs tariffs; and any attempt to deal with the other factors above mentioned, while leaving unsolved the question of Customs tariffs, would amount to leaving the larger part of the problem untouched. Moreover, any success that might be obtained in these other directions could at any time be nullified by further increases of Customs duties.

C.

As regards practical methods by which the reduction of Customs tariffs could be brought about, His Majesty's Government are anxious to obtain a reduction of all duties other than fiscal duties at the earliest possible date. They recognise, however, that, in order to keep the problem within manageable limits, it may be necessary that the negotiations should proceed by stages, a few groups of commodities being dealt with at each stage. The order in which such groups of commodities are selected for consideration might, His Majesty's Government suggest, follow generally their relative magnitude and importance in international trade. Thus, in the first place, some such groups as textile fabrics and machinery might be selected.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, B, C and D).

His Majesty's Government accordingly suggest for the first negotiations these two groups—namely, (1) textile fabrics and (2) machinery.

As regards the method by which the reduction of tariffs in relation to these two groups should be brought about, His Majesty's Government would tentatively suggest some such procedure as is outlined below :

1. Each Government participating in the negotiations should state the total Customs revenue which it derived, in the fiscal year 1929 (or that fiscal year of which the major portion fell within the calendar year 1929), from its import duties (other than fiscal duties) upon the goods comprised within each of the groups under consideration.

2. From each of these totals there would, in the first place be deducted an amount equivalent to an agreed percentage (which should not exceed, say, 5 per cent) of the value as shown in the trade statistics of the country concerned, of the goods falling within the particular group in question, imported during the above-mentioned fiscal year.

3. Each State should undertake so to reduce its duties on the commodities comprised within the group in question that, on the basis of the importations of 1929, the balance of revenue as arrived at in paragraph 2 would be diminished by an agreed percentage. Such reduction should be calculated upon the rates of Customs duty which are applicable, under either the autonomous or the conventional tariff, to goods originating in countries entitled to most-favoured-nation treatment.

4. These reductions should be spread with proportional equivalence over all the articles within the group. Exception might possibly be made of articles on which the rate of duty already falls below the agreed percentage of tolerance referred to in paragraph 2 above; and, as it may also be necessary in certain other cases to admit special exceptions to the general principle, each State should determine for itself what reductions of individual duties would be required, observing the principle, as far as possible. It would, at a later date to be fixed, send to the Secretary-General of the League, for communication to the other participant States, an explanatory statement showing, with all necessary statistical details, how the reduction of particular duties has been arranged.

5. The reduced duties thus arrived at should, it is suggested, be scheduled in a multilateral Convention, subject to their approval by the Conference, it being understood that objection could be raised if there was any wide departure from the principle of equivalence of reductions laid down in paragraph 4. By this Convention the participating States would agree to secure the enforcement of the reduced duties.

6. At the first Conference, an agreement should be reached to the effect that the work of similarly dealing with other groups (to be specified) of commodities in a determined order should be proceeded with forthwith. Subsequent Conferences should be called at agreed intervals.

The groups suggested for first consideration relate, it will be seen, to manufactured products. While His Majesty's Government particularly emphasise the importance of reducing the duties on these goods, they see at the same time an advantage in the holding, simultaneously or in close succession, of Conferences or sub-conferences of which one would deal with groups of manufactured products, while another would deal with a selected group or groups of products of agriculture, stock raising, fisheries, and their derivatives.

His Majesty's Government are not uninterested in the duties on foodstuffs. The more the duties on these are raised in Europe, the greater becomes the danger of disturbance of the market in the United Kingdom by the dumping of surpluses.

His Majesty's Government wish to make it clear that, in putting forward the above suggestions regarding tariffs, they do not by any means intend to rule out other possible proposals with a view to promoting the extension of markets and the improvement of international trade; but they would once more emphasise that, failing a resolute and effective attempt to deal with the problem of excessive and unstable tariffs, other remedial measures can, in their opinion, only have a limited effect.

D.

With regard to this question, His Majesty's Government would prefer to await the views of other Governments.

Denmark.

[*Translation.*]

A.¹

(a) As shown in the annexed Table 1, there is in Denmark a considerable over-production of the following products :

Butter : 159 million kilogrammes	} Figures for 1929.
Pork : 254 million kilogrammes	
Beef and Veal : 72 million kilogrammes	
Eggs : 47 million kilogrammes	

There is also an over-production, though smaller, of other agricultural products, such as milk, cream and cheese.

(b) The annexed Table 2 contains a detailed reply to this question. It shows that Denmark exports her agricultural products principally to Great Britain and Germany, but that various other Central European countries, such as Switzerland, Austria and Czechoslovakia, together with France, the Netherlands and Belgium, also constitute fairly important markets. Germany is the principal purchaser of live animals, beef and veal, cheese, unmilled barley and butcher's offal ; while the greater part of the pork, butter, eggs, condensed milk and tinned meat is exported to Great Britain.

(c) The Danish Government has noted with much regret the tendency at present predominating in certain countries to raise artificial tariff barriers against the importation of agricultural products from other countries, or unduly to hinder their sale. This tendency obviously runs counter to the efforts made to improve international economic relations. The Danish Government therefore considers that, in the first place, measures should be taken to reduce existing Customs tariffs ; and that, pending the realisation of this object, attempts should be made by means of international agreements to check any further tendency towards protection, not only in countries which are at present pursuing a protectionist policy, but also in those which follow a free trade policy. These measures would appear indispensable if production and consumption are to be rationalised, this being the only means of enabling the agricultural countries of Europe to meet competition from overseas countries.

The Danish Government is of opinion that countries whose policy is based on a liberal single tariff are entitled to ask that countries whose tariffs are specially established with a view to negotiation with foreign countries should take this fact into consideration to a greater extent than they are doing at present, and should recognise that these liberal single tariffs from the outset confer such advantages upon other countries that no further tariff reductions should be claimed in compensation for any facilities which protectionist countries may be prepared to offer. If this view were adopted, it would greatly facilitate the conclusion of agreements for promoting trade relations and the economic development of the countries concerned.

It is not only the fact that Customs tariffs affecting the agricultural products of the various countries are high which impedes the normal distribution of these products, but in some cases the very nature of these tariffs constitutes an obstacle. In this connection, the Danish Government has in mind the system of sliding duties on various agricultural products which appears to be again taking root in Europe, and which, on account of the instability that it involves for the production and disposal of goods, is equally prejudicial to the producer, the consumer and trade in general.

The Danish Government is aware that the exchange of agricultural products between European countries could be promoted by other measures besides the reduction or stabilisation of Customs tariffs—for instance, the distribution of products might be rationalised by creating suitable sales organisations and by obtaining the necessary credits for carrying out such measures. Denmark already possesses the necessary commercial and credit institutions for organising her agricultural production and disposing of her output.

Denmark is an exporter of live-stock products, and at the same time a large importer of agricultural produce (cereals and fodder), which represent the raw materials for her production of animal foodstuffs, the latter being regarded as the " finished " product.

Danish agriculture is based on a large output with a proportionately small net profit. The purchase of the raw materials in question on markets where the same quality is obtainable at the lowest prices is therefore of the greatest importance. As Denmark does not levy Customs duties on these products, the question of increasing her purchases of cereals and fodder in Europe is directly connected with the measures contemplated in the Protocol, which might bring about a reduction in the prices of these products grown in Europe in comparison with the prices in overseas countries.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c) ; B, C and D).

The Danish Government would very warmly welcome the adoption of measures to improve the economic position of grain-producing countries. It would, however, point to the marked difference between the agricultural system of Denmark and that of grain-producing countries, and considers that the latter are in the best position to ascertain the causes which prevent them from selling their products at prices sufficiently low to compete with overseas countries, and that they should make proposals to cope with the present state of affairs. At the same time, the Danish Government would draw attention to the fact that cereal foodstuffs are subject to export duties on leaving certain agricultural countries in South-Eastern Europe and that a policy of this kind is not, of course, an inducement to Denmark to increase its purchases from those countries.

On the other hand, in the opinion of the Danish Government, the establishment of a system of export bounties on agricultural and other products in certain countries is an artificial measure which disorganises markets and is therefore extremely prejudicial both to exports from other countries and to international trade.

Lastly, the Government would make it clear that Denmark cannot play any part in furnishing grain-producing countries with capital, and, moreover, does not consider that it is for the Governments as such to supply such credits by means of international action.

B.

The views given under A (c) above concerning the lowering of Customs tariffs are also applicable to this question, for they deal with the disposal of industrial as well as agricultural products. The Danish Government is of opinion that the division of Europe into a series of Customs areas prevents any rationalisation or efficient organisation of production, thus raising the cost of the latter and making it difficult to compete with overseas countries in the matter of prices.

There is every reason to fear that some countries, hitherto faithful to free trade principles, will no longer be able to continue this policy, unless protectionist countries, for their part, show a little goodwill by lowering their tariff walls. Any move towards protectionism made by free-trade countries would, in turn, react on the nations whose protectionist tendencies were responsible for this reversal of policy.

Genuine easing of the European situation in regard to Customs, such as would enable all free-trade countries to continue their past policy, would, therefore, be highly desirable; and, notwithstanding the deeply-rooted conviction in Denmark that the commercial position of the country calls for the maintenance of Customs autonomy, an appeal for guarantees that it would not in this event depart from its liberal policy would certainly meet with a ready response. Denmark has already given evidence of her goodwill in this matter by adhering to the Commercial Convention of March 24th, 1930.

The Danish Government deeply regrets the fate of the International Convention for the Abolition of Export and Import Prohibitions and Restrictions and considers it most desirable that work should be continued on these lines.

It also considers that an extension of the International Convention for the Simplification of Customs Formalities might promote the disposal of, and trade in, various commodities.

Furthermore, the Danish Government would submit the following observations on Question B :

In the controversy between industrial and agricultural countries, the latter declare that, if the former close their markets to agricultural products, the agricultural countries will certainly be forced to develop their industries, and this will necessarily involve higher tariffs on industrial goods, and thus a result diametrically opposed to the decrease now aimed at. In this connection, the Government would point out that, in Denmark, the market is essentially free and that the conditions for a satisfactory exchange of commodities already exist. The scheme for preferential tariffs for cereals and other goods mentioned in Annex I to the Protocol are not compatible with the commercial policy of Denmark, and the Government does not, therefore, see its way to support any such scheme. It has already been stated that there are no Customs duties on imported cereals in Denmark, and the Government therefore considers that any facilities granted to industrial countries in return for a decrease in their duties on such foodstuffs will naturally benefit the industrial products of Denmark.

C.

(In order to facilitate the preparation of a practical programme of preliminary negotiations, it is desirable that, in the first instance, so far as tariffs are concerned, mention should only be made in detail of those modifications to which the most importance is attached.)

In reply to this question, the Danish Government would, in the first place, refer to the foregoing statements. The measures which specially hamper the disposal of Danish products and which should, therefore, be modified, if possible, may be divided into two groups : (1) imposts on importation ; (2) other obstacles.

1. Certain agricultural products of Denmark are subject to import duties abroad, which are so heavy as to constitute a serious obstacle to their sale, although conditions are otherwise favourable.

We may quote the following facts by way of example :

Butter. — On August 18th last, the f.o.b. price for Danish butter was 142.— per cwt. or 254 crowns per 100 kilogrammes.

On July 31st, 1929, the autonomous tariff for butter was fixed at 50 Marks, or 44.58 crowns per 100 kilogrammes in Germany—*i.e.*, 17.55 per cent of the f.o.b. price for Danish butter.

In Switzerland, the duty on butter is 120 francs per 100 kilogrammes, or 87.1 ore per kilogramme—*i.e.*, 34.3 per cent of the f.o.b. price on August 18th.

An increase in the duty on butter, as introduced in Switzerland and Germany, can only hamper the sale of this product ; in point of fact, this measure was adopted in both countries in order to protect the national dairy industry.

In Hungary, the Customs duty on butter is 80 gold crowns, or 60.49 Danish crowns per 100 kilogrammes—*i.e.*, 23.81 per cent of the f.o.b. price on August 18th.

In Spain, the Customs duty is 1.50 gold peseta (minimum tariff), or 108 ore per kilogramme—*i.e.*, 42.52 per cent of the f.o.b. price on August 18th.

Cheese. — The f.o.b. price of 20 per cent cheese on August 18th last was 56 crowns per 100 kilogrammes.

In Czechoslovakia, the Customs duty on Danish cheese was 294 Czechoslovak crowns, or 32.63 Danish crowns per 100 kilogrammes—*i.e.*, 58.27 per cent of the f.o.b. price for 20 per cent cheese on August 18th.

In Austria, the Customs duty is 30 gold crowns, or 22.83 Danish crowns per 100 kilogrammes—*i.e.*, 40.77 per cent, of the price for 20 per cent cheese on August 18th.

In Hungary, the Customs duty is 100 gold crowns, or 75.61 Danish crowns per 100 kilogrammes—*i.e.*, 135.02 per cent of the f.o.b. price for 20 per cent cheese on August 18th.

In Spain, the Customs duty is 1.50 gold peseta, or 108 ore per kilogramme—*i.e.*, 192.86 per cent of the price for 20 per cent cheese on August 18th.

Animals for slaughter. — On August 13th, last, medium-grade calves were quoted at 46 ore per kilogramme live weight.

Since February 11th, 1930, the Customs duty on Danish live-stock imported into Germany has been 24.50 Marks per 100 kilogrammes or 21.9 ore per kilogramme, which is equivalent to 47.61 per cent of the above-mentioned market price. (Before February 11th, 1930, the duty on all Danish animals imported into Germany was 16 Marks per 100 kilogrammes, or 14.3 ore per kilogramme—*i.e.*, 31.09 per cent of the market price.) The coming into force of the new Czechoslovak tariff will involve approximately the same Customs charges on the importation of live-stock into Czechoslovakia.

Live pigs. — On August 14th last, sows were quoted at 54 ore per kilogramme live weight.

At the present time, the German Customs tariff on imported live pigs is 27 Marks per 100 kilogrammes, or 24.1 ore per kilogramme—*i.e.*, 44.63 per cent of the above-mentioned market price. This duty on live pigs is already sufficiently high, but a still greater obstacle to trade is the insecurity caused by the system of sliding Customs duties applied in Germany. Again, the coming into force of the new Czechoslovak tariff will produce approximately the same increase in that country.

Fresh beef and veal. — On August 15th last, the meat of first-grade calves was quoted at 100 ore per kilogramme.

The German Customs duty is 45 Marks per 100 kilogrammes, or 40.1 ore per kilogramme—*i.e.*, 40.14 per cent of the above-mentioned market price.

Horses. — On August 11th last, young draught horses of good quality were quoted at 650 crowns each.

The German tariff on light horses (for example, Frederiksborg horses) was 500 Marks, or 446 crowns each—a duty which was absolutely prohibitive. In Germany, the Customs tariff distinguishes between light and heavy horses, the duty being lower in the case of the latter. As Denmark is entitled to most-favoured-nation treatment of its imports to Germany, Jutland horses, Belgian horses and hybrids of these two breeds pay 140 Marks, or 124.88 crowns, each on importation—*i.e.*, 19.21 per cent of the above market price.

Barley for malting. — The price of barley is about 15 crowns per 100 kilogrammes. In Germany, the customs tariff is 15 Marks, or 13.38 crowns, per 100 kilogrammes—*i.e.*, 89.2 per cent of the above-mentioned price. This duty will clearly be prohibitive in its effects.

Intestines. — Denmark exports to Poland intestines in brine, the f.o.b. price on export being at the present time (after allowing for considerable fluctuations due to changes in world prices) 25.71 crowns per 100 kilogrammes in the case of curly intestines, and 104.50 crowns per 100 kilogrammes in the case of scraped intestines.

For the first kind, Customs duty is 50 zloty per 100 kilogrammes, or 21 crowns—*i.e.*, 81.68 per cent *ad valorem* of the above-mentioned f.o.b. price ; for the second kind, it is 50 zloty, or 21 crowns—*i.e.*, 20.1 per cent of the above-mentioned f.o.b. price.

Liver. — In Poland, the Customs duty is 150 zloty, or 63 crowns, per 100 kilogrammes—*i.e.*, 47.37 per cent of the f.o.b. price (133 crowns per 100 kilogrammes).

2. The disposal of industrial products also meets with great difficulty on account of high Customs tariffs. A few examples—which might easily be added to—are given below. Only special cases have been taken owing to the difficulty in ascertaining the value of the commodities.

Tinned ham. — In Spain, the Customs duty is 2.4 gold pesetas per kilogramme on a value of approximately 2.70 crowns—*i.e.*, 64 per cent *ad valorem*.

Vessels for the transport of milk. — The Customs duties are as follows :

In Poland	68 zloty per 100 kilogrammes.
In Hungary	45 gold crowns per 100 kilogrammes.
In Czechoslovakia	950 Czechoslovak crowns per 100 kilogrammes.

The average value of such vessels may be estimated at 150 ore per kilogramme, and the above-mentioned duties are therefore respectively 19 per cent, 23 per cent, and 70 per cent *ad valorem*.

Dry batteries. — The Customs duties are as follows :

In Czechoslovakia	1,200 Czechoslovak crowns per 100 kilogrammes.
In Poland	455 zloty per 100 kilogrammes.
In Germany	45 Marks per 100 kilogrammes.
In Hungary	220 gold crowns per 100 kilogrammes.
In Austria	65 to 165 gold crowns per 100 kilogrammes.

As the average value is approximately 2 crowns per kilogramme, the above-mentioned duties represent :

67 per cent <i>ad valorem</i> in Czechoslovakia ;
96 " " " Poland ;
20 " " " Germany ;
83 " " " Hungary ;
25 per cent to 68 per cent <i>ad valorem</i> in Austria.

Soya oil. — The Customs duties are as follows :

In Bulgaria	150 gold levass per 100 kilogrammes ;
In Italy	39 gold lire per 100 kilogrammes ;
In Yugoslavia	30 gold dinars per 100 kilogrammes ;
In Portugal	13 gold escudos per 100 kilogrammes ;
In Spain	40 gold pesetas per 100 kilogrammes ;
In Latvia	30 lats per 100 kilogrammes ;
In Roumania	1,200 lei per 100 kilogrammes ;
In Czechoslovakia	160 Czechoslovak crowns per 100 kilogrammes ;
In Greece	52.50 gold drachmæ per 100 kilogrammes.

In Greece, moreover, the importation of vegetable oil is prohibited in certain parts of the country, and, generally speaking, is only authorised when packed in special receptacles, and on condition that it is mixed with a certain percentage of cotton oil on arrival at the office for Customs clearance:

In Yugoslavia, the oil may not be imported in iron barrels.

The *c.i.f.* price for soya oil is about £35 per 100 kilogrammes, including containers (iron barrels), and the duties therefore represent :

In Bulgaria	170 per cent <i>ad valorem</i>
In Italy	44 " "
In Yugoslavia	34 " "
In Portugal	82 " "
In Spain	45 " "
In Latvia	34 " "
In Roumania	40 " "
In Czechoslovakia	28 " "
In Greece	59 " "

Superphosphates. — The Customs duty is as follows :

In Czechoslovakia	7 Czechoslovak crowns per 100 kilogrammes ;
In Poland	3 zloty per 100 kilogrammes.

At the present moment, the price is 5.75 crowns in Denmark. The Customs duty in these countries therefore represents respectively 14 per cent and 22 per cent *ad valorem*.

Rennet. — The Customs duty is as follows :

In Germany	80 Marks per 100 kilogrammes ;
In France	20 per cent <i>ad valorem</i> ;
In Italy	20 gold lire per 100 kilogrammes.

As the value of liquid rennet is approximately one crown per kilogramme, the Customs duty represents 71 per cent *ad valorem* in Germany and 14 per cent in Italy.

Among other obstacles to the free disposal of goods to which the Danish Government would particularly draw attention is the system of Customs bonds issued in various countries on the export of certain goods, and which may be used for the payment of import duties on certain other goods. In many cases, these bonds are equivalent to an export bounty which stimulates exports artificially and dislocates markets.

In other countries, similar results are obtained by the system of freight reductions on specified goods transported for a given distance. This method also stimulates production artificially and to the detriment of competing States which do not employ such measures.

The Danish Government, whilst fully recognising the right of States to adopt measures to protect the health of their live-stock and the soundness of their vegetable produce, would point out that these veterinary and phytopathological measures should, in practice, be applied in such a manner that they do not impede the course of free normal trade, and, furthermore, that they should not be applied for purposes of protection.

The Danish Government has already referred to the desirability of further consideration of the International Convention for the Simplification of Customs Formalities. It is particularly anxious that the question of the formalities to be fulfilled and the duties to be paid at the time of drawing up consular invoices and certificates of origin should be reopened. Similarly, goods bearing a trade-mark of worldwide reputation, such as the Danish horn trade mark (Lur) should not require any further certificate of origin, as this trade-mark might be considered sufficient guarantee in this respect.

In the opinion of the Danish Government, another useful measure would be to check the growing tendency to excessive specialisation in the Customs tariffs of various countries; for, not only does this impede international trade, but it might even undermine the most-favoured-nation principle.

D.

The Danish Government is of opinion that every effort must be made in this connection to abolish completely the import and export prohibitions which prevent the unrestricted circulation of raw materials and result in the establishment of artificial prices, and also to abolish export duties still in existence for commodities of this kind.

In this connection, the Danish Government would particularly draw attention to the expediency of further work on the two International Conventions relating to the Exportation of Hides, Skins and Bones (total abolition of export duties).

Lastly, it would abolish the preferential tariffs granted by the railways of certain countries to specified raw materials to the detriment of corresponding goods from foreign countries.

Annex.

TABLE I.

Ad A (a)

	1929		1928		
	Production	Excédent de production Surplus production	Production	Excédent de production Surplus production	
	Kg. (millions)		Kg. (millions)		
Beurre	179	159	166	148	Butter.
Lait (sans préparation).	5.000	néant none	4.750	néant none	Milk, not treated.
Lait et crème (homogénéisé, stérilisé ou condensé, etc.).....	31	25	30	24	Milk and cream (homogenised, sterilised, condensed, etc.).
Viande de porc	323	254	336	276	Pork.
Viande de bœuf et de veau.....	131	72	129	66	Beef and Veal.
Sucre	128	néant none	162	néant none	Sugar.
Oeufs	66	47	63	47	Eggs.
Fromage	26½	6½	23	6	Cheese.

TABLE II.

Ad A (b)

Exports of Miscellaneous Products according to the Country of Destination.

	1929 ¹	1928	1927	
	Têtes — Head			
<i>Chevaux et poulains:</i>				<i>Horses and foals:</i>
Allemagne.....	3.161	5.686	8.662	Germany.
Suède.....	13	38	—	Sweden.
Suisse.....	95	172	10	Switzerland.
Autres pays	8	39	15	Other countries.
Total	3.277	5.935	8.687	Total.

¹ Provisional figures.

	1929 ¹	1928	1927	
Têtes — Head				
<i>Bétail, espèce bovine :</i>				<i>Animals of the bovine species :</i>
Allemagne.....	260.419	254.621	262.039	Germany.
Italie	3.960	—	596	Italy.
Tchécoslovaquie.....	5.403	489	—	Czechoslovakia.
Autres pays	208	77	62	Other countries.
Total	269.990	255.187	262.697	Total.
<i>Porcs :</i>				<i>Pigs :</i>
Allemagne.....	44.588	31.185	34.433	Germany.
Suisse.....	442	256	295	Switzerland.
Italie	5.139	13.191	2.568	Italy.
Tchécoslovaquie.....	760	86	—	Czechoslovakia.
Autres pays	129	235	7	Other countries.
Total	51.058	44.953	37.303	Total.
En quintaux — Per 100 kg.				
<i>Viande de porc :</i>				<i>Pork :</i>
Allemagne.....	9.609	6.302	26.934	Germany.
Grande-Bretagne	2.477.831	2.712.297	2.528.956	Great Britain.
Autres pays	1.244	3.499	6.681	Other countries.
Total	2.488.684	2.722.098	2.562.571	Total.
<i>Viande de bœuf et de veau :</i>				<i>Beef and veal :</i>
Allemagne.....	44.563	25.651	17.468	Germany.
Norvège.....	140	182	44	Norway.
Pays-Bas.....	2.070	734	—	Netherlands.
Belgique	286	—	—	Belgium.
Autres pays	325	42	143	Other countries.
Total	47.384	26.609	17.655	Total.
<i>Beurre :</i>				<i>Butter :</i>
Allemagne.....	430.424	399.599	351.128	Germany.
Grande-Bretagne	1.080.378	1.010.888	1.010.665	Great Britain.
Norvège.....	1.326	2.790	3.436	Norway.
Belgique	9.330	577	50	Belgium.
France.....	12.439	3.143	5.075	France.
Espagne	1.602	1.527	1.559	Spain.
Suisse.....	39.522	44.755	44.234	Switzerland.
Tchécoslovaquie.....	533	365	1.234	Czechoslovakia.
Autriche	3.994	2.458	1.189	Austria.
Etats-Unis	3.327	1.983	3.748	United States.
Cuba	1.490	1.924	2.721	Cuba.
Reste de l'Amérique ...	3.739	4.055	3.774	Rest of America.
Autres pays	2.279	3.347	3.290	Other countries.
Total	1.590.383	1.477.411	1.432.103	Total.
<i>Fromage :</i>				<i>Cheese :</i>
Allemagne.....	57.678	51.421	45.853	Germany.
Grande-Bretagne	3.195	4.679	3.501	Great Britain.
Suède.....	187	180	66	Sweden.
Etats-Unis	3.090	2.500	1.830	United States.
Autres pays	1.682	2.077	1.567	Other countries.
Total	65.832	60.857	52.817	Total.
<i>Oeufs, frais et conservés :</i> En 100 vingtaines — Per 100 batches of twenty				<i>Eggs, fresh and pre-served :</i>
Allemagne.....	85.386	105.917	99.022	Germany.
Grande-Bretagne	305.203	286.354	321.862	Great Britain.
Suède.....	1.650	1.904	1.193	Sweden.
Autres pays	606	327	351	Other countries.
Total	392.845	394.502	422.428	Total.

¹ Provisional figures.

	1929 ¹	1928	1927	
	En quintaux —		Per 100 kg.	
<i>Orge non moulu:</i>				<i>Barley not milled:</i>
Allemagne.....	498.183	481.431	262.658	Germany.
Grande-Bretagne	84.606	138.351	168.786	Great Britain.
Norvège.....	65.493	56.344	65.566	Norway.
Finlande	8.208	575	—	Finland.
Lettonie	21.486	15	2	Latvia.
Pays-Bas.....	21.241	32.073	10.250	Netherlands.
Autres pays	12.645	10.319	2.469	Other countries.
Total	711.862	719.108	509.731	Total.
<i>Lait condensé:</i>				<i>Condensed milk:</i>
Allemagne.....	19.273	38.213	34.257	Germany.
Grande-Bretagne	204.577	173.582	188.976	Great Britain.
Reste de l'Europe	2.645	2.707	2.960	Rest of Europe.
Amérique	10.611	12.858	12.970	America.
Afrique	6.164	6.083	5.483	Africa.
Asie	9.516	9.303	7.776	Asia.
Australie	55	30	14	Australia.
Total	252.841	242.776	252.436	Total.
<i>Issues de boucherie:</i>				<i>Meat products:</i>
Allemagne.....	141.453	125.404	132.523	Germany.
Grande-Bretagne	22.351	20.719	23.241	Great Britain.
Suède.....	1.575	1.950	2.054	Sweden.
Pologne et Dantzig	4.068	2.980	1.813	Poland and Danzig.
Pays-Bas.....	8.882	7.676	6.366	Netherlands.
France.....	6.103	6.968	4.596	France.
Italie	765	2.013	2.735	Italy.
Autres pays	2.885	2.923	3.740	Other countries.
Total	188.082	170.633	177.068	Total.
<i>Conserves de viande:</i>				<i>Meat preserves:</i>
Grande-Bretagne	15.823	15.138	13.187	Great Britain.
Reste de l'Europe	3.644	4.530	3.293	Rest of Europe.
Amérique	904	1.225	744	America.
Afrique	940	917	796	Africa.
Asie	402	308	271	Asia.
Australie	7	24	10	Australia.
Total	21.720	22.142	18.301	Total.
<i>Semences:</i>				<i>Seeds:</i>
Allemagne.....	16.261	21.098	16.637	Germany.
Grande-Bretagne	19.865	28.017	21.172	Great Britain.
Norvège.....	2.037	2.000	1.521	Norway.
Suède.....	6.186	8.403	5.160	Sweden.
Finlande	1.278	772	1.040	Finland.
Russie	2.960	1.377	1.424	Russia.
Lettonie	1.143	390	365	Latvia.
Pays-Bas.....	2.609	2.311	1.972	Netherlands.
France.....	1.963	3.470	2.222	France.
Suisse.....	1.013	1.372	654	Switzerland.
Autriche	1.272	1.383	806	Austria.
Etats-Unis d'Amérique .	5.049	12.055	5.324	United States.
Australie	969	1.316	770	Australia.
Nouvelle-Zélande	273	4.870	648	New Zealand.
Autres pays	2.725	1.648	1.484	Other countries.
Total	65.603	90.482	61.199	Total.

¹ Provisional figures.

Estonia.

[*Translation.*]

In Estonia, the chief agricultural products of which there is a surplus over and above home consumption are stock-breeding (export commodities: butter, live-stock and meat, raw hides, eggs) and the flax and potato crops. Table I annexed gives the export figures for these articles for the last three years.

The normal outlets for food products are the markets in the neighbourhood of Estonia, including those of the Union of Soviet Socialist Republics (Leningrad district), Finland, Sweden and the chief manufacturing districts of Western Europe, more particularly those of Germany, Belgium, France and Great Britain. Industrial countries should be considered as the normal outlets for agricultural raw materials, as, for example, Belgium, France, Germany, and Great Britain for flax and Germany for raw hides. The extent of exports to these countries of the above articles is shown in the statistics of Table II annexed.

Estonia has been able to exploit only a few of these outlets, as the import of the commodities in question is seriously hampered in many of these countries by administrative measures, and to some extent by excessively high Customs duties.

Among the administrative measures of a prohibitive nature, the competent Estonian authorities would first mention the veterinary regulations which in various countries are calculated to hamper all imports of live-stock and meat, although such measures are quite uncalled for by the veterinary situation of the exporting countries, as has always been the case in Estonia. The Estonian Government was gratified to note the efforts made by the Economic Organisation of the League of Nations to settle veterinary questions. As the Preliminary Conference with a View to Concerted Economic Action has stressed the importance of a prompt solution of these questions, the Government hopes that these efforts will shortly lead to the re-establishment of normal conditions in the field of veterinary policy, and the consequent removal of the prohibitions imposed in various countries under the form of veterinary regulations.

The administrative regulations of certain countries subjecting the sale of imported meat and meat products, and the preparation of such products from foreign meat to special conditions which reduce sales to a minimum, are in a class by themselves. Although they do not come within the scope of direct import restrictions, such measures have proved capable of seriously hindering the normal marketing of such products, and of thus aggravating the difficulties at present experienced by agricultural countries.

Among the other categories of administrative measures which hamper the free development of international trade the competent Estonian authorities would like to mention export bounties and subsidies. In their opinion, such measures should only be permitted when their object is to influence the general trend of manufacture within the exporting country, and provided, further, that they do not lead to dumping prices in the countries to which the products in question are exported.

As regards Customs duties, Estonia would point to the increased duties on agricultural products in Germany, Finland and France during 1929 and 1930. Among these, special mention may be made of the German increase on butter, under the Law of July 3rd, 1929, from RM. 30 to RM. 50, and on eggs (Law of April 24th, 1930) from RM. 6 to RM. 30 per 100 kilogrammes. These increases, it is true, do not yet apply to countries enjoying most-favoured-nation treatment, they being still entitled to the conventional rates fixed, in the case of butter, by the German-Finnish treaty of commerce (RM. 27.50 per 100 kilogrammes), and, in the case of eggs, by the treaties with Italy and Yugoslavia (RM. 5 per 100 kilogrammes). As the enforcement of the above increases in duties, however, is merely contingent on an agreement to be concluded between Germany and the above-mentioned contracting countries, the possibility of higher rates being applied within the near or distant future must already be reckoned with. The following more recent increases in duties apply to all countries— viz., from April 24th, 1930, on butchers' live-stock from RM. 18 to RM. 27 per 100 kilogrammes (conventional rate from RM. 16 to RM. 24.50, the rate of RM. 16 being, however, applicable to contingents of 5,000 and 6,000 head, for 1930 and 1931 respectively, of large live-stock in the case of each State benefiting by the conventional rate), and from April 14th, 1930, on pigs, from RM. 18 to RM. 27 per 100 kilogrammes (sliding-scale duty).

Under a law of December 21st, 1929, Finland imposed a duty of 0.15, or 0.75, Finnish marks per kilogramme on potatoes, which formerly entered duty free. The same law increased the duties on meat from large cattle from 0.60 to 1.20 Finnish mark per kilogramme, on pork (fresh) from 1.35 to 2.00 and pork (salted and smoked) from 1.80 to 2.40 Finnish marks per kilogramme.

A French Decree of June 3rd, 1930, raised the Customs duty on butter from 2 francs to 4 francs per kilogramme for the maximum, and from 1 franc to 2 francs per kilogramme for the minimum tariff.

As hindrances to the free development of international exchanges have continued to increase during recent years, the result has been a serious aggravation of the present economic depression. The only remedy for this state of affairs would be a gradual return to the pre-war situation, which should, generally speaking, be taken as representing standard conditions for the distribution and circulation of agricultural products. The result of such action should be to restore the free entry into manufacturing countries and countries with inadequate agricultural production of agricultural products which do not benefit by export bounties or other such measures, and also of products which do so benefit where this does not lead to dumping prices on the home market of the importing country.

The creation of normal conditions for the distribution and circulation of agricultural products would enable the various countries to concentrate more thoroughly on those branches of manufacture for which they are naturally qualified. Their purchasing capacity would be correspondingly increased and their home markets would afford wider outlets for the disposal of industrial commodities.

The Estonian Government hopes that the efforts of the competent organs of the League of Nations to this end will achieve the required success. They can, it thinks, be certain of the support both of the agricultural and of the manufacturing States. This would mean a great advance towards facilitating economic relations by practical measures, particularly by diminishing the obstacles to international commerce, as advocated in the Tenth Assembly's resolution of September 21st, 1929—the search for such solutions having been one of the principal aims of the Preliminary Conference with a View to Concerted Economic Action.

Annex.

TABLE I.

Estonian Exports of Agricultural Products.

Dénomination de la marchandise	1927		1928		1929		Name of the Merchandise
	Tonnes Tons	1000 couronnes Crowns	Tonnes Tons	1000 couronnes Crowns	Tonnes Tons	1000 couronnes Crowns	
Beurre.....	9.906	27.663	11.222	33.063	12.359	35.507	Butter
Animaux vivants (pièces) .	10.170	1.250	8.446	1.110	2.947	207	Live-stock (head)
Viandes du gros bétail	1.165	733	2.496	1.845	892	817	Meats from heavy cattle
Porcs (pièces).....	319	22	769	54	894	73	Hogs (head)
Porc.....	2.700	3.652	2.209	2.936	1.362	2.305	Pork
Mouton	342	303	286	304	188	215	Sheep
Cuir brut	488	1.208	611	1.750	575	1.833	Raw leather
Œufs	1.079	1.609	1.568	2.355	1.487	2.339	Eggs
Lin	8.794	10.371	5.629	9.140	5.865	8.549	Flax
Pommes de terre.....	35.653	2.341	37.567	3.848	13.339	1.124	Potatoes
Divers autres		3.385		2.237		2.401	Miscellaneous
Total		52.537		58.642		55.370	Total
Exportations totales.....		105.776		127.109		117.471	Total exports
Pourcentage des produits agricoles du total des exportations.....		49,6		46,1		47,1	Percentage of total exports made up by agricultural products

TABLE II.

Export of Estonian Agricultural Products according to the Countries of Destination.

Pays de destination	1927		1928		1929		Country of Destination
	Tonnes Tons	1000 couronnes Crowns	Tonnes Tons	1000 couronnes Crowns	Tonnes Tons	1000 couronnes Crowns	
<i>Grande-Bretagne :</i>							<i>Great Britain :</i>
Beurre.....	3.148	8.295	3.971	11.293	5.707	15.835	Butter
Bacon.....	2.603	3.537	1.929	2.590	1.302	2.182	Bacon
Œufs.....	439	598	508	723	59	86	Eggs
Lin.....	3.026	3.736	2.767	4.437	4.128	6.047	Flax
<i>Allemagne :</i>							<i>Germany :</i>
Beurre.....	6.735	19.308	7.221	21.681	6.615	19.569	Butter
Œufs.....	628	988	895	1.317	1.414	2.230	Eggs
Lin.....	802	943	143	233	371	526	Flax
Cuir brut.....	214	530	333	914	150	464	Raw leather
<i>Finlande :</i>							<i>Finland :</i>
Gros bétail de boucherie (pièces).....	3.293	321	5.725	717	2.848	199	Heavy cattle for slaughter
Viande de gros bétail...	900	537	2.463	1.819	868	791	Meat from heavy cattle
Porc.....	40	52	243	308	44	77	Pig
Mouton.....	26	21	147	150	22	25	Sheep
Pommes de terre.....	9.010	479	9.571	876	9.235	644	Potatoes
Lin.....	134	165	486	780	472	688	Flax
<i>Suède :</i>							<i>Sweden :</i>
Gros bétail de boucherie (pièces).....	6.858	926	2.681	388	51	3	Heavy cattle for slaughter
Viande du gros bétail...	277	198	22	16	5	5	Meat from heavy cattle
Porc.....	12	16	22	26	11	23	Pig
Mouton.....	316	28	137	150	151	172	Sheep
Viande de volaille.....	8	11	6	10	17	36	Poultry meat
Pommes de terre.....	15.699	1.117	25.236	2.676	19	8	Potatoes
<i>France :</i>							<i>France :</i>
Lin.....	222	283	51	85	65	86	Flax
<i>Belgique :</i>							<i>Belgium :</i>
Lin.....	4.420	5.002	2.009	3.331	738	1.067	Flax
<i>Etats-Unis d'Amérique :</i>							<i>United States of America :</i>
Cuir brut.....	174	396	184	562	239	745	Raw leather

Before the world war, Estonia exported annually to Russia, on an average, the following quantities of agricultural products, the value being calculated according to the average prices this year :

				Estonian Crowns
Potatoes	600,000 quintals at 6	Est. Cr.	=	3,600,000
Milk	62,000 „ „ 10 „ „		=	620,000
Butter and cheese	15,000 „ „ 280 „ „		=	4,200,000
Brandy	300 millions of degrees „ 0.06 „ „		=	18,000,000
Meat and live-stock				3,000,000
Various				1,000,000
				<u>30,420,000</u>

Since the war, Estonia has not exported to Russia any appreciable quantities of agricultural products.

Hungary.

A*.

(a) *Surplus Output of Agricultural Produce in Hungary:*

Année Year	Superficie cultivée Area cultivated	Récolte Harvest	Quantités exportées Quantity exported	Dont furent exportés en — Exported to		
	Hectares			Tchéco- slovaquie Czechoslo- vakia	Autriche Austria	Allemagne Germany
				Quintaux — Quintals		
Froment — Wheat						
1925	1.426.000	19.507.000	2.179.409	657.523	1.059.903	95.769
1926	1.500.000	20.387.000	4.036.382	1.137.819	1.828.886	158.963
1927	1.627.000	20.938.000	3.112.608	1.479.399	1.191.607	29.270
1928	1.677.000	27.001.000	2.843.864	1.139.236	1.028.589	1.350
1929	1.500.000	20.408.000	4.846.071	1.132.286	1.596.609	328.950
Seigle — Rye						
1925	688.000	8.262.000	1.238.749	506.573	669.630	8.168
1926	700.000	7.980.000	2.200.999 ¹	547.698 ¹	1.120.883 ¹	285.215 ¹
1927	641.000	5.681.000	1.374.582 ¹	453.431 ¹	747.425 ¹	67.701 ¹
1928	651.000	8.278.000	1.211.285 ¹	267.324 ¹	795.519 ¹	1.351 ¹
1929	657.000	7.982.000	1.152.695 ¹	28.157 ¹	552.084 ¹	149.701 ¹
Orge — Barley						
1925	412.000	5.537.000	415.943	27.265	280.374	53.803
1926	425.000	5.554.000	478.156	11.365	343.094	84.420
1927	406.000	5.157.000	527.570	754	286.030	91.402
1928	413.000	6.678.000	285.536	4.082	152.335	47.438
1929	477.000	6.826.000	897.179	9.005	265.999	148.540
Avoine — Oats						
1925	290.000	3.706.000	348.185	80.033	248.830	—
1926	275.000	3.600.000	448.614	58.550	345.332	—
1927	260.000	3.268.000	260.358	28.733	192.178	—
1928	264.000	3.996.000	80.609	9.752	69.943	—
1929	301.000	4.107.000	321.331	18.559	268.662	—
Maïs — Maize						
1925	1.074.000	22.345.000	1.763.255	1.161.027	473.197	24.066
1926	1.065.000	19.443.000	1.414.547	945.220	386.513	40.361
1927	1.062.000	17.361.000	343.564	207.663	123.452	10.470
1928	1.062.000	12.597.000	457.485	233.132	179.634	1.020
1929	1.123.000	17.941.000	804.788	394.111	225.757	59.981

* The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A (a), (b) and (c), B, C and D).

¹ Spelt.

Année Year	Exportations — Exports		Dont furent exportés en — Exported to			
	Quantités Quantity	Valeur en milliers de pengö	Autriche Austria	Tchéco- slovaquie Czechoslo- vakia	Allemagne Germany	Italie Italy
	Pièces Head	Value in thousands of Pengö	Pièces — Head			

Chevaux — Horses

1925	44.173	19.601	21.916	5.647	2.005	7.365
1926	29.816	13.646	19.074	4.226	5	4.981
1927	29.922	15.465	16.298	4.040	12	3.760
1928	29.371	12.960	17.254	2.327	19	3.155
1929	30.051	13.652	18.065	2.086	—	5.894

Bétail — Cattle

1925	113.067	51.119	106.341	16.613	6.811	1.661
1926	91.074	47.996	54.783	10.834	—	8.998
1927	73.835	45.415	49.913	2.306	—	13.549
1928	60.908	37.884	47.400	1.182	1	8.808
1929	89.114	61.515	40.144	15.108	—	33.791

Porcs — Hogs

1925	109.500	24.631	81.350	24.602	1	—
1926	157.694	31.344	115.896	41.635	—	—
1927	116.507	29.983	61.241	55.053	—	—
1928	103.291	29.526	48.512	54.412	—	274
1929	272.663	74.671	154.128	116.406	—	—

Moutons et chèvres — Sheep and goats

1925	46.741	1.732	5.295	5.112	6.456	—
1926	38.918	1.571	4.051	8.370	72	—
1927	24.574	923	3.388	6.502	2	—
1928	16.584	657	2.466	8.743	—	—
1929	42.199	1.849	4.438	21.413	—	—

Année Year	Exportations — Exports		Dont furent exportés en — Exported to			
	Quantités Quantity	Valeur en milliers de pengö	Autriche Austria	Tchéco- slovaquie Czechoslo- vakia	Allemagne Germany	Italie Italy
	Quintaux Quintals	Value in thousands of Pengö	Quintaux — Quintals			

Volailles vivantes — Live poultry

1925	31.363	6.059	13.303	1.608	15.930	500
1926	36.564	8.910	17.423	2.108	15.164	—
1927	38.524	9.525	18.033	1.523	10.582	909
1928	35.249	8.774	16.449	1.295	8.365	778
1929	31.510	7.909	19.176	1.734	5.566	2.172

Viande fraîche — Fresh meat

1925	99.579	18.090	50.320	27.305	21.894	—
1926	113.532	19.261	44.050	940	68.455	—
1927	25.545	5.305	22.829	126	2.590	—
1928	18.670	4.399	18.561	48	—	61
1929	40.388	10.392	36.663	205	—	3.002

Année Year	Exportations — Exports		Dont furent exportés en — Exported to			
	Quantités Quantity	Valeur en milliers de pengö	Autriche Austria	Tchéco- slovaquie Czechoslo- vakia	Allemagne Germany	Italie Italy
	Quintaux Quintals	Value in thousands of Pengö	Quintaux — Quintals			

Volailles mortes — Dead poultry

1925	95.489	24.586	52.191	1.090	19.964	—
1926	101.900	30.326	54.384	557	24.055	—
1927	126.673	33.211	52.355	268	42.493	—
1928	111.063	31.154	50.517	252	32.312	—
1929	116.011	32.835	44.505	453	42.309	—

Viande préparée et lard (séchés, salés, fumés)
Preserved meat and bacon (dried, salted, smoked)

1925	822	240	650	126	—	—
1926	1.595	385	812	652	110	20
1927	1.681	383	1.038	566	27	—
1928	1.285	347	910	233	127	—
1929	9.606	2.513	1.035	324	—	—

Fromage blanc de lait de vache et de lait de chèvre
White cheese made of cow's milk or goat's milk

1925	6.192	190	1.912	1.068*	3.140	72
1926	6.407	157	1.176	—	5.231	—
1927	11.132	363	1.642	—	9.490	—
1928	6.245	231	392	40	5.813	—
1929	7.249	249	1.100	—	5.900	—

Panne de porc, lard frais et saindoux — Pig's fat, fresh pork, and lard

1925	87.129	18.068	15.348	65.196	—	—
1926	162.871	32.887	25.493	119.465	14.488	1.671
1927	82.666	17.235	9.845	62.018	4.991	—
1928	41.463	8.987	2.197	35.341	1.435	2.413
1929	34.565	7.760	—	24.461	4.212	5.206

Œufs — Eggs

1925	142.954	23.187	57.166	70.722	—	—
1926	168.389	29.991	63.370	1.360	90.723	705
1927	142.425	23.981	51.225	891	77.784	3.328
1928	88.448	16.907	36.419	—	48.343	1.556
1929	72.022	16.307	35.247	1.283	33.935	—

Paprika sec — Dry paprika

1925	14.751	3.183	3.671	3.210	1.962	828
1926	11.033	3.217	2.831	1.823	422	214
1927	12.412	4.374	4.218	2.849	948	60
1928	10.927	4.011	4.238	2.068	1.534	204
1929	6.831	3.169	3.084	1.426	1.085	—

Froment — Wheat

1925	2.179.409	74.074	1.059.903	657.523	95.769	186.660
1926	4.036.382	135.627	1.828.886	1.137.819	158.963	793.413
1927	3.112.608	105.132	1.191.607	1.479.399	29.270	117.428
1928	2.843.864	88.219	1.028.589	1.139.236	1.350	64.498
1929	4.846.071	127.012	1.596.609	1.132.286	328.950	544.335

Année Year	Exportations — Exports		Dont furent exportés en — Exported to			
	Quantités Quantity	Valeur en milliers de pengö	Autriche Austria	Tchéco- slovaquie Czechoslo- vakia	Allemagne Germany	Italie Italy
	Quintaux Quintals	Value in thousands of Pengö	Quintaux — Quintals			

Seigle et épeautre — Rye and spelt

1925	1.238.749	36.010	669.630	506.573	8.168	16.522
1926	2.200.999	50.794	1.120.883	547.698	285.215	107.745
1927	1.374.582	40.614	747.425	453.431	67.701	16.808
1928	1.211.285	34.481	795.519	267.324	1.351	18.753
1929	1.152.695	23.814	552.084	28.157	149.701	72.964

Haricots secs — Dried beans

1925	314.982	9.793	48.420	31.214	83.980	48.147
1926	642.534	12.912	43.511	43.754	240.577	100.889
1927	297.244	7.802	18.930	23.691	30.215	95.573
1928	94.731	4.551	3.821	3.602	30.731	20.423
1929	220.237	12.471	13.179	—	38.455	42.611

Pois secs, non écosés — Dried peas, not shelled

1925	26.322	885	354	3.787	—	—
1926	25.381	1.015	344	3.198	3.062	464
1927	37.570	1.738	386	1.970	2.492	2.048
1928	72.352	4.532	696	1.101	6.669	3.636
1929	84.265	5.512	—	3.575	19.560	6.383

Orge — Barley

1925	415.943	10.663	280.374	27.265	53.803	—
1926	478.156	11.878	343.094	11.365	84.420	—
1927	527.570	16.669	286.030	754	91.402	—
1928	285.536	9.069	152.335	4.082	47.438	6.015
1929	897.179	19.729	265.999	9.005	148.540	12.238

Avoine — Oats

1925	348.185	7.969	248.830	80.033	—	13.699
1926	448.614	9.038	345.332	58.550	—	41.622
1927	260.358	6.427	192.178	28.733	—	36.116
1928	80.609	2.195	69.943	9.752	—	614
1929	312.331	6.456	268.662	18.559	—	33.980

Maïs — Maize

1925	1.763.255	37.799	473.197	1.161.027	24.066	31.901
1926	1.414.547	25.036	386.513	945.220	40.361	29.944
1927	343.564	7.293	123.452	207.663	10.470	—
1928	457.485	12.954	179.634	233.132	1.020	5.269
1929	804.788	15.362	225.757	394.111	59.981	95.789

Graines oléagineuses — Oleaginous seeds

(Excepté graines de chanvre et graines de moutarde)
(not including hempseed and mustard-seed)

1925	238.459	10.123	13.151	122.817	1.873	32.202
1926	214.875	8.420	11.211	113.377	3.956	21.241
1927	220.442	8.500	12.149	62.611	3.790	11.983
1928	142.907	7.063	18.115	65.460	12.093	8.433
1929	254.303	9.505	16.482	117.965	14.881	10.911

Année Year	Exportations — Exports		Dont furent exportés en — Exported to			
	Quantités Quantity	Valeur en milliers de pengö	Autriche Austria	Tchéco- slovaquie Czechoslo- vakia	Allemagne Germany	Italie Italy
	Quintaux Quintals	Value in thousands of Pengö	Quintaux — Quintals			

Semences de luzerne — Lucerne-seed

1925	3.265	624	450	—	1.671	—
1926	4.834	1.035	488	469	2.377	50
1927	13.658	4.092	1.100	775	8.080	—
1928	12.183	3.370	724	1.181	7.454	—
1929	9.945	2.076	—	—	8.559	—

Semences de trèfle (autres) — Clover-seed (other)

1925	27.322	4.454	1.091	1.005	15.668	5.818
1926	26.251	5.638	477	2.872	14.906	1.293
1927	33.975	8.091	1.297	5.332	22.323	1.253
1928	27.185	4.537	753	1.089	17.528	5.255
1929	33.475	3.995	—	3.509	13.119	—

Pommes, poires, coings (frais) — Apples, pears, quinces (fresh)

1925	199.837	3.543	72.769	23.014	102.871	—
1926	120.326	3.158	40.256	8.832	70.908	—
1927	128.577	3.941	37.028	21.137	69.928	108
1928	70.782	2.752	25.631	7.890	35.038	—
1929	172.061	9.208	54.180	75.715	38.545	—

Abricots et pêches (frais) — Apricots and peaches (fresh)

1925	49.152	1.565	34.659	4.730	8.828	554
1926	42.618	1.829	31.253	4.553	6.755	—
1927	9.481	942	6.543	2.701	237	—
1928	50.246	3.305	25.686	13.785	9.416	—
1929	19.392	1.806	11.410	6.784	—	—

Cerises et griottes (fraîches) — Cherries and egiots (fresh)

1925	8.193	336	7.695	—	—	—
1926	4.220	218	3.894	244	82	—
1927	10.103	766	5.586	691	3.826	—
1928	21.313	891	6.637	3.730	9.521	—
1929	9.804	1.117	4.458	2.320	1.289	—

Prunes et reines-claudes (fraîches) — Plums and greengages (fresh)

1925	55.716	867	35.140	3.624	16.222	—
1926	30.611	703	20.784	3.614	6.213	—
1927	75.460	1.962	31.857	14.632	28.953	—
1928	105.081	2.321	44.422	2.404	51.110	—
1929	117.283	2.876	43.214	19.205	36.137	—

Melons

1925	4.440	103	3.359	—	270	—
1926	3.344	101	2.768	—	148	—
1927	26.028	465	5.111	18.535	572	—
1928	28.135	505	6.522	20.203	426	—
1929	83.502	1.525	10.743	69.819	976	—

Année Year	Exportations — Exports		Dont furent exportés en — Exported to			
	Quantités Quantity	Valeur en milliers de pengö	Autriche Austria	Tchéco- slovaquie Czechoslo- vakia	Allemagne Germany	Italie Italy
	Quintaux Quintals	Value in thousands of Pengö	Quintaux — Quintals			

Raisins de table (frais) — Table grapes (fresh)

1925	3.104	150	17	1.059	1.871	—
1926	1.217	59	111	1.042	—	—
1927	6.194	548	1.771	3.085	474	—
1928	22.300	1.344	9.988	4.564	1.662	—
1929	74.320	4.131	36.667	16.455	5.546	—

Concombres (frais) — Cucumbers (fresh)

1925	50.477	696	34.523	2.340	13.614	—
1926	76.202	2.278	50.597	4.822	20.783	—
1927	71.116	1.582	36.025	2.266	32.825	—
1928	57.060	1.139	28.655	6.146	22.232	—
1929	151.100	2.495	55.461	33.108	62.531	—

Pommes de terre — Potatoes

1925	336.997	2.032	217.499	—	363	14.518
1926	1.357.182	9.144	744.915	339.008	21.397	29.235
1927	724.372	7.151	243.026	132.130	38.544	47.027
1928	613.756	7.982	46.171	2.849	4.568	314.887
1929	727.332	7.166	52.792	526	101	486.856

Oignons, aulx — Onions, garlic

1925	416.638	6.419	50.398	110.877	177.103	600
1926	356.573	4.282	62.215	56.585	146.702	—
1927	165.953	3.460	35.339	25.084	46.967	—
1928	280.175	6.268	60.247	34.846	147.248	—
1929	401.985	6.679	74.360	49.241	213.788	860

Moult de raisin et vin — Must of grapes and wine

1925	25.819	1.979	15.345	4.196	1.653	2
1926	43.056	2.942	35.253	2.999	1.081	2
1927	61.987	5.059	45.600	8.783	2.094	20
1928	122.523	10.098	82.153	24.281	2.800	3.930
1929	313.203	17.573	183.839	56.604	29.340	7.118

Farine et semoule de froment, farine de son de froment
Wheat flour and semolina, wheat bran flour

1925	2.064.482	114.055	696.129	871.440	—	—
1926	1.652.546	80.947	946.740	438.781	42.734	52.982
1927	1.656.187	76.774	1.100.740	410.574	21.204	4.712
1928	2.018.453	87.587	1.333.102	540.526	9.172	8.976
1929	2.664.458	104.837	1.712.323	518.197	40.292	41.709

Farine de seigle, farine de son de seigle — Rye flour, rye bran flour

1925	199.625	9.223	43.894	86.005	—	—
1926	104.626	3.510	49.647	20.882	17.800	14.822
1927	91.017	3.956	77.385	3.978	1.316	7.997
1928	83.137	3.453	72.103	4.450	883	5.439
1929	57.742	1.888	49.143	1.256	—	7.042

Année Year	Exportations — Exports		Dont furent exportés en — Exported to			
	Quantités Quantity	Valeur en milliers de pengö	Autriche Austria	Tchéco- slovaquie Czechoslo- vakia	Allemagne Germany	Italie Italy
	Quintaux Quintals	Value in thousands of Pengö	Quintaux — Quintals			

Sucre raffiné — Refined sugar

1925	819.159	32.973	67.993	—	—	—
1926	661.725	27.869	76.258	—	—	—
1927	665.092	29.653	79.336	—	—	—
1928	701.720	27.201	70.038	—	—	—
1929	1.159.494	40.601	108.121	—	—	—

Charcuteries — Sausages and the like

1925	5.641	3.264	4.217	1.067	—	—
1926	8.889	3.960	6.921	1.536	—	211
1927	7.373	3.936	6.025	714	—	116
1928	10.297	5.499	7.377	1.447	—	361
1929	11.619	6.264	7.580	2.526	—	529

Laine — Wool

1925	69.101	20.217	4.300	28.412	20.956	5.966
1926	63.205	18.142	1.591	22.693	28.276	4.616
1927	47.476	15.007	2.610	12.633	22.626	268
1928	45.272	15.202	2.594	13.873	19.397	636
1929	56.253	16.441	1.479	25.558	22.126	—

Plumes pour literie — Bed-feathers

1925	23.864	14.791	1.863	3.718	17.101	—
1926	24.700	16.755	2.505	2.742	16.783	182
1927	29.882	20.757	2.809	3.351	20.937	—
1928	30.413	21.426	3.654	3.808	20.048	—
1929	30.031	21.494	2.413	2.961	21.767	—

Peaux brutes — Raw hides and skins

1925	14.382	5.284	1.134	8.859	1.619	786
1926	20.302	6.132	1.180	10.377	6.198	260
1927	18.140	6.372	1.075	10.817	3.333	—
1928	17.301	6.874	1.102	9.481	2.959	51
1929	34.629	10.281	2.934	17.151	4.500	34

(b) The normal outlets for these products are Austria, Czechoslovakia, Germany, Poland, Switzerland, Italy, and Greece.

(c) As representing an exporting agricultural country, the Hungarian Government would state that, in view of the present economic situation of its agriculturists, its primary concern has been to introduce measures capable of ensuring the practical and effective disposal of its surplus production of cereals and other agricultural return, and thus to increase the purchasing capacity of the population.

The following means, it thinks, might be employed to this end :

(1) Preferential Customs treatment by European importing countries for cereals and agricultural products of European origin.

The Hungarian Government would point out that such preferential treatment, representing, as it obviously does, a limitation of the most-favoured-nation clause, cannot adversely affect the interests of overseas countries, which will always remain the chief suppliers of the deficiency prevailing on European markets. Moreover, such preferential Customs treatment,

although it would mean that the European countries exporting agricultural products would benefit by the margin between a general and a preferential duty, would not thereby prejudice the protectionist policy of States with insufficient agricultural production, as it is always the general rate of duty which reacts on prices. Furthermore, the application of such a system, improving—as it would—the economic situation of agricultural exporting countries by increasing their purchasing capacity, would thereby unquestionably benefit industrial countries in Europe and overseas.

(2) The consolidation on a reasonable level by European importing countries of all import duties on European agricultural products, in such a manner as to leave a margin of profit to agriculturists in the exporting countries.

(3) A system of entire freedom of trade in cereals and agricultural products on the European markets, and the complete abolition of every hindrance to such trade, and of all measures aimed at the artificial restriction of the imports of cereals and other agricultural products or compulsory changes in the consumption of various agricultural products.

It is absolutely essential, in the Hungarian Government's opinion, that European importing countries should give effective guarantees to European agricultural exporting countries that all kinds of prohibitive and restrictive measures on the imports of cereals and other agricultural products, such as monopolies of any kind, sliding-scale duties, etc., should be entirely abolished.

The Hungarian Government declares that, if the countries importing agricultural products persist in their present practices regarding such imports, it may find itself compelled, in its turn, to treat imports of manufactured articles in the same manner.

B.

The Hungarian Government believes that the best way of promoting the disposal of manufactured products is to increase the purchasing power of agricultural exporting countries by promoting the export of their surplus production at satisfactory prices.

The practical means for achieving this end have been mentioned in the reply to A.

They further consider that a practical method of increasing the purchasing capacity of consuming countries would be to procure agricultural exporting countries long-term credits and more moderate rates of interest, thus enabling producers to cheapen their costs.

C.

The Customs and administrative measures likely to extend markets and improve international trade are, the Hungarian Government thinks, given in the foregoing replies to A and B.

Special mention might also be made of the following further administrative measures, the abolition of which is of capital importance :

1. The abolition of all administrative measures resembling disguised protectionism.

The Hungarian Government believes it to be really urgent and essential to give agricultural exporting countries effective guarantees that veterinary and phytopathological measures will in no case be applied as measures of indirect protectionism.

As regards veterinary measures, the Hungarian Government considers it highly desirable that the work of the International Veterinary Conference, referred to in Article 2, paragraph 7, of the Protocol regarding the Programme of Future Negotiations, should be brought to a satisfactory conclusion.

2. The abolition of all discrimination in the matter of railway and inland waterway transport rates in favour of agricultural products, including cereals from overseas, for the purpose of promoting the growth of certain maritime ports, such discrimination being directed against the products of European agricultural countries. This tariff policy on the part of certain industrial States is a material factor in restricting the markets of agricultural exporting countries.

3. The abolition of systems of prohibition or restriction of the importation of certain agricultural products by means of a margin between the import duties on the raw material and the finished agricultural product. Mention might be made, in particular, of the margin in importing countries between the import duty on wheat and that on flour. This margin, being a form of indirect protectionism, should be reduced to its natural level.

D.

To the extent that Hungary, as an exporter of agricultural products, is interested in the question of raw materials, the Hungarian Government thinks it has answered this question in the preceding paragraphs.

Italy.

[*Translation.*]

In its reply to the Questionnaire appended to Article 1 of the Protocol signed at Geneva on March 24th, 1930, the Italian Government considers it preferable, instead of conforming to the actual drafting of the questions, merely stating bare facts, to respond to the spirit of the Protocol, and particularly Article 1, bearing in mind the end which it is proposed to serve by collecting these data.

It must be pointed out, that the Customs problem, to which the Questionnaire seems especially to allude, is only one particular aspect of the general depression in the economic life of the world at the present time. In the Italian Government's opinion, it is a mistake to suppose that tariff increases are the only or the principal cause of this depression. Such increases are largely due to the defective system of production, representing attempts to counteract the damage, both actual and potential, caused by that system in the economic life of various nations.

It is, perhaps, not without reason that the preamble of the Protocol in question relates mainly to "concerted action directed to secure closer co-operation and the improvement of the regime of production", and that Article 1 of the Protocol definitely refers to the question of Customs and seems to indicate the measures which might be taken in order to bring about such an improvement. On logical and practical grounds, therefore, the Italian Government considers it necessary, in the first place, to study and improve this organisation—a task in which it would probably be advisable to adopt a different attitude in regard to the various tendencies displayed, of which protectionism is certainly the most important. At all events, it seems that it would be very difficult to deal with this special problem without considering the problem of the regime of production as a whole.

Moreover, it should be noted that the principal production statistics of each country and of international commerce are generally known, and that copious statistical data might cause the complexity of the problem of multilateral Customs negotiations—a problem for the examination of which the Questionnaire was especially framed—to be overlooked.

The Italian Government wishes, therefore, merely to make some preliminary observations which should, it considers, be restricted to a few comments on the character of Italian production and the direction of the export trade, and to some general considerations on the present position of the world economic system, and on the line of action best calculated to mitigate in some measure the increasing difficulties of international trade.

1. It may be recalled that Italy is neither a purely agricultural nor a purely industrial country. In view of its economic, political and social needs, its economic system is a mixed one.

Industrial production has greatly developed, particularly during the last twenty years, and is now one of the essential activities of the country, bringing Italy into the forefront of industrial countries and supplying a very important part of her export trade.

In these circumstances, Italy must ensure outlets in the various foreign markets both for her surplus agricultural products and for her industrial products.

One aspect of the Italian export trade is, of course, represented by the export of agricultural products, including, particularly, rice, hemp, wine, olive oil, fresh flowers, and, above all, garden and orchard produce, oranges, tangerines, lemons, etc.; tomatoes, fresh fruit and various vegetables, almonds, walnuts, hazel nuts, chestnuts, dried figs, etc., and the export of foodstuffs, which are closely connected with the agricultural production of the country (cheeses and preserves of all kinds), is very important.

There is, also, a considerable export trade in industrial products, particularly in motor-cars, electric motors and other engineering products, natural and artificial silk, sulphur, mercury, yarns and fabrics of silk and hemp, woollen fabrics, worked marble, hats, tyres, certain chemical products, etc.

It should also be noted that Italian exports find an outlet in the markets both of European countries and of countries outside Europe, the actual figures showing a percentage of 59 to 60 in the former as compared with 40 to 41 in the latter. This fact is of considerable importance in connection with the problem of multilateral Customs agreements, since it makes it essential that an agreement of this kind should either include all the countries with which Italy has important trade relations, or should be compatible with the bilateral treaties that bind her to countries likely to be left outside any multilateral agreement.

This brief account of the position in which Italy is placed brings out clearly the great difficulties that must be overcome in any satisfactory adjustment of the commercial relations between Italy and other countries. A fair measure of protection for the national production, both agricultural and industrial, must be reconciled with a measure of protection for the Italian export trade in both branches, and these interests, in their turn, must be reconciled with the interests, often divergent, of foreign production.

This complicated situation is not peculiar to Italy ; it obtains, to a greater or less degree, in a number of other States which possess a long-established industrial system or which have, in the recent post-war period, developed or expanded their industrial, as apart from their predominant agricultural, production.

There are some countries of Europe, however, whose agricultural production is not only the predominant factor, but is made up of certain " mass " products, only some of which are absorbed by the home market, while the remainder have to be exported. The position of such countries deserves to be examined in the light of the possibilities offered by the present state of European economic conditions and trade relations.

2. In order to cope with a task of such extreme difficulty, it is necessary to choose the right moment and to make sure that the indispensable preliminary conditions have been fulfilled.

With regard to the first point, it is doubtful whether the period through which we are now passing is favourable to the conclusion of collective Customs agreements of a general character. As already pointed out, one of the most striking symptoms of the present disorganisation of world trade is the increasingly keen competition that has led countries faced by the growing need of marketing their surplus products to adopt, in almost every case, still more intense forms of protectionism, which, though intended as a defensive measure for mitigating the present distress, have frequently accentuated it.

It must be recognised that, since the date on which the Commercial Convention was signed at Geneva, several countries have been led to resort to increased Customs duties, which, it seems, show no indication of having reached their highest point. There are many signs that this wave of protectionism would certainly have been much greater and much more distinctive had not the existing bilateral agreements governing the Customs treatment of the most common categories of goods succeeded in checking to a certain extent the prevailing protectionist tendencies. This does not mean that, even in the present period of economic depression, which inevitably compels us to mark time, we cannot do valuable work by examining and preparing the material and conditions that are essential for any concerted action in regard to tariffs in the not very distant future.

It would seem that one of those conditions is the coming into force of the Commercial Convention of March 24th, 1930, which would make it possible to place existing bilateral agreements on a firmer basis.

The stable position that this would create might perhaps make it easier to reach the understandings which are advocated—and rightly—by countries with an essentially free trade policy, and which are viewed with favour by all countries desirous of obviating any further obstacles to international trade.

It should be emphasised, moreover, that the economic action contemplated by the League of Nations should not only aim at lowering the tariff barriers, but also, as specified in Article 2 of the Protocol of March 24th, 1930, at abolishing or reducing all those other obstacles which, in the form of indirect protectionism or unfair discrimination between the nationals of a State and foreigners, interfere with the natural movement of international trade.

Finally, the Italian Government considers that the question of the distribution of the raw materials referred to in paragraph D of the Questionnaire is of cardinal importance from the point of view of the better utilisation of these materials, to which particular reference is made in that paragraph. Obviously, this aim cannot be achieved through special understandings of a monopolistic character between the countries producing the materials, but only through a general agreement in which the consuming countries actively participate, since the labour resources and organising powers of these countries provide excellent opportunities for the utilisation of the raw materials. Here, again, the essential general condition is evident—a reorganisation of the whole system of production.

The Italian Government, which has always warmly appreciated the League's unremitting efforts to improve economic conditions, will, of course, cordially co-operate with the League in order that its activities in this wider field may achieve all possible success.

Annex.

TABLE I. — *Groups of Commodities*

In thousands of lires

	Importations			Exportations		
	1927	1928	1929	1927	1928	1929
	En milliers de lires					
Matières premières... } Raw materials..... }.....	7.557.613	7.556.235	8.030.345	1.870.936	1.754.021	1.613.790
Produits industriels ¹ . } Industrial products.. }.....	7.495.072	8.308.627	8.637.779	9.808.381	9.494.577	9.682.980
Produits agricoles ² .. } Agricultural products }.....	5.322.115	6.055.566	4.634.990	3.954.669	3.310.435	3.587.458
Totaux } Totals }.....	20.374.800	21.920.428	21.303.114	15.633.986	14.559.033	14.884.228

Inclusive of agricultural products.

Exclusive of agricultural products.

TABLE II. — *List of Values in Thousands of Lives*

European Countries

Pays	Importations Imports			Exportations Exports			Countries
	1927	1928	1929	1927	1928	1929	
Albanie.....	38.534	37.645	33.876	40.987	43.560	54.030	Albania
Autriche.....	506.956	463.864	482.886	484.576	434.268	426.808	Austria
Belgique.....	469.223	596.944	526.132	299.598	263.709	285.853	Belgium
Bulgarie.....	46.364	68.918	52.730	104.533	101.859	76.990	Bulgaria
Tchécoslovaquie	271.111	318.768	269.836	203.940	172.107	162.649	Czechoslovakia
Danemark.....	64.403	80.208	99.568	67.223	52.047	59.120	Denmark
Dantzig.....	53	10.896	14.334	3.263	4.311	4.175	Danzig
Estonie.....	422	362	664	438	705	1.099	Estonia
Finlande.....	14.601	27.754	33.435	11.081	12.920	12.831	Finland
France.....	1.798.920	2.060.267	2.043.942	1.284.020	1.361.839	1.303.689	France
Allemagne.....	1.986.292	2.209.173	2.671.675	2.231.519	1.854.579	1.776.741	Germany
Gibraltar.....	27	61	3.390	1.648	1.716	1.953	Gibraltar
Gde-Bretagne..	1.825.970	1.794.302	2.040.451	1.527.883	1.403.950	1.460.614	Great Britain
Grèce.....	75.783	90.619	113.821	238.879	200.556	239.182	Greece
Irlande.....	631	329	1.789	13.457	20.683	16.718	Ireland
Lettonie.....	1.007	4.161	2.191	5.547	6.524	6.368	Latvia
Lithuanie.....	24	415	263	2.723	12.583	11.184	Lithuania
Luxembourg...	31.407	50.356	66.185	3.566	1.191	4.299	Luxemburg
Malte.....	4.327	4.666	3.894	43.526	41.421	43.780	Malta
Norvège.....	105.088	110.714	136.199	42.582	42.347	51.901	Norway
Pays-Bas.....	223.762	293.204	229.837	197.606	156.248	184.735	The Netherlands
Pologne.....	268.004	131.065	97.030	114.420	127.420	125.750	Poland
Portugal.....	39.505	38.110	33.571	46.135	39.185	38.902	Portugal
Yougoslavie....	613.666	534.157	637.704	310.175	303.870	267.497	Yugoslavia
Roumanie.....	386.810	398.317	205.407	283.307	219.588	167.895	Roumania
Sarre.....	121.839	93.613	62.101	1.122	1.002	251	Saar
Espagne.....	188.614	242.157	227.492	245.028	253.200	259.767	Spain
Suède.....	103.253	120.327	154.832	124.708	75.444	86.324	Sweden
Suisse.....	538.810	546.290	549.013	1.254.702	987.553	1.050.506	Switzerland
Turquie.....	62.413	83.241	67.415	236.237	170.596	185.714	Turkey
U.R.S.S.....	412.097	222.873	340.854	43.614	84.601	70.597	U.S.S.R.
Hongrie.....	117.559	97.486	188.419	155.919	122.155	116.151	Hungary
Total....	10.317.475	10.731.262	11.390.936	9.623.962	8.573.737	8.554.073	Total
Pourcentage....	50,6	49,0	53,5	61,6	58,9	57,5	Percentage
Pays situés hors d'Europe Non-European countries							
Total.....	10.057.325	11.189.166	9.912.177	6.010.024	5.981.811	6.330.155	Total
Pourcentage....	49,4	51,0	46,5	38,4	41,1	42,5	Percentage
Totaux généraux General totals							
(à l'exclusion de l'or et des mon- naies d'or et d'argent).....	20.374.800	21.920.428	21.303.113	15.633.986	14.555.548	14.884.228	(excluding gold and gold and silver coin)

Latvia.

[Translation.]

A.¹

(a) The export of the agricultural products which make up the greater part of Latvian exports in general consists of butter, flax, linseed, clover-seed, summer and winter vetches, meat and bacon. In good harvest years, barley and potatoes are also exported. The following table shows the exports of agricultural products from Latvia between 1925 and 1929 in tons and in thousands of lats :

Products	1925		1926		1927		1928		1929	
	Tons	Thousands of lats								
Flax.....	19,711	40,350	25,259	37,993	16,906	26,773	12,012	25,451	10,011	13,050
Linseed	25,121	11,406	17,069	6,719	14,644	6,440	9,635	5,610	15,188	8,003
Clover-seed.....	670	1,503	1,383	3,751	768	2,095	761	1,944	593	929
Butter	7,154	30,266	10,135	37,450	10,761	41,267	13,006	52,481	14,797	58,648
Meat, various.....	2,139	3,554	3,615	6,848	4,082	6,046	1,850	2,701	854	1,615
Vetches and vetch seed	1,567	667	3,467	1,524	1,414	683	978	458	946	393
Fruit and berries ...	1,832	413	340	107	1,715	414	995	419	375	137
Fish and preserved fish	1,011	638	698	669	1,269	1,302	2,653	1,481	2,910	1,958
Other agricultural products	—	—	—	7,476	—	6,388	—	8,597	—	8,939

Latvia took the eleventh place in 1929 among the butter-exporting States, after Denmark, New Zealand, Australia, Irish Free State, Sweden, Russia, the Argentine and Poland. She is seventh on the list of European States exporting butter. The output of butter has nearly doubled during the last five years and makes up 21.57 per cent of the total value of exports.

Since 1926, the export of flax fibre has been decreasing, as the result of unfavourable conditions on the world flax market and of the continuous fall in prices. The following table shows the position of flax growing in Latvia :

Year	Area sown in hectares	Yield per hectare in quintals		Total yield in quintals (ooo's omitted)	
		linseed	fibre	linseed	fibre
1925.....	78,100	3.6	3.9	279.1	300.2
1926.....	63,800	3.9	4.0	246.7	253.2
1927.....	63,200	2.6	2.9	166.4	185.7
1928.....	68,700	1.5	2.1	104.3	146.4
1929.....	55,800	4.1	3.9	229.6	219.3

Although the flax crop, generally speaking, was bad in 1928 and a reduction in the area under cultivation followed, flax growing was saved from extinction by the State flax monopoly, which relieves the grower of all anxiety in regard to marketing and price fluctuations, and also by the subsidies granted by the State to the grower. Flax plays a great part in Latvian agriculture and is an important export. Latvia holds an important place in the world's flax trade. In 1929, she was sixth with a total crop of 219,300 quintals, immediately after the Union of Soviet Socialist Republics (3.7 million quintals), Poland (520,000 quintals), Lithuania (360,000 quintals), Belgium (274,000 quintals), and France (255,000 quintals). The position was the same as regards linseed.

The chief difficulty in the way of a more rapid development in the export of agricultural products is lack of capital, which makes it impossible to put agriculture on a more rational basis.

(b) As the following table shows, outlets are to be found only in a few countries. Of the total exports of agricultural products, 80.4 per cent go to Germany and England.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c); B; C and D).

The table gives the distribution by countries of the exports of agricultural products in 1929, except for certain quantities of clover-seed, vetches, barley and potatoes, which were purchased by the Scandinavian countries and the United States of America.

Goods	Great Britain		Germany		Belgium		Netherlands		France		Other countries		Total
	Thousands of lats	Percentage of total	Thousands of lats										
Flax	5,437	41.7	399	3.1	6,242	47.8	—	—	433	3.3	539	4.1	13,050
Linseed	1,127	14.1	1,204	15.0	1,556	19.4	2,151	26.9	1,823	22.8	142	1.8	8,003
Clover-seed .	35	3.8	242	26.0	12	1.3	21	2.3	33	3.6	586	63.0	929
Butter	11,959	20.4	46,040	78.4	36	0.1	—	—	—	—	613	1.1	58,648
Meat, various	1,422	88.8	107	6.6	—	—	—	—	—	—	86	5.4	1,615
Fruit and berries ...	10	7.3	94	68.6	—	0.7	—	—	3	2.2	30	21.2	137
Fish and preserved fish	6	0.3	197	10.1	23	1.2	—	—	84	4.3	1,648	84.1	1,958
Vetches	114	29.0	188	47.8	—	—	9	2.3	1	0.2	81	20.7	393

The chief purchaser of Latvian agricultural products is Germany (56.8 per cent), who buys the greater part of the Latvian butter (78.4 per cent). Her position with regard to other products is also important : 15 per cent of linseed, 47.8 per cent of vetches, 26 per cent of clover-seed. The second place is taken by England, where 47.7 per cent of Latvian exports go. Bacon is purchased only by England.

Exports of flax mainly go to France and Belgium. About half the quantity exported to Belgium goes on to France, chiefly to the Lille district.

Clover-seed goes chiefly to Denmark (47 per cent), preserved fish to the United States (25.3 per cent), smoked, salt and fresh fish to adjacent countries (Poland 11.6 per cent, Lithuania 11.8 per cent).

On the markets mentioned above, to which Latvian exports are sent, the tendency continues to be towards increasing demand, so that any apprehensions with regard to the disposal of the growing output of Latvia would be out of place. Unfortunately, this tendency for demand to increase encounters several obstacles in the form of politico-economic measures— as, for example, various administrative prohibitions and veterinary or Customs measures— which hinder the export of Latvian agricultural products. This export, as may be seen from the particulars given below, consists of high-grade products required in countries where industry is developed. The prices of agricultural products are influenced to a much greater extent by the general fall on the world market.

(c) I. Measures dependent on agreements :

- (a) Lowering of excessive Customs tariffs ;
- (b) Abolition of export bounties ;
- (c) Co-ordination of the system of veterinary and phytopathological supervision.

II. Measures to be taken independently :

(a) The supervision and improvement of the quality of the products exported. One of the best methods for this purpose is the " export supervision ". A good many agricultural products such, for example, as butter, meat, fruit, berries and fish, are supervised at export from Latvia. The export of these products and to some extent their manufacture and handling are also under State supervision.

(b) Secondly, the standardisation of goods should be considered. This goes far to facilitate domestic trade and still more, international trade.

(c) The lowering of the prices of goods suitable for export. With a view to lowering costs of production and thus increasing the capacity to compete on the world market various means are employed aiming at the rationalisation of production, the improvement of technical methods, etc. Credit policy also plays an important part in this direction.

(d) Transport facilities. The interests of agriculture, particularly as regards export, are taken into consideration. The speeding-up of trains and the use of cold-storage waggons during the summer has done much for the carriage of perishable merchandise in good condition.

(e) Finally, mention should be made of the study of trade cycles and of prices, which are of indisputable importance for the development and expansion of foreign markets; this study is particularly important for the avoidance of over-production.

B.

Although Latvia is mainly an agricultural country, a new development of industry has taken place since the war, and the country now represents a certain factor in economic life.

Latvian industry has developed under the protection of a moderate tariff. The chief purchasers of Latvian manufactures are the adjacent countries, such as Russia, Lithuania and Estonia. However, advanced industrial countries like Germany, England, the United States of America and others, also buy considerable amounts of Latvian industrial products.

Without going deeply into each branch of industry, the means which Latvia has used to facilitate the export of her manufactures may be mentioned.

1. *Commercial treaties.* — The Latvian Government has taken the necessary steps to encourage the export of both agricultural and industrial products, and has concluded a number of commercial treaties. By inserting the "Russia" and "Baltic" clauses in these treaties, Latvia has left open a door for the development of her commercial relations with adjacent countries on a basis wider than the most-favoured-nation principle. These clauses were applied in practice for the first time in her treaty with Russia. Commercial treaties with Estonia and Lithuania are in an advanced stage of negotiation and the Baltic clause will certainly play a decisive part in them and will make it possible to safeguard industrial interests.

In the view of the Latvian Government, commercial treaties are an effective means of developing international relations, and make it possible to protect in the best way the national economic interests of each country. There is no need to emphasise that it is necessary to take into consideration in such treaties the purchasing power of the States which are parties to them. The exporters themselves should conform to the exigencies of the market, to the peculiarities of the importing country and to its purchasing capacity.

2. *Export credits.* — The export of industrial products is particularly favoured by a suitable credit policy. In this respect, Latvia's capacity is not very great. The two State banks, the Bank of Latvia and the State Mortgage Bank, give all the facilities in their power as regards credit for industrial concerns working for export.

The insurance of export credits has not yet been introduced into Latvia. The proper State authorities are at present dealing with the question, and are considering the possibility of such operations, which are very important in connection with any steps for reducing the risks of exports abroad, particularly to economically backward countries.

Problems connected with industrial progress have arisen only in recent years, when Latvian industry had so far developed that the home market was no longer able to absorb the whole of its output, and it was necessary to look for markets abroad. Foreign competition has forced Latvian industrialists to conform to the selling methods used in the world market, and to strengthen their position by joining international selling and producing organisations—*i.e.*, existing cartels and trusts. This phenomenon is still in its early stages, but there is no denying the existence of such a tendency—for example, in the match and the superphosphate industries and some parts of the textile industry, which are at this moment wholly or partially dependent on international organisations.

C.

The answer to this question is implied for the most part in what has been said above (see specially A, (c), I).

This is not the place for views on Customs tariffs, for these depend on a great number of circumstances, and the economic situation of each country.

D.

On this question, Latvia holds to the principle of free trade, exemplified in the Customs tariff, which lays no import duties on raw materials. Export duties exist in Latvia solely for certain qualities of timber and raw skins.

Norway.

A.¹

(a) In Norway there is over-production in certain animal products, particularly eggs and dairy produce.

(b) The surplus products were exported chiefly to England (eggs, butter, condensed and sterilised milk), the United States (cheese) and other overseas countries (condensed milk).

(c) The question, as framed, refers to all the measures mentioned in Chapter I of the Annex to the Protocol of March 24th, 1930, and also to those indicated in the Questionnaire, under C. For practical reasons, it would seem better to deal with the latter group in its own place. With regard to the first group, stress should be laid upon sections III and IV of the above-mentioned chapter. There seems to be no doubt that a better organisation of the production and sale of agricultural products, and the consequent standardisation of the quality of those products, would be greatly to the advantage of several European countries with a surplus production. Nor, it seems, is there any doubt that investment of capital in these countries, in order to encourage improvements in the technical equipment for production, would have a very considerable effect upon agriculture. If such investments could be made by means of loans granted by countries having industrial products to dispose of, the sale of these products by the latter countries might be increased at the same time. The first result of transfer of capital from one country, in the form of loans for the economic development of another, has always been an increase in exports to the country receiving the loans. This in its turn tends—given the same conditions in the two countries—to create greater purchasing capacity, while opening up possibilities of a more active exchange of goods. This is not to say that, by means of international measures, it will be possible to find a general and practicable method for promoting the economic organisation of the agricultural countries and for transferring capital. The main work in this field will more probably be done outside the international organisations, even if the latter are able to give assistance in certain special cases.

The Norwegian Government cannot recommend the adoption of the proposal mentioned in section II of Chapter I of the Annex, to the effect that the European countries should mutually agree to accord to European wheat a 50% reduction in import duties. Such a measure would be inconsistent with Norway's established policy and would, moreover, be contrary to the actual idea of freer international co-operation in economic matters.

B.

This question has as wide a scope as that mentioned under A (c). In the reply to the latter, transfer of capital has already been indicated as one means of securing larger outlets for the industrial products of the different countries. As to the other measures that might be contemplated in this connection, the most important of these will be mentioned below in the reply to question C.

C.

It seems quite clear that the development of international trade is hampered by the Customs duties at present in force, and also by a large number of administrative measures arising out of commercial policy. These considerations prompted the World Economic Conference in May 1927, to adopt certain resolutions referring thereto, and the subsequent work of the League of Nations in this field has been based on the latter. The Norwegian Government agrees with the ideas underlying that work, and holds that a gradual reduction of Customs duties, together with the removal of similar obstacles, constitute the best means of improving international trade. Admitting this, however, is not, of course, the same thing as laying down definite lines for a practical programme of future negotiations. During the three years since the World Economic Conference, the League has endeavoured to draw up such a programme, but has met serious obstacles and achieved no success in regard to the most important point—a check to the increases in Customs duties, let alone a gradual reduction of those duties.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c); B; C and D).

The hopes that were built on a convention for a tariff truce, which was to have been the first phase of this branch of the League's work, were not fulfilled. The convention that has been drawn up does not bind all the Powers, but only a few of them, to stabilise their protective duties, while the other countries are bound only to stabilise their already consolidated tariffs. The economic crisis upon which the world entered last year, and the further developments of commercial policy in the same direction as before, did not strengthen the hopes that the convention for a tariff truce would come into force, and, still less, the hopes that there would be a gradual reduction in Customs duties in the near future. The tendencies towards growing protectionism mentioned above also became evident in the free trade countries in the shape of a strong agitation for a protectionist policy. Were those countries to adopt such a policy, the difficulties from which Europe is now suffering would certainly be increased, and it would seem, therefore, that the first object of the future negotiations should be an attempt to check those tendencies. For the attempt to succeed, the countries that are in the van of protectionism must be ready to make concessions in their Customs tariffs in favour of the free trade countries, it being agreed that the latter, on their side, shall consolidate their tariffs. In short, the conclusion of a tariff convention between the free trade and protectionist countries must be regarded as the chief aim of the future negotiations.

The end in view may, of course, be attained through bilateral agreements, although collective agreements should ensure it equally well. Past experience of the latter kind of agreements is not, however, in the field of commercial policy, very encouraging, and it must be admitted that this means does not at present seem very practicable.

Norway is in a difficult position. On the one hand, she belongs to a group of countries that have not consolidated their Customs tariffs. On the other, her tariff gives her only slight protection. Her protective duties are low, as compared with those levied in most European countries, but at the same time her tariff is different from the tariffs of essentially free trade countries. Were Norway to become a party to a convention of this kind, she would, therefore, in so doing, be abandoning the commercial policy she has hitherto followed, and, moreover, she cannot undertake so readily as the free trade countries to stabilise her tariff over a number of years—particularly since that tariff is, in many respects, provisional. By ratifying the convention for a tariff truce, Norway has, however, given an earnest indication of her willingness to take part in the future negotiations, and she is also ready to participate in the discussions with regard to the plan outlined above.

D.

Movement of raw materials under satisfactory economic conditions, and their better utilisation, can be secured only through abolishing the import and export prohibitions on those materials, exempting the materials from Customs duties, and abstaining from granting any export bounty, whether direct, or concealed in the form of a reduction in transport prices. This, however, is not enough. In many cases the Customs duties on the manufactured product are an obstacle to the best utilisation of the raw materials, since they oblige the countries producing the latter to export those materials instead of the manufactured product. The question of the distribution of raw materials is the same, in such cases, as that of the most favourable position for the centres of production. Even if free trade could be secured only for raw materials, such a success would be a great step towards the end in view.

Discussion of the above-mentioned questions does not preclude the examination of other aspects of commercial policy, as provided for in Article 2 of the Protocol. In this connection stress must be laid upon the desirability of opening negotiations as soon as possible in regard to the question of indirect protectionism and export bounties. If these questions are not solved, any reduction in Customs duties may prove ineffective. Among matters not mentioned in Article 1, the Norwegian Government would draw special attention to the desirability of securing the full application in every country of the Convention on import and export prohibitions.

Naturally, it is greatly to the advantage of Norway to retain open markets for her exports, but she is also very anxious for a reduction in the various Customs tariffs which at present hamper those exports. This applies both to the Customs duties of the ultra-protectionist countries and to those of the countries following a general free trade policy.

Norway's accession to a future convention of this kind must, of course, be subject to the condition that she does not thereby pledge herself to make any exception to the general application of the most-favoured-nation clause.

The Netherlands.

[Translation.]

A.¹

(a) and (b) In the Netherlands there is over-production in very many cases: 37 items under the heading of vegetable products, 20 under the heading of animal products, 2 under the heading of farinaceous products and 4 under the heading of hides and skins, and likewise the item strawboard, are each exported to a value exceeding one million florins per annum. The total exports of these commodities amounted to 653 million florins in 1929.

As regards the relative importance of the various articles, the following are exported to a value exceeding 10 million florins per year: vegetables, green peas, tomatoes, potatoes, flower bulbs, pork (fresh), beef and veal (fresh), bacon, butter, cheese, condensed milk (pure, unskimmed and sweetened), condensed milk (skimmed and sweetened), eggs in shells, potato fecula and strawboard.

The bulk of these exports are sent to Germany and England. Belgium and France also take a considerable quantity, whilst Denmark, Spain, the United States of America, Sweden and Czechoslovakia are also valuable outlets.

Under present conditions, the above-mentioned countries, together with a few others, must be considered as our normal outlets. The position would, however, be very different if international trade were free. In this event, production and exports would doubtless have developed to some extent in other directions.

(c) For the reply to Question A (c), reference should be made to the reply given below to Question C.

B.

In the opinion of the Netherlands Government, the expansion of foreign markets with a view to the disposal of industrial products could most easily be effected, as experience has frequently shown, by the abolition, as far as possible, of existing obstacles to trade. It is on these lines that we must look for practical means to secure a more unrestricted development of international trade. The following may be mentioned as the chief measures to be adopted:

(1) Lowering of protective tariffs:

The Netherlands Government considers that in many instances it would be possible to dispose of larger quantities of goods if, when concluding commercial treaties, protectionist countries, whether armed or not with a bargaining tariff, would show greater consideration than they do at present for the liberal policy practised by certain countries, which only impose on goods imported from abroad a low, single and autonomous tariff, having no value for the purpose of concluding tariff conventions.

For their part, these countries might undertake to maintain their free trade policy, if the protectionist countries granted them tariff concessions such as would facilitate the sale of their products. The realisation of this system would appear to be feasible by means of a series of bilateral treaties, but it might be more expedient to put it into practice by means of a multilateral convention concluded between countries with low tariffs and some, at all events, of the protectionist countries of North-Western and Central Europe. The Government of the Netherlands is prepared to enter into negotiations on these lines.

It is to be hoped that the group of protectionist countries will be willing to conclude such an agreement without departing from the most-favoured-nation clause to the detriment of third countries. If, however, these countries thought that the rights derived from this clause prevented any application of the above-mentioned system, it might prove necessary to draw up multilateral arrangements with regard to the most-favoured-nation clause, providing that countries having a free trade policy of the above-mentioned description would be granted separate treatment. Thus, tariff reductions, which were granted on the conclusion of bilateral or multilateral conventions to a country which was a member of this group, and which would therefore be logically extended in full to all countries belonging to this group, need not necessarily be granted, in virtue of the most-favoured-nation clause, to other countries outside the group, unless the latter offered adequate concessions in return, like the countries in the non-protectionist group. Naturally, however, any such arrangement should not lead to the creation of a weapon directed against a particular country, nor should non-protectionist countries be compelled to discriminate against third countries, and should continue to be exempt from any discriminatory treatment on the part of such third States.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c); B; C and D).

If these conditions were fulfilled, we should successfully do away with the drawback which is constantly experienced—namely, that tariff concessions cannot be granted to free trade countries because the tariff items available in this connection must be kept in reserve for bargaining with States whose commercial policy embraces a special bargaining tariff. Under such circumstances, many countries would probably no longer see any absolute necessity for maintaining or introducing a bargaining tariff, and thus the number of countries having a liberal commercial policy would eventually be increased.

In theory, the scheme for effecting a tariff decrease by deducting a fixed percentage from all tariff duties meets with the wholehearted support of the Government of the Netherlands. In practice, however, this scheme could not be supported unless all fiscal duties were exempt from the compulsory decrease. While the reduction of tariffs is indispensable in the case of protectionist duties, duties not exceeding the above-mentioned maximum are not in general a serious hindrance to imports—at all events, in the case of finished industrial products—and therefore do not deserve to be opposed.

Furthermore, the Netherlands Government considers that the unification of Customs nomenclature will promote joint action for the purpose of reducing tariffs.

(2) Abolition of existing prohibitions and restrictions on imports and exports respectively by the putting into force, and the maintenance in force, of the International Convention of November 8th, 1927, and of the Supplementary Agreement of July 11th, 1928, as well as the abolition, as far as possible, of the exceptions therein permitted.

(3) Revision of the Convention for the Simplification of Customs Formalities signed at Geneva on November 3rd, 1923, particularly in regard to supplementary provisions concerning certificates of origin and consular invoices (their number and cost).

(4) Abolition of the excesses of indirect protectionism, amongst these being the excessively stringent regulations concerning the marking of imported goods.

(5) International agreement concerning health and veterinary measures; in this connection the regulations for hay and straw packings used for industrial purposes might be considered.

(6) Extension of existing regulations concerning international transport.

(7) Conclusion of conventions concerning railway tariffs which would restrict as far as possible the existing discrimination against foreign products and would thus endeavour to put an end to this form of indirect protectionism.

(8) Abolition or restriction of export bounties and subsidies by means of a collective agreement.

It need hardly be added that any agreements for the purpose of avoiding double taxation or in regard to the treatment of foreigners should be considered as factors militating in favour of freer trade, even if they are not directly connected with the fiscal problem.

Secondly, the specific information is asked concerning the practical means of increasing the extent to which it is possible for consuming countries to purchase foreign industrial products. The Netherlands Government supposes that this question was inspired by the controversy between industrial and agricultural countries. The latter declared that if the industrial countries did not furnish them with an outlet for the disposal of their agricultural products, they would inevitably be bound to develop their industries, and this would, in their opinion, necessarily involve the imposition or increase of duties on industrial products, that is to say, a result incompatible with any reduction of customs tariffs.

In this connection, the Netherlands Government would point out that, as its home market is open to foreign trade, it already offers the fundamental conditions enabling both industrial and agricultural countries to pay for their imports with exports. It has therefore largely contributed to the expansion of the market in so far as this lay within its power.

The granting of preferential duties on cereals, and possibly on other products referred to in Chapter I (Adjustment of Economic Relations between Industrial and Agricultural States) in the Annex to the Protocol regarding the Programme of Future Negotiations, would not be consistent with the commercial policy of the Netherlands, and the Government would certainly not give its support to the establishment of any such system.

The granting of special credits to enable consuming countries to finance their imports and exports is a measure which was applied by the Netherlands Government on a modest scale during the post-war period. Now that economic conditions are more stable, it does not feel that it can support this form of commercial expansion. It should, however, be noted that national capital, in so far as it is not necessary to the economic life of the Netherlands, resembles that of other foreign countries, and finds its way unimpeded to any country where it is in demand, provided that two conditions are fulfilled—namely, (1) that those in need of the capital and their Government furnish reasonable guarantees as regards their financial standing, and (2) that those supplying the capital are authorised to supervise the employment of such funds or to have this done on their behalf.

Lastly, the Netherlands Government considers that the power of agricultural countries to purchase manufactured goods should be stimulated, not only by those countries themselves, but by States which impede or render impracticable the importation of agricultural products.

C.

In so far as manufactured goods are concerned, reference should first of all be made to the reply given under B.

The Netherlands Government further considers that a settlement of the various questions mentioned in Section III of the Memorandum submitted by the French delegation and annexed to the Protocol Regarding the Programme of Future Negotiations, might help to remove certain economic obstacles. This result might be obtained in some measure by means of bilateral commercial treaties and by the amendment of existing multilateral conventions (Customs formalities), but a similar result could also be obtained by the conclusion of a multilateral commercial convention.

Turning to the question as to whether trusts and cartels are desirable on economic or other grounds—and, if so under what conditions—the Netherlands Government is of opinion that this question should be left on one side by the League of Nations and its organisations, which should neither encourage nor prevent the constitution of trusts and cartels, nor exercise supervision over them once they are created.

As regards the difficulties encountered by Netherlands products—and particularly by agricultural products—in foreign trade, this subject may be dealt with under the following heads :

- I. Health measures ;
- II. Import duties ;
- III. Other measures for the artificial stimulation of national production.

I. HEALTH MEASURES.

This mainly concerns agricultural products and stock-raising—*e.g.*, living plants, potatoes, flower bulbs, live animals and meat.

It cannot be denied that, in many cases, protectionist considerations have inspired the health measures adopted by certain countries.

In this connection, we may congratulate ourselves on the fact that a Phytopathological Convention, to which the Netherlands adhered, has been concluded on the initiative of the International Institute of Agriculture. Similarly, the Netherlands attaches great importance to the conclusion of the Veterinary Convention, for which the ground has already been largely prepared by the League of Nations.

The following are a few examples of very severe measures adopted by other countries which hamper the sale of Netherlands products, and which—from the point of view of the Netherlands—might be either abolished or substantially changed without involving any increase in the risk of contamination by products coming from the Netherlands :

(a) Embargo on the importation of living plants and of a few species of bulbs into a certain country. These products are imported into other countries, although the latter exercise a no less strict supervision over the phytopathological condition of vegetable produce.

(b) Embargo on the importation of fresh meat into a certain country. In the Netherlands, this embargo is keenly felt as an injustice, because refrigerated fresh meat may still be imported from a third country where foot-and-mouth disease is often more prevalent than in the Netherlands, in spite of the fact that experts have proved that the virus in refrigerated meat remains virulent for a period exceeding the time required for transport.

(c) Embargo on the importation into a certain country of live animals for slaughter. This measure is particularly objectionable, because of the discrimination which is here made on certain grounds against the Netherlands.

(d) Embargo on the importation into a certain country of potatoes owing to an exaggerated fear that potato wart may be introduced or spread.

II. IMPORT DUTIES.

The following products are amongst those most severely hit by import duties ; in one or more countries they are subject to enormous imposts, representing, in special cases, the percentage of their value indicated below :

Potato fecula and its derivatives pay considerably more than 100 per cent ; horses of Nordic race between 50 and 100 per cent ; strawboard 150 per cent ; cheese 120 per cent (other dairy products are very severely handicapped and there is every reason to fear further difficulties) ; living plants 560 per cent ; vegetables 175 per cent (the effect of import duties on the exportation of vegetables varies considerably because it depends, not only on the kind of vegetable, but also frequently—and to a very marked degree—on the season when the sale is effected, as this determines the price).

Mention must also be made of the difficulties encountered by the manufacturers of alcoholic drinks owing to the enforcement of the Convention of St. Germain-en-Laye signed on September 10th, 1919, relating to the liquor traffic in Africa. In conformity with the provisions of this Convention, there is a prohibition on the importation of trade spirits of every kind and of beverages containing trade spirits. This prohibition is, however, enforced in an inconsistent and arbitrary manner, owing to the absence of any definition of the term "trade spirits".

It should be noted that cases occur where a country endeavours at all costs to recapture its liberty to increase its import duties on certain articles—for example, by denouncing or amending commercial treaties in order to eliminate the reduced duties consolidated therein. Acting in this manner, a certain country quite recently endeavoured to regain its freedom in order to enforce an autonomous tariff for a certain commodity and to increase the duty on another commodity. In cases of this kind, the most-favoured-nation clause does not protect other countries.

III. OTHER MEASURES FOR THE ARTIFICIAL STIMULATION OF NATIONAL PRODUCTION.

1. Discrimination by means of excessively detailed schedules in Customs tariffs.

Hitherto the Netherlands has always pursued a policy which was purely free trade; the conclusion of commercial treaties was, with hardly a single exception, based on the principle of the most-favoured-nation clause.

The benefits which should accrue to the Netherlands as a result of the most-favoured-nation clause have sometimes been nullified by excessively detailed schedules in the tariffs of other countries, which act in a manner peculiarly detrimental to the agricultural and horticultural produce of the Netherlands. For example Dutch cheese is handicapped by the tariff schedules of several countries.

A commercial treaty recently concluded, under which hay, consisting of not less than 50 per cent timothy grass, may be imported into a certain country duty free, whilst other kinds of hay remain dutiable, furnishes a typical example of the results of such specification. To give a second example: A treaty has just been concluded under which the date until which early potatoes may be imported into a certain country has been advanced, with the result that the sale of early potatoes in this country does not present any difficulties except in the case of produce from the Netherlands, which reaches maturity later in the season, and cannot therefore be marketed in the country in question.

2. An example of the serious handicap experienced by the Netherlands, owing to the artificial measures adopted by other countries in order to promote the export of agricultural products, is the system of import licences employed in a certain country. Under this form of protection, the production of certain commodities, particularly rye and oats, has been increased to such an extent that the markets in neighbouring countries have been largely disorganised. We may anticipate similar disastrous results, owing to the recent enforcement of the system of import licences for meat and fish.

3. The Netherlands Government considers that one of the factors tending to prevent the restoration of normal conditions is that certain States promote the export of various agricultural products by artificial means. For instance, one Government guarantees the grower a minimum price for flax, whilst another State subsidises the exportation of bacon.

Another Government has adopted measures in regard to the production of butter and cheese which produce somewhat similar results. Yet another Government has granted a bounty of £200,000, in order to increase the land under wheat to 1,000,000 acres.

D.

With regard to the free movement of raw materials, the Netherlands Government highly appreciates the results obtained in the case of hides, skins and bones. It need hardly be said that the Government would welcome any subsequent abolition or reduction of the export duties on bones.

Our objective must be the abolition of import prohibitions and restrictions which hamper free trade in raw materials and are incompatible with the free determination of prices on the world market. The abolition of the import prohibitions and restrictions on coal and peat by certain countries would encourage the trade of the Netherlands in these commodities.

Generally speaking, free trade in raw materials would be promoted to an extraordinary extent by the total abolition of import and export prohibitions and restrictions and by the removal of duties on entering or leaving a country, or, if the latter ideal cannot be realised, by the restriction of such duties to, say 3 per cent of the value of the goods.

Furthermore, the Netherlands Government considers that preferential railway tariffs in favour of national raw materials—such as coal and other like products—are prejudicial to foreign products, and should be abolished.

Poland.

[*Translation.*]

EXTRACT FROM A LETTER OF SEPTEMBER 30TH, 1930, FROM THE POLISH DELEGATION
ACCREDITED TO THE LEAGUE OF NATIONS.

.....
In my letter No. 2989/30 of September 9th,¹ I had the honour to transmit to you the resolutions adopted on August 30th by the Agricultural Conference held at Warsaw.

In drawing your attention in particular to point 6 of these resolutions, I have the honour to inform you that, although the Polish Government has not raised the question of preferential tariffs in its reply, it is in entire agreement on this subject with the view expressed in the resolutions.

In bringing these facts to your notice, I have the honour to request you to consider this letter as an integral part of the Polish Government's reply.

.....
Reply to the Questionnaire.

A.²

(a) Exports of agricultural produce occupy a very important position in the Polish balance of trade. The four tables annexed contain figures for surplus agricultural produce available for export. The first table refers to agricultural produce, the second to live-stock and animal products, the third to products of agricultural industry, and the fourth to timber and semi-manufactured wood.

The average exports of cereals, plants and vegetable products from Poland in recent years are shown in the attached table (Annex I).

As will be seen from the annexed tables, barley is the principal export article, and is followed by leguminous vegetables, seeds, hops, flax and hemp.

In the last three years, there has been a deficit on the trade balance for rye amounting to 8,045 tons, valued at 15,377,000 zloty.

In years when the harvest is good, however, there is a considerable surplus of rye for export. For instance, in 1925 this surplus amounted to 111,738 tons, value 18,369,000 zloty; in 1926, 214,330 tons, value 66,912,000 zloty; and, in 1929, 200,247 tons, value 58,537,000 zloty.

Only in 1925 was there a surplus of wheat for export, amounting to 53,183 tons, value 15,470,000 zloty; in other years, there was a deficit.

The export of live-stock and animal products is of much greater importance in the Polish balance of trade than that of plants and cereals.

The average foreign trade figures and the exports of surplus animal products in recent years are shown in the attached table (Annex II).

The value of the exports of live-stock and animal products specified above reached 528,224,000 zloty in the three years from 1927 to 1929. This amount includes pigs, 35.1 per cent; eggs, 28.7 per cent; meat and meat products, dressed fowls and game, 14.9 per cent; butter, 12.2 per cent.

The products of agricultural industry occupy an important position among Polish agricultural exports. The average export surpluses of these products in the last three years are shown in the attached table (Annex III).

According to these returns, sugar is the most important export product of Polish agricultural industry. Fodder, potato products and alcohol are also valuable export articles.

Wood is an important export product. The average exports of this article in the years 1927-1929 are shown in the annexed table (Annex IV).

The average annual exports of timber and semi-manufactured wood in 1927-1929 reached the considerable figure of 503,412,000 zloty.

(b) It will be seen from the attached table (Annex V) that Germany is the principal market for Polish agricultural produce importing about 40 per cent of the total exports of such produce. All kinds of agricultural produce are exported to Germany—in particular, wood, eggs, butter, fodder, leguminous vegetables, cereals, seeds, poultry and sugar.

¹ See Annex VI to the present note.

² The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c); B; C and D).

Austria is the second largest market for Polish agricultural produce and is the principal consumer of pigs, meat and eggs.

The third place is shared by Czechoslovakia and England. Poland exports to Czechoslovakia principally pigs, eggs, leguminous vegetables, flax, hemp and hops. England is a market for sugar, bacon, eggs, butter, grain, seeds, flour and potato starch.

The four countries mentioned take about 80 per cent of the total exports of Polish agricultural produce.

Smaller quantities are exported to Holland (sugar, barley, rye, colza seed, calf-skins); to Latvia (sugar, barley, rye, flax, hemp and skins); to Belgium (barley and leguminous vegetables); to Denmark (barley, rye, seeds, horses); to Sweden (sugar and seeds); to Finland (sugar, rye and barley); to Italy (eggs, leguminous vegetables, sugar); to France (eggs, sugar, potatoes); to Estonia (sugar, rye and barley); to Switzerland (seeds, potato starch and eggs); to Norway (barley and fodder); to Hungary (seeds and leguminous vegetables); and to the United States (seeds, calf-skins and fodder).

(c) The tables in the replies to questions (a) and (b) summarise the exports of various surplus agricultural products and their principal outlets during the last three years and the first six months of the present year. The following table shows the proportion between the exports of agricultural produce (divided into the four main groups) and the total Polish exports.

EXPORTS IN MILLIONS OF ZLOTY.

	1924-25	1925-26	1926-27	1927-28	1928-29
Total	2,139 100%	2,130 100%	2,483 100%	2,499 100%	2,604 100%
Agricultural produce	1,055 49.3%	1,254 58.9%	1,310 52.8%	1,503 60.0%	1,482 57.0%
I. Vegetable products	162 7.6%	332 15.6%	194 7.8%	201 8.0%	278 10.7%
II. Animal products	364 17.0%	392 18.4%	426 17.2%	559 22.4%	577 22.8%
III. Products of agricultural industry	226 10.5%	203 9.5%	227 9.1%	170 6.4%	181 7.0%
IV. Timber and semi-manufactured wood.	303 14.2%	326 15.4%	463 18.7%	573 23.3%	448 16.5%

The exportation of agricultural produce shown by the above figures makes it possible to import large quantities of industrial products without endangering the balance of trade. This result is due in particular to the productive work of the agricultural population.

The reconstruction of farms devastated by the war (the fact that 3.5 million hectares lay fallow indicates the extent of this devastation) has been carried out without any financial aid from war reparations and with very little assistance from the Government; it is due almost exclusively to the individual labour and thrift of the Polish farmers. Although this effort was so successful, it considerably reduced the farmers' working capital and almost exhausted their cash reserves, thus making them unduly dependent on credit, which was obtained only with difficulty and on particularly onerous terms during the period of inflation and the financial crisis.

An improvement could not be brought about by cheap long-term credits, as the general poverty of the country made it difficult for agricultural credit societies to dispose of their mortgage bonds.

Agricultural circles were not very seriously affected by financial difficulties in respect of credits until 1927-28. It was only when Poland began to experience the effects of the general agricultural depression that these difficulties made themselves fully felt. Polish agriculture is suffering not only from the general depression which prevails throughout the world, but also from a number of troubles of a purely local character. The hardest blow was the catastrophic drop in the price of rye. Poland has 5.5 million hectares under rye, while wheat is grown on only 1.3 million hectares. A drop of 50 per cent in the price of rye as compared with the year 1927-28 is an indication of the severity of this depression. On a rough calculation, the prices obtainable at the present time are equal to only 60 per cent of the cost of production. Among the factors tending to accentuate the effects of the world depression in Poland may be mentioned, in the first place, the shortage of currency, which makes it impossible to select a suitable moment for selling the crops, and frequently forces the farmers to dispose of their produce on unfavourable terms and without regard to the state of the market.

The possible measures for facilitating trade in agricultural produce may be divided into two categories: (1) measures for rationalising production and trade; (2) measures for removing any unnecessary obstacles which impede the international exchange of goods.

With regard to the first category—*i.e.*, measures for rationalising production and trade—it must be admitted that no sphere of economic life is in such need of re-organisation as agricultural production.

The factor which has the most adverse effect on agriculture in the present economic depression is the disproportion which exists in many countries between the prices of agricultural products and of industrial articles. The causes of this phenomenon are being eagerly discussed on all sides; they are no doubt to be found to a great extent in the advanced state of the cartel movement in industry, particularly in the branches producing raw materials, and in the lack of a similar organisation for agricultural production. This state of affairs is explained by the conditions of agricultural and industrial production. In industry the quantity of goods produced depends solely on the will of the producer. In agriculture it depends on the weather and on a number of other indefinite factors. Modern industrial production is centralised in a relatively small number of large undertakings. Agricultural production is carried on on millions of farms between which it is extremely difficult to organise any definite and durable arrangement.

Nevertheless, it is evident that by improving and centralising information regarding the state of grain crops, the number of animals, stocks, prices and the state of the market in particular spheres of agricultural production, it becomes more possible to adapt this production to anticipated sale conditions.

The rationalisation of production, the necessity for which is clearly proved by the present agricultural depression, depends in every country primarily on the financial resources which farmers are able to devote to making any necessary changes in the forms of production and discontinuing the production of commodities of which the supply exceeds the demand.

This question is directly related to that of agricultural credit. Most agricultural countries cannot re-organise production and regulate supply on account of a serious lack of working capital. The creation of an international agricultural credit organisation, in which matter the initiative has been taken by the International Institute of Agriculture, is therefore of primary importance for production and normal trade.

Surplus capital, of which there is a plentiful supply in some countries, might be usefully employed in agricultural countries and would enable them to change their forms of production—that is to say, to reduce the crops suffering from over-production—in order to increase those of which the output is insufficient. This would make it possible to regulate the trade in agricultural produce and keep up a uniform supply to foreign markets. These measures would undoubtedly reduce the danger of a heavy drop in prices in countries importing agricultural products. In view of the international character of capital, this question could only be solved by an international agreement between countries possessing surplus capital and those suffering from a shortage.

It is particularly important for the rationalisation of trade that the sale of the various agricultural products should be organised by multilateral agreements of a regional character. Poland was one of the initiators of agreements of this kind when she signed the Polish-German Rye Agreement in March 1930 for organising exports of rye. The object of this agreement was to avoid harmful competition between the two countries on foreign markets.

The renewal of this agreement clearly proves that Poland desires a definite arrangement between exporters, and that she is pursuing economic and not political aims. The new agreement concluded between the wheat and barley exporters of the Danubian States pursues a similar aim to that of the Polish-German agreement. Poland can but welcome this agreement, as any increase which it effects in wheat and barley prices for those countries will indirectly influence the prices of the principal cereals exported from Poland, especially barley and rye.

In 1928, a syndicate of pig and cattle exporters was established in Poland for rationalising and centralising the export trade in pigs. This syndicate's activities have so far shown good results, and it would be advisable to investigate the possibility of extending this method of rationalising exports to other States.

The development of agricultural co-operation, in direct connection with co-operative societies distributing foodstuffs in industrial countries with an insufficient food production, would also facilitate the export of surplus agricultural produce. In this manner, the disparity between the prices paid by consumers and those obtained by the farmers would be diminished.

All the above factors indicate that, although it is by no means easy to regulate the output of, and trade in, agricultural produce, there are nevertheless a number of questions in which appreciable results would undoubtedly be obtained by international economic co-operation.

With regard to the factors included in the second category, it should be pointed out that, contrary to the recommendations of the Economic Conference of 1927 and of the Commercial Convention concluded at Geneva on March 24th, 1930, there has been not merely no reduction, but a considerable increase, in protective duties on agricultural products. A few months before the Economic Conference took place at Geneva, a marked tendency was noticeable in many industrial countries to raise the protective tariffs on agricultural products. Agrarian protectionism has been still further accentuated in some countries by the introduction of sliding tariffs, which impede trade by the very fact of their instability. Moreover, artificial conditions adverse to the international exchange of agricultural products are created by numerous domestic regulations which partake of the nature of disguised protectionism, such

as regulations regarding the percentage of foreign grain which may be used in milling in order to restrict the market for imported goods.

Among directly harmful provisions may also be mentioned the system adopted by some countries of fixing import quotas for certain agricultural products, or even absolutely prohibiting their importation. These prohibitions, which are frequently introduced on veterinary and sanitary grounds, are in many countries a disguised form of economic action.

Indeed, they cannot be justified by purely sanitary reasons or by the exigencies of the veterinary service in these countries. On the contrary, countries with better organised veterinary services and better health conditions among their cattle are, for purely economic reasons, treated less favourably than countries in which the service is not so well organised, and the sanitary condition of the cattle leaves much to be desired.

The difficulties referred to, which are common to most agricultural countries, are for special reasons greater in Poland than elsewhere. The commercial relations of Poland with her most economically powerful neighbour are far from being regulated. It is true that, after some five years of tariff warfare, the Polish-German Commercial Treaty has finally been signed, but it does not provide for the free exportation of all agricultural products to Germany. Import quotas are fixed, for instance, for pork and pigs, while the importation of other animals for slaughter and other qualities of meat is entirely precluded. Moreover, the enormous increase in Customs duties which has recently been introduced by the German Government on almost all agricultural products renders questionable all the advantages which the Polish farmer anticipated from this agreement.

The transit of Polish agricultural products, particularly those subject to veterinary regulations, depends on the consent of the neighbouring States, and is obstructed by numerous formalities which are frequently unjustified.

On the other hand, the export of these products by sea from the more distant centres of production is difficult and costly, as the Polish merchant marine is still comparatively small.

The conclusion of international conventions might remove certain factors which at present impede the trade in agricultural produce. This applies, in particular, to the question of veterinary prohibitions and restrictions, which has been studied for some years at the League of Nations by veterinary experts, and is one of the subjects of international conferences to be held next year. Indirect protectionism might also be dealt with by international conventions.

The proposal recently brought forward at Geneva regarding the transport of agricultural produce and the tariffs applied to such produce may also be mentioned as an international problem of great importance. Investigations into this matter are likely to lead to rapid results in the form of agreements providing for genuine freedom of transport and favouring the transport of agricultural produce.

The problem of reducing the level of Customs tariffs on agricultural produce is extremely difficult to solve in present conditions. Judging by the international difficulties encountered by proposals to refrain from increasing Customs duties, it is hardly to be supposed that a reduction could be speedily brought about by international conventions. It would appear that, in present conditions, bilateral tariff treaties based on the most-favoured-nation clause can alone lead to definite results in this respect. Tariff agreements between industrial and agricultural countries providing for a reciprocal reduction of Customs duties must be regarded at the present time as the best means of attaining the desired aim.

B.

In view of the present economic depression, this question is among the most important, and calls for an immediate solution. The position of agricultural countries and of countries with a predominance of agricultural production is one of the greatest difficulty. In these countries the purchasing power of the population is very low. It is insufficient to develop production on a large scale and thus to give employment to the masses of the population and increase the sale of European industrial products.

An increase in the absorptive capacity of the agricultural countries would go a long way towards solving—and even removing—the difficulties which are at present caused in industrial countries and in countries with a mixed economic structure by the lack of markets for manufactured goods. An increase in the purchasing power of agricultural countries and countries with a mixed economic structure would help to increase the sale in agricultural countries of articles manufactured in industrial countries. An increase in the buying power of agricultural countries would tend to decrease and even to remove the international difficulties which are at present being examined by international economic circles with a view to facilitating international economic co-operation.

The question how to increase the purchasing power of agricultural countries and countries of mixed economic structure is a problem of universal interest under present economic conditions.

It would not be difficult to enumerate a number of measures which might be taken, but only if applied in their entirety would they effectively increase the purchasing power of the population of agricultural countries. These measures fall into several main groups :

1. A more equal distribution of the available capital in Europe would tend to increase the purchasing-power of the consuming countries. Long- and medium-term credits granted to countries suffering from a shortage of capital would develop the economic life of those countries and create a solid basis for the importation of industrial products from abroad. Long-term credits should be given in particular to industries possessing natural conditions favourable to development and providing the possibility of paying interest and amortisation without injury to the financial balance of the country.

2. The protection of infant industries (in strict relation with the measures referred to in No. 1), and the development of industry in agricultural countries or in countries with a mixed economic structure, do not in any way injure the true interests of industrial countries. On the contrary, as the general wealth of such countries is enhanced, their power of purchasing manufactured articles from industrial countries is increased—a fact which is confirmed by the figures for exports from the principal highly industrialised countries to other industrial countries.

3. The development of export possibilities for goods of which the country has a surplus production or for which it possesses favourable natural conditions. As, under present circumstances, the agricultural countries of Europe have, for the most part, an insufficient absorptive capacity, the development of export possibilities for those countries to all the European markets, and particularly to those with a high consumption, would be a natural consequence of such a position. The practical measures which might be put into operation for facilitating exports from agricultural countries are indicated in the other parts of this reply.

4. In referring to the purchasing power of the population, the question of emigration cannot be ignored. It is closely connected with Point 2 (industrialisation). Experience has however, shown that in some countries, including Poland, industrialisation cannot, even under the most favourable circumstances, keep pace with the rapid growth of the population. Consequently, the surplus population must, at any rate for a certain time, be enabled to emigrate to countries where there is a demand for labour. This would help to increase the purchasing power both of the country of emigration and that of immigration. Freedom of emigration would thus become a valuable corrective to industrialisation.

5. The last group of important measures which may help to ensure the disposal of industrial products refers to legal provisions for regulating practical questions closely connected with international trade. They include the question of unifying the laws on bills of exchange and on the international circulation of cheques. The same group may be taken to include the standardisation of tariff nomenclature, double taxation and other arrangements which at present constitute hindrances to economic development.

In particular, what are, in the case of the products mentioned in A and B above, the Customs and administrative measures which seem likely to promote the extension of markets and the improvement of international trade ?

* * *

C.

Customs and administrative readjustments have not a decisive effect on the extension of markets and the improvement of international trade. The essential point in this problem is to raise the purchasing power of consuming countries, to which reference has been made in point B above ; suitable modifications, however, in Customs and administrative regulations are likely to lessen the difficulties which arise in international economic relations.

There are two sides to this problem. On the negative side, there are Customs and administrative measures which constitute an obstacle to the export of goods from one country to another, and which must be abolished or moderated if the market in question is to be effectively extended for exports. On the other hand, on the positive side, certain Customs and administrative measures must be introduced to facilitate the disposal of various products.

It is evident that, in the first case, protective measures, particularly import duties and prohibitions restricting the exports of other countries, play a large part ; in the second case, the measures in question refer to rationalisation, regularisation and standardisation.

The nature of the international enquiry shows that it is concerned primarily with the negative aspect—*i.e.*, with the hindrances to international trade—which it enumerates fairly definitely, and not, as hitherto, in a general and indeterminate manner.

The simplest way to deal with these obstacles to international trade will be to take them in groups.

I. CUSTOMS TARIFF LEVEL.

Every country is in a position to state without difficulty what Customs duties hinder its economic expansion. For this reason, in bilateral negotiations the two States arrive at a relatively speedy agreement as to Customs tariffs.

In respect, however, of the efforts to arrive at a multilateral reduction of the level of Customs duties, although everybody agrees to the principle, opposite measures are taken in practice. This apparent paradox is due to the following reasons: In the first place, freedom of trade is not regarded as a general economic liberty—*i.e.*, including both the exchange of goods and of labour and capital; in the second place, in dealing with the level of import duties, too much importance is attached to the duties on industrial products, which, in spite of their high level, are protectionist duties imposed solely to safeguard the production of the country against imports. On the other hand, too little importance is attached to the level of duties on agricultural produce, which are prohibitive, and in many cases give rise to a general tendency to increase all Customs duties. This question is closely connected with the necessity of increasing the purchasing power of the population of countries exporting agricultural produce.

In view of the above, special attention should be devoted to duties on agricultural produce, the reduction of which may have a favourable effect, not only on the position of countries exporting such produce, but also on that of industrial countries in search of new markets. In this connection, we will mention a number of examples relating to agricultural products exported from Poland, the exportation of which is rendered difficult, if not impossible, by excessive duties.

The following are some of the most important Polish export articles on which excessive Customs duties are imposed :

1. *Pigs.* — The total export value is about 190,000,000 zloty per annum. On one of the principal markets the present duty amounts to about 25 per cent of the Polish price. This may be increased up to 35 per cent by the system of sliding duties.
2. *Bran.* — The export value is about 29,000,000 zloty per year. On 95 per cent of the exports, a duty of 80 per cent of the Polish price is imposed.
3. *Eggs.* — The export value is more than 150,000,000 zloty per year. On 50 per cent of the quantity, a duty of 37 per cent of the Polish price is imposed.
4. *Cereals.* — Subject to a duty of 80 per cent of the Polish price.
5. *Hops.* — On 60 per cent of the exports, a duty of 80 per cent of the Polish price is imposed.

Excessive duties are imposed on other agricultural products and live-stock, which Poland could otherwise export in large quantities. This is the case, in the first place, with potatoes, starch (subject to a duty of up to 200 per cent *ad valorem*), dextrine, malt offal, cattle, meat, sheep, etc.

Agricultural products and live-stock are not the only articles suffering from the constant increase in Customs duties. Other Polish export products encounter an excessive Customs barrier in countries which represent the most important Polish markets. We may mention, for instance, mineral and other oils (the exports of which amount to about 55,000,000 zloty), certain wood products, metal wares, etc. The normal production of these articles is hindered by excessive Customs protection.

As a proof that the tariff level in certain countries threatens Polish exports, it may be mentioned that, out of twenty-nine articles on which one of the principal countries purchasing Polish agricultural products and live-stock had imposed increased duties, Poland, when negotiating for a commercial treaty, asked for a reduction on nineteen articles. These articles were the principal products exported from Poland.

In connection with Customs tariffs, a study should be made of the relation between the balance of trade and the balance of payments, in the case of both industrial and agricultural countries, and also of countries with a mixed economic structure.

The position is not the same in Poland as in certain Western countries and, to some extent, in the United States, where the balance of trade forms only a part—at times, a very important part—of the balance of payments, and a deficit on the balance of trade does not necessarily create a deficit on the balance of payments, but is frequently covered either by interest on capital invested abroad, or by other items in the balance of payments. In Poland, however, and in other countries of a similar economic character, the decisive items for the balance of payments are the debit or credit balances of foreign trade. In Poland, and other countries with similar economic conditions, the balance of trade must therefore be the subject of special attention, and must not show a deficit over a prolonged period, on account of its effect on the balance of payments.

II. SLIDING SCALE OF DUTIES.

There is a close connection between the increase of Customs tariffs and the sliding duties which have recently been imposed by some countries on the principal articles exported from Poland, such as pigs, cereals and other articles, on which duties analogous to those on grain are imposed (groats, flour, bran, malt). The system of sliding duties consists in increasing

or decreasing duties by administrative order, no fresh legislation being required. This system is particularly injurious to countries exporting agricultural produce, as it introduces an element of instability and makes calculation difficult—particularly as it is impossible in agriculture to adjust production quickly to the level of Customs duties. Long-term transactions also become very difficult.

In short, the abolition of sliding duties must be taken as a further condition for extending markets.

III. REGULATION OF IMPORTS AND EXPORTS.

The system of import and export prohibitions and restrictions, which is closely connected with the quota system (consisting in granting import permits for certain quantities of goods), constitutes a third category of obstacles to Polish exports, in addition to excessive Customs protection and sliding duties, already referred to.

Trade regulation has become a general post-war principle in the commercial policy of various countries. Since the time when European economic circles began to be guided by liberal ideas, the abolition of import and export prohibitions and restrictions has become a question of first importance.

The Convention of November 8th, 1927, did not, however, establish the principle of the total abolition of prohibitions. In Article 6 it retained "exceptions", and in Article 4, paragraph 4, it gave, *de facto*, complete liberty to regulate imports of live-stock products on veterinary grounds.

In view of the departures from the principle of the entire abolition of prohibitions and restrictions, Poland refused to ratify the Convention for the following reasons: (1) Polish exports, which consist of a limited number of products, would have been greatly hindered by all these "exceptions"; Poland could not propose other exceptions, as the export products of her principal associates are very varied; (2) exports of Polish live-stock products were threatened by Article 4, paragraph 4, as such exports depend entirely on the interpretation of veterinary regulations by the countries to which these products are sold or through which they pass in transit.

In this sphere of international political economy, a combined effort should therefore be made to extend the scope of the existing Convention by abolishing these "exceptions", and by concluding an international veterinary convention in which all contracting States would undertake not to apply veterinary prohibitions except in case of real sanitary necessity.

IV. OTHER ADMINISTRATIVE MEASURES ARTIFICIALLY HINDERING EXPORTS.

In additions to drastic and unjustified veterinary regulations, there are a number of other administrative provisions adversely affecting exports, the abolition of which would greatly assist the extension of markets. Among the difficulties which particularly affect our exports may be mentioned:

(a) Restrictions on milling—for instance, the obligation to mix a certain percentage of home flour with foreign flour.

(b) The compulsory marking of imported goods. These difficulties reside in the necessity of marking each article, which is often a very expensive process. Moreover, this measure represents a discrimination against foreign goods and a kind of official propaganda for home goods. It may be justified on the ground of protecting the consumer in respect of foodstuffs, but this argument is not valid in the case of industrial goods.

(c) Discrimination between goods from different countries by means of administrative provisions or import taxes must also be considered as an obstacle to exports. This refers particularly to coal, for which in some countries there is a preference in favour of import by sea, to the detriment of land transport.

There are many administrative provisions of this kind which hinder exports, and if they were abolished the capacity of markets would be considerably increased.

V. TRANSIT DIFFICULTIES.

Transit difficulties are a further obstacle to international trade. Their characteristic feature is that the obstacle is situated in a third State, while the adverse effects are felt by the two States exchanging their goods. Transit difficulties particularly affect live-stock products. Most transit prohibitions are imposed for alleged sanitary reasons, while in reality they constitute a means of economic warfare against certain exporting countries. This is proved by the fact that some countries at certain times have no other means of transport at their disposal, either for geographical or for climatic reasons—for instance, on account of a port's being icebound in winter—while transit is granted at the same time to other States

where the veterinary services and health conditions of the live-stock are on the same or a lower level.

Other transit difficulties encountered by Polish exports consist in excessive duties or formalities, amounting to a *de facto* transit prohibition for certain articles through certain territories.

VI. EXPORT BOUNTIES.

From the point of view of normal economic relations between different countries, export bounties instituted by any State are extremely harmful. They may make their effects felt : (1) on the home market of the importing country, by a drop, sometimes very considerable, in home prices (unless protective duties are greatly increased) ; (2) on foreign markets, by making it difficult for certain countries to compete with foreign bounty-fed products.

For these reasons, the system of export bounties—to say nothing of its being the most rigorous method of protecting production—leads other countries to increase their duties on goods which require protection against a drop in home prices. It also compels other countries exporting the like goods to take similar action. When this system is introduced by any State, it therefore shows a tendency to grow and to distort altogether the aspect of foreign commercial relations and of all international trade.

Polish exports to foreign markets are vitally affected by the export bounties introduced in various countries. The following products, *inter alia*, may be mentioned :

1. Cereals, siliquous plants, milling products ;
2. Pigs and pork.

The export bounties granted by certain countries amount to :

- (a) 70 per cent *ad valorem* on rye ;
- (b) 35 per cent *ad valorem* on pigs.

In view of the complications created in the economic life of States by export bounties, negotiations should be entered into in order to modify and restrict this policy—at any rate, for certain articles which lend themselves to a general settlement. The solution of the entire problem might be regarded as a more distant object.

VII. THE RUSSIAN MARKET.

In enumerating the difficulties at present placed by administrative and Customs measures in the way of Poland's economic expansion, we may mention the enormous decrease in Polish exports to Russia, the principal market for Polish goods before the war. This decrease is illustrated by the following figures : before the war, exports to Russia from the territories which are at present Polish attained a value of about 500 million dollars, while at the present time they amount to about 15 million dollars. In 1913, Polish exports to Russia represented 42 per cent of the total exports from Poland, while at the present time they amount to only 2 per cent.

This enormous decrease is due to a variety of causes, but particularly to the catastrophic decrease of consumption in Soviet Russia, and to the change in the legal conditions for exports, caused by the Soviet monopoly of foreign trade.

D.

The movement of European raw materials in our continent is of primary importance for the economic development of Europe. Poland possesses a number of essential raw materials in her own territory ; nevertheless, as the quantities are insufficient for her own requirements, she would regard with favour any measures facilitating their international exchange. The most important questions for the economic development of Europe are effective co-ordination in the movement of European raw materials and their distribution among countries which do not produce them but which require them for their industry, the necessary quantities being reserved for producing countries which would not be in a position to obtain them from third countries. It would therefore be desirable to conclude international conventions between producers for suitably rationalising the supply and demand of certain European raw materials (coal, zinc, etc.). Such a rationalisation of most industrial raw materials should be carried out by means of agreements between the interested parties, and not by inter-State treaties.

With regard to agricultural raw materials, the principles laid down in the replies to the preceding three points should be applied.

Annex I.

A. TRADE WITH FOREIGN COUNTRIES IN PRODUCTS OF VEGETABLE ORIGIN DURING THE YEARS 1927-1929 (AND THE FIRST SIX MONTHS OF 1930).

In tons.

Produits	Importations — Imports					Exportations — Exports					Surplus d'exportation Balance of exports over imports Surplus d'importation (—) Balance of imports over exports (—)					Products
	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	
Seigle.....	131.363	107.624	1.442	341	80.143	8.835	7.068	200.391	170.661	72.098	-122.528	-100.556	198.953	170.320	-8.045	Rye.
Orge.....	3.674	3.340	439	33	2.485	63.985	111.141	244.276	126.641	139.801	60.311	107.800	243.837	126.608	137.316	Barley.
Avoine.....	49.240	26.302	6.715	944	27.419	7.309	7.777	37.623	47.060	17.570	-41.931	-18.531	30.908	46.116	-9.849	Oats.
Sarrasin.....	1.948	2.969	276	—	1.731	6.706	5.975	13.058	8.040	8.579	4.758	3.006	12.782	8.040	6.848	Buckwheat.
Légumineuses....	12.377	1.081	498	302	4.652	38.421	70.489	71.632	28.427	60.181	26.044	69.408	71.134	28.125	55.528	Pulse.
Pommes de terre .	204	207	213	101	208	130.596	69.657	77.019	6.999	92.424	130.392	69.450	76.806	6.898	92.216	Potatoes.
Betteraves à sucre	68	472	2.549	18,5	1.030	18.960	6.104	86.551	3.573	37.205	18.892	5.632	84.002	3.554,5	36.175	Sugar-beet.
Graines de plantes fourragères ...	1.390	1.216	1.775	738	1.460	44.901	43.591	64.145	25.776	50.879	43.511	42.375	62.370	25.038	49.418	Fodder seed.
Graines de bette- raves à sucre...	55	219	245	78	173	4.294	3.449	4.920	4.651	4.221	4.239	3.230	4.675	4.573	4.048	Sugar-beet seed.
Houblon	269	166	292	61	242	1.744	2.134	2.591	636	2.156	1.475	1.968	2.299	575	1.914	Hops.
Lin et chanvre ...	2.668	4.390	2.555	1.176	3.204	20.214	20.626	19.990	10.354	20.277	17.546	16.236	17.435	9.178	17.072	Flax and hemp.
Osier	5	6	14	8	8	12.485	9.101	8.783	2.853	10.123	12.480	9.095	8.769	2.845	10.115	Osier.
Fruits et baies....	—	—	9	0,7	3	1.064	1.370	3.016	139	1.817	1.064	1.370	3.007	138,3	1.814	Fruit and berries.
Fourrage.....	406	496	541	26	481	12.271	5.877	7.695	10.834	8.614	11.865	5.381	7.154	10.808	8.133	Fodder.
Champignons ...	108	130	117	34	118	325	354	855	168	512	217	224	738	134	394	Mushrooms.
Semences de colza	34	678	256	36	323	15.849	3.907	12.696	1.075	10.817	15.815	3.229	12.440	1.039	10.495	Colza seed.
Semences de sénévé	125	243	411	120	260	1.525	2.102	1.356	460	1.661	1.400	1.859	945	340	1.401	Mustard seed.
Semences de pavot	204	41	210	437	152	3.061	2.570	1.504	149	2.378	2.857	2.529	1.294	288	2.226	Poppy seed.

B. TRADE WITH FOREIGN COUNTRIES IN PRODUCTS OF VEGETABLE ORIGIN DURING THE YEARS 1927-1929 (AND THE FIRST SIX MONTHS OF 1930).

In thousands of zloty.

Produits	Importations — Imports					Exportations — Exports					Surplus d'exportation Balance of exports over imports Surplus d'importation (—) Balance of imports over exports (—)					Products
	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	
	Seigle	57.279	54.642	524	72	37.482	4.138	3.117	59.061	36.371	22.105	— 53.141	— 51.525	58.537	36.299	
Orge	1.534	1.476	163	9	1.058	26.774	46.201	81.923	31.526	51.633	25.240	44.725	81.760	31.517	50.575	Barley.
Avoine	17.822	10.840	2.192	175	10.285	2.840	3.378	10.870	9.010	5.696	— 14.982	— 7.462	8.678	8.835	— 4.589	Oats.
Sarrasin	788	1.473	116	—	792	2.729	2.576	5.054	2.268	3.453	1.941	1.103	4.938	2.268	2.661	Buckwheat.
Légumineuses	5.041	702	420	130	2.054	23.087	45.107	46.073	12.587	38.089	18.046	44.405	45.653	12.457	36.035	Pulse.
Pommes de terre .	20	31	33	13	28	12.970	7.169	6.839	431	8.993	12.950	7.138	6.806	418	8.965	Potatoes.
Betteraves à sucre	5	23	91	1	40	1.414	310	4.615	221	2.113	1.409	287	4.524	220	2.073	Sugar-beet.
Graines de plantes fourragères ...	2.728	1.467	1.699	910	1.965	40.969	38.950	46.123	18.324	42.014	38.241	37.483	44.424	17.414	40.049	Fodder seed.
Graines de bette- raves à sucre ...	98	405	510	169	338	5.921	5.650	7.287	7.637	6.286	5.823	5.245	6.777	7.468	5.948	Sugar-beet seed.
Houblon	4.725	1.715	1.447	146	2.629	18.722	16.972	7.304	943	14.333	13.997	15.257	5.857	797	11.704	Hops.
Lin et chanvre ...	4.612	8.148	4.397	2.001	5.719	17.817	20.647	22.423	9.432	20.296	13.205	12.499	18.026	7.431	14.577	Flax and hemp.
Osier	3	7	8	5	6	3.314	2.676	2.733	818	2.908	3.311	2.669	2.725	813	2.902	Osier.
Fruits et baies	—	—	9	1	3	605	898	1.925	62	1.143	605	898	1.916	61	1.140	Fruit and berries.
Fourrage	40	126	78	1,5	81	1.125	682	724	778	844	1.085	556	646	776,5	763	Fodder.
Champignons ...	737	1.316	909	202	987	1.029	1.166	1.718	140	1.304	288	— 160	809	62	312	Mushrooms.
Semences de colza	37	520	248	36	268	10.393	2.926	9.642	855	7.654	10.356	2.406	9.394	810	7.386	Colza seed.
Semences desénevé	143	252	356	91	250	1.139	1.684	1.126	339	1.316	996	1.432	770	248	1.066	Mustard seed.
Semences de pavot	287	44	202	657	178	3.899	3.395	1.759	147	3.018	3.612	3.351	1.557	510	2.840	Poppy seed.

Annex II.

A. TRADE WITH FOREIGN COUNTRIES IN PRODUCTS OF ANIMAL ORIGIN DURING THE YEARS 1927-1929 (AND THE FIRST SIX MONTHS OF 1930).

In tons.

Produits	Importations — Imports					Exportations — Exports					Surplus d'exportation Balance of exports over imports Surplus d'importation (—) Balance of imports over exports (—)					Products
	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	
	Chevaux	408	449	747	202	535	21.757	14.153	21.093	23.106	19.001	21.349	13.704	20.346	22.904	
Bétail.....	860	257	215	37	444	6.338	3.308	29.445	22.335	13.030	5.478	3.051	29.230	22.298	12.586	Cattle.
Moutons et chèvres	78	821	534	355	478	109	342	5.878	445	2.110	31	— 479	5.344	90	1.632	Sheep and goats.
Porcs	18.834	6.018	15.757	11.609	13.536	771.418	1.279.035	1.474.107	309.897	1.174.853	752.584	1.273.017	1.458.350	298.288	1.161.317	Pigs.
Volaille vivante .	266.924	226.636	257.875	55.960	250.478	1.604.456	1.716.788	1.932.311	330.291	1.751.185	1.337.532	1.490.152	1.674.436	274.331	1.500.707	Poultry, live.
Volaille apprêtée .	5	15	7	1,5	9	591	417	588	276	532	586	402	581	274,5	523	Poultry, dressed.
Viande de veau...	—	—	—	0,6	—	7.315	5.945	5.808	6.382	6.356	7.315	5.945	5.808	6.381,4	6.356	Veal.
Viande de porc ..	83	123	75	24	94	17.356	21.148	9.909	2.681	16.138	17.273	21.025	9.834	2.657	16.044	Pork.
Lard (bacon)	—	—	—	—	—	642	708	12.043	10.120	4.464	642	708	12.043	10.120	4.464	Bacon.
Viande apprêtée et conserves ...	4	4	2	1	3	144	15	226	13,5	128	140	11	224	12,5	125	Meat prepared and preserved meat.
Viandes fumées et jambons	28	35	29	19	31	233	233	1.731	1.413	732	205	198	1.702	1.394	701	Smoked meat and ham.
Gibier et volaille apprêtés	7	3	6	0,1	5	816	1.265	947	280,5	1.009	809	1.262	941	280,4	1.004	Game and poultry dressed.
Lait	57	52	46	10	55	645	546	990	418,5	727	588	464	944	408,5	672	Milk.
Fromage	604	611	613	128	609	1.591	1.661	1.772	239	1.675	978	1.050	1.159	111	1.065	Cheese.
Beurre	64	35	51	5	50	7.376	10.974	15.081	4.662	11.144	7.312	10.939	15.030	4.657	11.094	Butter.
Œufs	125	409	203	20	246	65.590	54.561	53.493	28.511	57.881	65.465	54.162	53.290	28.491	57.635	Eggs.
Peaux de veau ...	533	1.302	630	199	822	929	2.814	2.485	2.489	2.076	396	1.512	1.855	2.290	1.254	Calf-skins.
Peaux brutes de la- pin et de lièvre pour fourrures .	39	18	14	24	24	353	232	400	438,5	328	314	214	386	414,5	304	Unworked skins of rabbits and hares for furs.
Crin de cheval ...	32	28	33	21	31	264	178	170	103	204	232	150	137	82	173	Horsehair.
Soies de porc.	103	117	184	80	135	348	283	424	219	352	245	166	240	139	217	Pigs' bristles.
Plumes, duvet ...	75	122	109	90	102	2.255	2.146	1.933	1.153,5	2.111	2.180	2.024	1.824	1.063	2.009	Feathers, down.
Estomacs de veau	5	—	—	2,5	2	87	86	95	47	90	82	86	95	44,5	88	Calves' stomachs.

B. TRADE WITH FOREIGN COUNTRIES IN PRODUCTS OF ANIMAL ORIGIN DURING THE YEARS 1927-1929 (AND THE FIRST SIX MONTHS OF 1930).

In thousands of zloty.

Produits	Importations — Imports					Exportations — Exports					Surplus d'exportation Balance of exports over imports Surplus d'importation (—) Balance of imports over exports (—)					Produits	
	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929		
Chevaux	498	700	1.588	464	929	7.888	6.822	7.303	6.733	7.338	7.390	6.122	5.715	6.269	6.409	Horses.	
Bétail.....	918	240	234	46	464	4.133	3.630	16.113	13.208	7.959	3.215	3.390	15.879	13.162	7.495	Cattle.	
Moutons et chèvres	6	29	36	17	24	8	5	544	38	186	2	—24	508	21	162	Sheep and goats.	
Porc	3.351	411	1.503	789	1.755	168.027	208.108	185.182	63.491	187.106	164.676	207.697	183.679	62.702	185.351	Pigs.	
Volaille vivante ..	1.482	1.061	1.211	508	1.251	10.923	12.901	15.801	1.419	13.208	9.441	11.840	14.590	911	11.957	Poultry, live.	
Volaille apprêtée ..	13	42	22	6	26	1.464	1.101	1.661	794	1.408	1.451	1.059	1.639	788	1.382	Poultry, dressed.	
Viande de veau...	—	—	—	2	—	12.901	12.238	14.366	12.116	13.168	12.901	12.238	14.366	12.114	13.168	Veal.	
Viande de porc ..	206	282	177	48	222	45.498	53.553	27.327	6.609	42.126	45.292	53.271	27.150	6.561	41.904	Pork.	
Jard (bacon)	—	—	—	—	—	1.936	1.949	45.820	34.718	16.568	1.936	1.949	45.820	34.718	16.568	Bacon.	
Viande apprêtée et conserves ...	11	17	7	3	12	463	49	1.074	57	525	452	32	1.067	54	513	Meat prepared and preserved meat.	
Viandes fumées et jambons	200	263	261	132	241	803	828	7.001	4.927	2.877	603	565	6.740	4.795	2.636	Smoked meat and ham.	
Libier et volaille apprêtés	18	8	16	1	14	1.798	3.031	2.433	701	2.421	1.780	3.023	2.417	700	2.407	Game and poultry, dressed.	
Lait	13	12	16	2	14	204	186	357	135	249	191	174	341	133	235	Milk.	
Fromage	2.602	2.667	2.648	606	2.639	3.516	3.796	2.641	758	3.318	914	1.129	—7	152	679	Cheese.	
Beurre	378	228	321	23	309	39.562	66.372	88.068	24.143	64.677	39.184	66.144	87.747	24.120	64.368	Butter.	
Eufs	344	1.209	646	55	733	169.370	144.697	142.504	64.872	152.193	169.026	143.488	141.858	64.817	151.460	Eggs.	
Peaux de veau ...	2.127	5.491	2.407	719	3.341	3.685	10.700	10.460	8.731	8.282	1.558	5.209	8.053	8.012	4.941	Calf-skins.	
Peaux brutes de la- pin et de lièvre	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Unworked skins of rabbits and hares for furs.
Pour fourrures ..	288	175	150	256	204	3.665	1.976	3.974	3.035	3.205	3.377	1.801	3.824	2.779	3.001		
Crin de cheval ...	219	205	240	173	221	1.391	1.114	1.149	655	1.218	1.172	909	909	482	997	Horsehair.	
Boies de porc.	897	1.034	1.448	492	1.126	3.418	3.301	5.069	2.416	3.929	2.521	2.267	3.621	1.924	2.803	Pigs' bristles.	
Plumes, duvet ...	377	573	849	576	600	7.466	9.831	12.235	6.861	9.844	7.089	9.258	11.386	6.285	9.244	Feathers, down.	
Stomacs de veau	35	2	3	12	13	575	533	563	248	557	540	531	560	236	544	Calves' stomachs.	

Annex III.

A. TRADE WITH FOREIGN COUNTRIES IN AGRICULTURAL PRODUCTS DURING THE YEARS 1927-1929 (AND THE FIRST SIX MONTHS OF 1930).

In tons.

Produits	Importations — Imports					Exportations — Exports					Surplus d'exportation Balance of exports over imports Surplus d'importation (—) Balance of imports over exports (—)					Produits
	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	
Farine de seigle...	2.100	404	4	18	836	502	2.000	2.373	8.119	1.625	— 1.598	1.596	2.369	8.101	789	Rye flour.
Grain de sarrasin.	11	90	55	0,2	52	210	165	475	436	283	199	75	420	435,8	231	Buckwheat meal.
Fécule de pommes de terre	1	3	3	—	2	8.294	10.052	1.114	4.207	9.831	8.294	10.049	11.145	4.207	9.829	Potato fecula.
Farine et amidon de pommes de terre.....	1.021	581	507	108	703	11.870	9.987	6.712	5.999	9.323	10.851	8.806	6.205	5.891	8.620	Potato flour and starch.
Sirup de pommes de terre et glu- cose.....	58	12	8	2	26	—	104	844	1.144	315	— 58	92	836	1.142	289	Potato syrup and glucose.
Dextrine	22	48	13	2	28	719	304	904	139	642	698	256	891	137	615	Dextrin.
Sucre	58	34	10.058	582	3.383	202.275	185.680	297.842	219.203	228.599	202.217	185.646	287.784	218.621	225.215	Sugar.
Alcool.....	5	—	2	5	3	6.946	1.310	5.548	2.428	4.601	6.941	1.309	5.546	2.423	4.599	Alcohol.
Lourteau de lin...	1.970	1.749	645	134	1.455	9.084	9.711	12.251	6.976	10.349	7.114	7.962	11.606	6.842	8.894	Linseed-cake.
Malt séché.....	762	179	9.402	905	3.448	38.770	39.032	60.859	38.193	46.554	39.008	38.853	51.457	37.288	43.106	Dried malt.
Mélasses.....	67	5.336	1.110	164	2.171	68.367	69.729	74.836	31.575	70.977	68.300	64.393	73.726	31.411	68.806	Molasses.
Autres déchets transformés en fourrage.....	3.102	2.785	2.306	181	2.731	3.136	9.368	14.164	5.438	8.889	34	6.583	11.858	5.257	6.158	Other waste mate- rial converted into fodder.

B. TRADE WITH FOREIGN COUNTRIES IN AGRICULTURAL PRODUCTS DURING THE YEARS 1927-1929 (AND THE FIRST SIX MONTHS OF 1930).

In thousands of zloty.

Produits	Importations — Imports					Exportations — Exports					Surplus d'exportation Balance of exports over imports Surplus d'importation (—) Balance of imports over exports (—)					Produits
	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	1927	1928	1929	6 mois, 1930 6 months 1930	1927- 1929	
Farine de seigle...	1.351	286	2	5	546	272	866	1.032	2.574	723	— 1.079	580	1.030	2.569	177	Rye flour.
Orge de sarrasin.	8	68	40	0,0	39	145	129	351	243	208	138	61	311	243	169	Buckwheat meal.
Fécule de pommes de terre	—	1	1	—	—	2.620	3.093	3.003	833	2.905	2.620	3.092	3.002	833	2.905	Potato fecula.
Farine et amidon de pommes de terre.....	889	517	327	82	578	7.736	6.475	3.225	2.255	5.812	6.847	5.958	2.898	2.173	5.234	Potato flour and starch.
Sirup de pommes de terre et glu- cose	52	12	8	2	24	—	70	540	700	203	— 52	58	532	698	179	Potato syrup and glucose.
Dextrine	30	50	14	1	31	582	274	655	86	503	550	224	641	85	472	Dextrin.
Sucre	64	43	3.510	195	1.205	130.835	102.169	133.567	83.620	122.190	130.771	102.126	130.057	83.425	120.985	Sugar.
Alcool	4	2	1	4	2	6.846	1.213	5.807	2.606	4.622	6.842	1.211	5.806	2.602	4.620	Alcohol.
Grain de lin...	718	797	286	48	600	3.506	4.068	5.463	2.526	4.345	2.788	3.271	5.177	2.478	3.745	Linseed-cake.
Malt séché.....	119	37	1.886	142	681	8.126	9.356	13.754	6.412	10.412	8.007	9.319	11.868	6.270	9.731	Dried malt.
Mélasse	9	708	202	16	306	7.126	11.147	13.272	4.174	10.515	7.117	10.439	13.070	4.158	10.209	Molasses.
Autres déchets transformés en fourrage.....	1.182	1.044	637	40	954	551	1.716	2.898	1.148	1.722	— 631	672	2.261	1.108	768	Other waste mate- rial converted into fodder.

Annex IV.

FOREIGN TRADE IN PRODUCTS OF THE TIMBER INDUSTRY
(AVERAGE FOR THE YEARS 1927-1929).

Exportations	Tonnes — Tons	Milliers de : Thousands of Zloty	Exports
Bois à cellulose.....	1.219.394	75.472	Wood for pulping.
Bois pour constructions minières et rondins	713.138	35.056	Building timber (pitprops and pitwood in the round).
Troncs et billots.....	995.457	96.935	Trunks and blocks.
Madriers, planches et lattes.....	1.491.790	261.801	Battens, boards and laths.
Poteaux télégraphiques	65.873	6.193	Telegraph poles,
Traverses de chemin de fer.....	200.575	27.955	Railway-sleepers.

TABLE FOR THE FIRST SIX MONTHS OF 1930.

Produits	Importations Imports		Exportations Exports		Surplus d'exportation Balance of exports over imports		Produits
	Tonnes Tons	Milliers de: Thousands of Zloty	Tonnes Tons	Milliers de: Thousands of Zloty	Tonnes Tons	Milliers de: Thousands of Zloty	
Bois à cellulose.....	146	8	351.135	21.859	350.989	21.851	Wood for pulping.
Bois pour constructions minières	3.595	220	151.355	7.650	147.760	7.430	Building timber for min- ing industry.
Troncs et billots.....	17.366	1.995	191.022	20.449	173.656	18.454	Trunks and blocks.
Madriers, planches et lattes	1.591	322	431.734	76.348	430.143	76.326	Battens, boards and laths
Poteaux télégraphiques..	291	22	43.389	3.989	43.098	3.967	Telegraph poles.
Traverses	—	—	101.583	14.588	101.583	14.588	Sleepers.

Annex V.

ANALYSIS BY COUNTRIES OF AGRICULTURAL PRODUCE EXPORTED FROM POLAND (YEARLY AVERAGE IN TONS FOR THE YEARS 1927-1929).

Marchandises	Angleterre England	Autriche Austria	Belgique Belgium	Tchéco- slovaquie Czechoslovakia	Danemark Denmark	Finlande Finland	France	Pays-Bas Netherlands	Lettonie Latvia	Allemagne Germany	Suède Sweden	Hongrie Hungary	Italie Italy	Commodities
Seigle	22.907 ¹	—	7.575 ¹	120	26.075 ¹	24.565 ¹	60	8.472 ¹	27.916 ¹	47.469	3.897 ¹	—	—	Rye.
Orge	14.712 ¹	2.282	46.214	1.076	19.136	3.992 ¹	257	13.309	12.476	25.378	1.151	—	—	Barley.
Blé sarrasin	—	—	586	508	—	—	—	2.926	—	3.745	—	—	—	Buckwheat.
Légumineuses	1.718	602	1.709	6.860	389	—	701	484	514	35.051	540	474	7.123	Pulse.
Pommes de terre	1.224	7.904	10.924	—	—	—	13.320	—	6.298 ¹	44.365	—	—	—	Potatoes.
Betteraves à sucre	—	—	—	—	—	—	—	—	—	37.174	—	—	—	Sugar-beet.
Graines de plantes fourragères	1.171	535	601	4.283	1.534	557	883	1.753	632	29.410	2.067	331	610	Fodder seed.
Graines de betteraves à sucre	284	—	—	—	—	—	265	638	—	680	39	347	504	Sugar-beet seed.
Semences de colza	—	—	—	883	—	—	—	1.983	—	4.433	—	—	—	Colza seed.
Semences de sénevé	—	—	—	—	—	—	—	333	—	1.134	—	—	—	Mustard seed.
Graines de pavot	—	—	—	213	—	—	—	230	—	1.691	—	137	—	Poppy seed.
Houblon	17	22	96	391	—	—	53	—	76	1.342	—	—	—	Hops.
Lin et chanvre	529	83	105	9.027	—	—	—	—	4.138	5.814	—	—	—	Flax and hemp.
Osier	—	72	—	619	—	—	—	285	—	8.597	82	—	—	Osier.
Baies des bois	607	—	—	—	—	—	—	—	212	960	—	—	—	Wild berries.
Champignons	—	2	—	—	—	—	3	—	—	472	—	—	—	Mushrooms.
Chevaux	—	5.861	947	436	4.347	—	14	1.593	23	2.723	—	32	—	Horses.
Bétail	—	392	—	8.346	—	—	—	—	—	2.808	—	—	—	Cattle.
Porcs	—	456.762	—	537.739	—	—	—	—	—	9.958	—	—	—	Pigs.
Volaille vivante	—	—	—	—	—	—	—	—	—	1.748.335	—	—	—	Live poultry.
Viande de veau	—	5.983	—	348	—	—	—	—	—	—	—	—	—	Veal.
Viande de porc	3.631	11.332	—	979	—	—	—	—	—	29	—	—	—	Pork.
Volaille apprêtée	—	—	—	—	—	—	—	—	—	490	—	—	—	Poultry, dressed.
Bacon	4.434	—	—	—	—	—	—	—	—	—	—	—	—	Bacon.
Viandes apprêtées et conserves	565	90	12	—	—	—	7	—	—	17	—	12	—	Meat prepared and preserved meat.
Gibier et volaille apprêtés	—	242	—	13	—	—	—	—	—	811	—	—	—	Game and poultry, dressed.
Fromage	3	—	—	90	—	—	—	—	—	1.667	33	—	—	Cheese.
Beurre	1.855	260	—	45	66	—	—	—	—	8.701	24	—	—	Butter.
Œufs	9.987	7.947	—	3.042	—	—	855	327	371	30.158	—	39	2.063	Eggs.
Peaux de veau	—	—	—	285	19	—	—	401	323	592	—	—	—	Calf-skins.
Peaux de lapin et de lièvre ...	—	—	56	5	—	—	3	16	4	183	—	—	—	Rabbit and hare skins.
Crin de cheval	—	41	—	67	3	—	—	—	—	70	—	26	—	Horsehair.
Soies de porc	23	23	—	37	13	—	—	—	9	203	5	2	—	Pigs' bristles.
Plumes et duvet	17	61	—	391	—	—	26	45	—	1.445	—	2	—	Feathers and down.
Farine de seigle	—	—	—	—	—	1.280	—	—	—	39	—	—	—	Rye flour.
Gruau de sarrasin	—	22	—	114	—	—	—	—	—	1.079	—	—	—	Buckwheat meal.
Fécule de pommes de terre ...	—	—	—	—	351	—	—	—	—	42	—	—	—	Potato fecula.
Farine et amidon de pommes de terre	6.315	115	—	—	490	—	—	—	—	1.585	—	—	—	Potato flour and starch.
Sucre	68.718	—	1.472	—	10.213	10.009	6.273	26.630	13.849	28.002	32.033	—	4.815	Sugar.
Alcool	—	—	—	—	—	—	1.873	29	1.471 ¹	288	—	—	—	Alcohol.
Son	—	—	—	4.171	—	2.197	—	—	—	107.348	—	—	—	Bran.
Tourteaux	85	—	—	482	902	—	—	—	—	11.702	442	—	—	Oilcake.
Autres déchets transformés en fourrage	1.271	20.954	200	2.385	3.628	—	—	3.112	—	48.100	3.718	334	—	Other waste material con- verted into fodder.

¹ The figures refer to the year 1929, as there were no exports to this country during the two preceding years.

ANALYSIS BY COUNTRIES OF AGRICULTURAL PRODUCE EXPORTED FROM POLAND IN THOUSANDS OF ZLOTY FOR THE YEARS 1927-1929.

Marchandises	Angleterre England	Autriche Austria	Belgique Belgium	Tchéco- slovaquie Czechoslovakia	Danemark Denmark	Finlande Finland	France	Pays-Bas Netherlands	Lettonie Latvia	Allemagne Germany	Suède Sweden	Hongrie Hungary	Italie Italy	Commodities
Seigle	7.149 ¹	—	2.202	33 ¹	7.136 ¹	7.641 ¹	15	2.389 ¹	8.167 ¹	8.571	1.184 ¹	—	—	Rye.
Orge	4.944 ¹	870	17.988	428	6.494	1.395 ¹	—	4.884	4.829	9.203	355	—	—	Barley.
Blé sarrasin	—	—	229	188	—	—	—	304	—	1.523	—	—	—	Buckwheat.
Légumineuses	987	400	3.057	4.119	311	—	486	287	367	22.230	384	397	4.472	Pulse.
Pommes de terre	169	569	1.125	—	—	—	1.584	—	712	3.974	—	—	—	Potatoes.
Betteraves à sucre	—	—	—	—	—	—	—	—	—	2.110	—	—	—	Sugar-beet.
Graines de betteraves à sucre	—	—	—	—	—	—	357	931	—	990	—	514	774	Sugar-beet seed.
Graines de plantes fourragères	2.844	290	611	1.337	4.623	309	566	1.701	534	18.772	1.646	295	308	Fodder seed.
Semences de colza	—	—	—	540	—	—	—	3.040	—	3.248	—	—	—	Colza seed.
Semences de sénévé	—	—	—	—	—	—	—	284	—	849	—	—	—	Mustard seed.
Graines de pavot	—	—	—	252	—	—	—	326	—	1.675	—	179	—	Poppy seed.
Houblon	84	211	387	4.277	—	—	273	—	384	7.553	—	—	—	Hops.
Lin et chanvre	792	73	133	8.330	—	—	—	—	4.998	5.464	—	—	—	Flax and hemp.
Osier	—	17	—	158	—	—	—	98	—	2.353	55	—	—	Osier.
Baies des bois	405	—	—	—	—	—	—	—	102	619	—	—	—	Wild berries.
Champignons	—	22	—	—	—	—	34	—	—	944	—	—	—	Mushrooms.
Chevaux	—	1.695	434	246	1.795	—	50	627	70	2.220	—	30	—	Horses.
Bétail	—	215	—	5.702	—	—	—	—	—	3.091	—	—	—	Cattle.
Porcs	—	84.178	—	100.224	—	—	—	—	—	2.613	—	—	—	Pigs.
Volaille vivante	—	—	—	—	—	—	—	—	—	13.186	—	—	—	Live poultry.
Viande de veau	—	12.359	—	763	—	—	—	—	—	—	—	—	—	Veal.
Viande de porc	10.512	28.647	—	2.431	—	—	—	—	—	76	—	—	—	Pork.
Volaille apprêtée	—	—	—	—	—	—	—	—	—	1.291	—	—	—	Poultry, dressed.
Bacon	16.467	—	—	—	—	—	—	—	—	—	—	—	—	Bacon.
Viandes apprêtées et conserves	2.243	311	39	—	—	—	44	—	—	72	—	40	—	Meat prepared and preserved meat.
Gibier et volaille apprêtés	—	658	—	36	—	—	—	—	—	1.868	—	—	—	Game and poultry, dressed.
Fromage	9	—	—	48	—	—	—	—	—	3.167	21	—	—	Cheese.
Beurre	10.834	1.388	—	281	398	—	—	—	—	50.690	154	—	—	Butter.
Œufs	25.602	21.069	—	8.181	—	—	2.704	825	995	78.930	—	119	5.410	Eggs.
Peaux de veau	—	—	—	1.010	70	—	—	1.644	1.522	2.215	—	—	—	Calf-skins.
Peaux de lapin et de lièvre	—	—	188	28	—	—	37	284	50	1.630	—	—	—	Rabbit and hare skins.
Crin de cheval	—	252	—	369	16	—	—	—	—	437	—	42	—	Horsehair.
Soies de porc	368	268	—	330	113	—	—	—	91	1.415	62	20	—	Pigs' bristles.
Plumes et duvet	170	383	—	1.991	—	—	202	208	—	6.170	—	16	—	Feathers and down.
Farine de seigle	—	—	—	—	—	584 ¹	—	—	—	472	—	—	—	Rye flour.
Gruau de sarrasin	—	17	—	86	—	—	—	—	26	31	—	—	—	Buckwheat meal.
Fécule de pommes de terre	—	—	—	—	89	—	—	—	—	1.409	—	—	—	Potato fecula.
Farine et amidon de pommes de terre	3.944	109	—	—	324	—	—	—	—	960	—	—	—	Potato flour and starch.
Sucre	34.705	—	605	—	3.132	5.962	2.185	14.204	7.647	15.054	16.761	—	2.659	Sugar.
Alcool	—	—	—	—	—	—	1.951	28	—	272	—	—	—	Alcohol.
Son	—	—	—	1.182	—	690	—	—	—	30.059	—	—	—	Bran.
Tourteaux	12	—	—	202	391	—	—	—	—	4.778	133	—	—	Oilcake.
Autres déchets transformés en fourrage	391	3.052	44	457	572	—	—	593	—	9.995	720	480	—	Other waste material converted into fodder.

¹ The figures refer to the year 1929, as there were no exports to this country during the two preceding years.

Annex VI.

I. EXTRACT FROM A LETTER FROM THE POLISH DELEGATION ACCREDITED TO THE LEAGUE OF NATIONS.

.....
In conformity with the last paragraph of the resolution adopted on August 3rd, 1930, by the International Agricultural Conference at Warsaw, which reads as follows :

“ The Conference decides to forward the foregoing resolutions to the Secretariat of the League of Nations, with the request that they may be brought to the notice of the States signatories of the Protocol regarding Future Negotiations signed at Geneva on March 24th, 1930 ”,

I have the honour to transmit to you herewith the text of the resolutions adopted by the Conference.

.....
II. TEXT OF THE RESOLUTIONS ADOPTED BY THE INTERNATIONAL AGRICULTURAL CONFERENCE AT WARSAW (August 30th, 1930).

Whereas the acute difficulties through which the economic life of countries whose prosperity depends solely or chiefly on the marketing of their agricultural produce has been passing for several years form one of the fundamental causes of the general economic difficulties of Europe ;

And whereas countries whose economic organisation is entirely or largely based on agricultural production cannot escape gradual pauperisation unless they can export their agricultural produce in sufficient quantity to balance their imports of industrial products from the industrial countries—that is to say, unless a balance is established between the extent to which the principle of free trade is applied to industrial products on the one hand and to agricultural products on the other ;

And whereas isolated efforts on the part of the countries in question to overcome their present difficulties can yield only limited results ;

And whereas co-operation among those countries exporting agricultural produce which are represented at the Conference will plainly contribute to the highly desirable object of the conclusion of separate and more detailed agreements between the countries in this group ;

And whereas countries which are purely or largely agricultural cannot gain the necessary strength to defend the legitimate economic interests which are common to them all except by wholehearted common endeavour ;

And whereas unco-ordinated competition among the countries represented at the Conference tends to aggravate the difficulties from which agricultural countries are suffering, as is clearly shown by their trade balances ;

And whereas regional agreements must form a step in the direction of a general readjustment of the economic policy of the countries of Europe :

The representatives of Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Poland, Roumania and Yugoslavia, assembled at the International Agricultural Conference of Warsaw, have agreed as follows :

I. The representatives of the countries taking part in the Conference decide to submit the following proposal to their Governments :

Being anxious to eliminate competition among agricultural countries as far as possible, and convinced that the effects of such competition must be peculiarly harmful unless the export trade in agricultural produce is rationalised, the States represented at the Conference propose to devise means of re-organising the export of agricultural produce so as to make the quantities exported correspond to the needs of the importing markets.

Those countries which have suitable agricultural export machinery should endeavour to conclude bilateral or multilateral agreements regarding the export of specific agricultural products.

The Conference is of opinion that, if this action is to be successful, it should be organised in respect of each agricultural product, or in respect of groups of such products, in such a manner as to embrace all the countries exporting those products. The Conference considers that such action should be taken primarily in respect of those products which are suffering most seriously from the present depression.

The Conference holds that, with a view to the establishment of a large-scale organisation for the concerted sale of agricultural produce, especially cereals, each exporting country must :

- (a) Organise a network of silos of a kind suited to the country's needs ;
- (b) Establish a financial organisation suited to the needs of the trade in cereals, with special reference to the advances that farmers may obtain on their produce ;
- (c) Establish an organisation which will ensure a uniform sales policy in each country.

In order that there may be a permanent intelligence service in connection with the sale of agricultural produce, the Conference recommends that delegates of the export boards or similar institutions of the various countries should meet periodically to draw up joint information reports based on national and international publications relating to the sale of cereals.

To enable any country to come more speedily to an agreement for the rationalisation of exports with other countries exporting the same products, the Conference recommends that suitable organisations for the co-ordination, concentration or control of exports of agricultural produce should be set up by those countries which do not at present possess such organisations.

Realising the great difficulties involved by the problem of surpluses of agricultural produce in excess of demand, more particularly in the case of cereals, and observing that such surpluses are the prime factor in the fall in prices, the delegates assembled at the Conference, being anxious to ensure the farmer a fair yield, recommend the international organisations, more especially the League of Nations, to devote all their attention to this problem.

2. Seeing that lack of adequate statistics makes it difficult to organise the trade in agricultural produce on more efficient lines, the representatives of the States taking part in the Conference have agreed to submit to their respective Governments proposals for common action in the direction of standardising their methods of compiling statistics of agricultural exports (cereals, live-stock, meat), and to communicate to one another, with the least possible delay and at regular intervals, all statistics relating to the trade in agricultural produce.

The Polish Ministry of Agriculture would appear to be in the best position to collect these statistics and circulate them to the other States taking part in the Conference.

The statistics will be sent in accordance with arrangements to be proposed by the Polish Government before October 1st, 1930, and the first set should be sent before November 1st, 1930.

3. The representatives assembled in the Conference decide to submit the following proposal to their Governments :

The States represented at the Conference intend to lay before the League of Nations, as soon as a favourable opportunity occurs, joint proposals aiming at the conclusion of an international convention for the abolition of direct and indirect bounties on the export of agricultural produce.

A special technical commission is to meet as soon as possible to draw up a proposal to the above effect, and possibly also to prepare a draft convention. The Commission will, in particular, investigate and form an opinion upon the various forms of export bounty—that is to say, the various forms of subsidy granted by Governments to encourage the export of agricultural produce. The Polish Government is requested to collect the necessary material for the Commission's work before the latter meets, and to prepare a preliminary draft of the convention referred to above.

4. The States taking part in the Conference are unanimously of opinion that all international action in connection with veterinary questions should be based primarily on an increasingly energetic and effective campaign against epizootic diseases and on a constant improvement in the hygienic conditions of their live-stock. This should reduce the losses to farmers from disease, and should, at the same time, be accompanied by a lessening of the severity of the veterinary police regulations applying to the international traffic in live-stock and animal products.

The States taking part in the present Conference, having been informed of the progress of the work of the Special Committee of Veterinary Experts under the direction of the Economic Committee of the League of Nations, agree to make common cause in support of this work and to endeavour to secure the conclusion of an international veterinary convention under the auspices of the League as soon as possible, and in any case not later than the end of 1931.

The delegates taking part in the present Conference agree to recommend their Governments to support their veterinary services by all possible means, in order that the latter may be able to organise themselves and function according to the principles laid down by the Special Committee of Veterinary Experts of the League of Nations in co-operation with the International Epizootics Office at Paris.

Meanwhile, the delegates taking part in the present Conference agree to discuss among themselves forthwith the possibility of bilateral veterinary conventions concerning the import, export and transit of live-stock and animal products, such conventions to be concluded either before the conclusion of the proposed international convention or with the object of amplifying it and adapting it to the special needs of their respective countries ; alternatively, they will endeavour to attain the same end by autonomous regulations framed in a spirit of perfect fairness and respecting the vital interests of the countries represented.

5. The representatives of the countries taking part in the Conference decide to submit the following proposal to their Governments :

The States represented at the Conference will set up without delay a technical financial commission which will meet at Warsaw before November 10th, 1930, to draft uniform regulations regarding agricultural credit for intermediate periods (from six months to five years). These regulations should specify the basis of such credit, the forms of guarantee to be given, the nature of the obligations assumed, etc.

6. Having examined the replies of the Governments taking part in the International Agricultural Conference at Warsaw to the questionnaire embodied in the Protocol regarding the Programme of Future Negotiations signed at Geneva on March 24th, 1930, having found that the central ideas of the various replies are mutually compatible, and having also noted that certain countries are in favour of preferential treatment being granted by European importing countries to cereals and agricultural produce of European origin, the Conference adopts this view :

The delegates of those countries which have not yet made any statement to this effect in their replies to the League of Nations will submit this resolution to their Governments.

The Conference desires to point out that although such preferential treatment is obviously inconsistent with the most-favoured-nation clause, it cannot injure the interests of oversea countries, as the latter will always remain the principal sources of supply for the European market. Moreover, although such preferential tariff treatment will enable the European agricultural exporting countries to benefit by the margin between the general duty and the preferential duty, it will not run counter to the protectionist policy of countries whose agricultural output is insufficient, seeing that it will always be the general duty that affects prices. Again, the introduction of such a system will improve the economic position of the agricultural exporting countries by increasing their purchasing power, and will thereby confer indisputable benefit on both European and oversea countries.

While admitting the importance of the most-favoured-nation clause in international trade, the Conference is bound to observe that in the peculiarly serious position of agriculture the only effective and practical remedy for the agricultural depression is to make an exception to the clause for agricultural produce of European origin.

7. The representatives of the countries taking part in the Conference decide to submit the following proposal to their Governments :

Being anxious to ensure that their economic policies in the matter of agriculture shall always be co-ordinated, the States taking part in the Conference propose to hold conferences of the persons responsible for their economic policy at least once a year in their capitals. The next Conference should be held in the autumn of 1931.

The States taking part in the Conference further recognise the need for a permanent economic research board composed of their representatives. It will be the function of this board to gather up the threads of all work directed towards putting into effect the resolutions adopted by the Warsaw Conference and subsequent Conferences, and to prepare those resolutions. Accordingly, the participating Governments will appoint their representatives before October 1st, 1930, and the latter will meet as soon as possible to draft rules for the board and to carry the resolutions of this Conference into effect.

8. The representatives of the countries taking part in the Conference decide to submit the following proposal to their Governments :

The Conference recognises the desirability of adopting a uniform attitude to agricultural questions of importance to the agricultural countries in the international field, and especially within the sphere of the League of Nations. They should accordingly inform one another of their replies to enquiries made by the League and other international organisations with regard to agricultural questions, in order to co-ordinate those replies ; this might, if necessary, be done at special preparatory meetings summoned for the purpose. The States represented at the Conference should, as far as possible, co-ordinate all the proposals on agricultural subjects put forward at the Economic Conference which is to meet at Geneva in November under the provisions of the Commercial Convention signed at Geneva on March 24th, 1930.

Realising the value of co-operation between Governments and the international agricultural institutions for the defence of agricultural interests, the States taking part in the Conference decide to propose that the League of Nations co-operate continuously on all questions affecting agriculture with the Rome International Institute and the Paris International Commission of Agriculture, which represent agricultural associations in international affairs.

The Conference decides to forward the foregoing resolutions to the Secretariat of the League of Nations with the request that they may be brought to the notice of the States signatories of the Protocol regarding Future Negotiations signed at Geneva on March 24th, 1930.

Roumania.

A.¹

(a) In Roumania, the surplus agricultural products, in order of importance, are: maize, oxen, barley, pigs, eggs, beans, flour, nuts, fresh butchers' meat (large animals), oats, apples, colza, pork, pumpkin seeds, feathers, cows, poultry, millet, wheat, bran, clover seed, lentils, seed for fodder, cheese, prunes, mustard-seed, intestines, bulls and pears. (The relative importance naturally changes from year to year.)

Taking an average of five years (1924, 1925, 1926, 1927, 1928) the over-production in Roumania accounted for 55.16 per cent of the country's exports and can be divided into the following groups:

	Average for five years Percentage of the exports
I. Maize, barley, rye, wheat, oats, millet, bran, flour	36.23
II. Pigs, bulls, oxen, cows, rams	8.93
III. Vegetables, flowers, seeds, fruit, animal foodstuffs	10.00
	<u>55.16</u>

As shown in the following table:

Comme il résulte du tableau suivant:

		1924	1925	1927	1928	1929	Moyenne 5 ans Average 5 years
1) <i>Céréales et dérivés :</i> <i>Cereals and cereal products :</i>	millions de lei millions of lei % du total % of the total	12.260 43,22%	7.384 25,36%	19.449 51,03%	8.304 30,85%	8.879 30,71%	36,23%
2) <i>Animaux vivants :</i> <i>Live animals :</i>	millions de lei millions of lei % du total % of the total	2.888 10,19%	4.084 14,02%	2.522 6,62%	2.035 7,56%	1.830 6,26%	8,93%
Total 1) + 2)	millions de lei millions of lei % du total % of the total	15.148 53,41%	11.468 39,38%	21.971 57,65%	10.339 38,31%	10.709 36,97%	45,16%
3) <i>Légumes, fleurs, grains :</i> <i>Vegetables, flowers, seed :</i>	millions de lei millions of lei % du total % of the total	1.351 4,77%	1.386 4,76%				
4) <i>Produits animaux alimentaires :</i> <i>Animal products for human consumption :</i>	millions de lei million of lei % du total % of the total	739 2,61%	1.329 4,56%				
5) <i>Fruits :</i> <i>Fruit :</i>	millions de lei millions of lei % du total % of the total	404 1,43%	589 2,93%				
Total 3) + 4) + 5)	millions de lei millions of lei % du total % of the total	2.494 8,81%	5.304 11,35%				10,00%
Total général							55,16%

I. Cereals.

Cereals are the chief group of agricultural products. The average exportation of cereals, over a period of 10 years, was 1,436,100 tons per annum.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c), B, C and D).

(a) Average exportation of cereals for 10 years (1920-1929).

(Années — Years)	Blé Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
			(Tonnes — Tons)		
1920.	237	42.260	421.872	39.040	443.455
1921.	73.276	34.790	377.544	150.776	830.387
1922.	25.186	28.441	575.908	232.944	307.509
1923.	27.845	10.343	815.878	176.018	678.048
1924.	122.415	30.522	276.039	91.978	745.448
1925.	5.238	660	182.693	20.728	580.087
1926.	272.285	26.564	581.001	61.067	690.391
1927.	209.719	61.063	703.303	89.309	1.761.761
1928.	27.922	32.519	414.549	16.859	473.135
1929.	7.210	15.609	1.154.696	41.729	374.485
Total . . .	771.333	282.771	5.503.483	920.448	6.884.706
Moyenne } Average }	77.133	28.277	550.348	92.044	688.470

This table shows that the average exportation of the chief cereals in the last 10 years was classified in order of importance, as follows :

1) Maïs — Maize	688.500 tonnes — tons
2) Orge — Barley	550.000 » »
3) Avoine — Oats	92.000 » »
4) Blé — Wheat	77.300 » »
5) Seigle — Rye	28.300 » »
	<u>1.436.100</u> } tonnes par année } tons per annum

(b) What are the normal outlets for these products ? In respect of the destination of the cereals and cereal products, the amounts exported varied as follows :

	1923	1924	1925	1927	1928	1929
			(Tonnes — Tons)			
Grande-Bretagne Great Britain	84.896	103.931	107.365	163.296	62.224	110.065
Autriche Austria	159.199	180.635	38.329	278.793	78.475	19.965
Belgique Belgium	521.569	173.724	75.870	144.684	46.289	54.309
Tchécoslovaquie Czechoslovakia	23.473	81.510	35.226	105.080	34.989	28.142
Suisse Switzerland	18.556	816	—	—	272	729
France France	196.501	96.827	61.286	83.233	12.578	16.735
Allemagne Germany	174.271	44.298	48.919	755.983	261.540	950.175
Grèce Greece	59.323	29.242	8.258	—	8.302	9.340
Gibraltar Gibraltar	195.241	299.510	234.368	511.135	117.008	262.300
Italie Italy	48.364	100.933	34.120	184.634	135.637	91.969
Norvège Norway	10.573	2.704	915	—	—	—
Hollande Netherlands	133.691	120.035	99.869	110.576	37.285	47.560
Pologne Poland	14.943	36.687	59.315	435.013	180.463	30.514
Espagne Spain	880	6.042	1.584	—	150	5.445
Turquie Turkey	7.087	38.035	876	1.942	14.506	5.181
Hongrie Hungary	38.710	57.164	16.924	67.653	42.090	26.500

The percentage for the exportation of the years 1928 and 1929 are :

		1929	1928
Allemagne Germany		55,97%	24,30%
Gibraltar Gibraltar		15,47%	10,87%
Grande-Bretagne Great Britain		6,52%	5,79%
Italie Italy		5,77%	12,93%
Belgique Belgium		3,25%	4,63%
Pologne Poland		1,80%	16,83%
			(a large proportion representing transit to Germany)
Autriche Austria		1,25%	7,25%
Autres pays Other countries		9,97%	17,40%
		100,00%	100,00%

With regard to the destination, there has been exported to the following countries :

		1928 %	1929 %
1. Autriche	Austria	60,37	52,56
2. Tchécoslovaquie	Czechoslovakia.....	37,08	45,68
3. Autres pays	Other countries.....	1,76	2,55
		<hr/> 100,00	<hr/> 100,00

There have been exported to Czechoslovakia :

		1928 Têtes — Head	1929
1. Porcs	Pigs	83.467	60.700
2. Bœufs	Oxen	10.555	19.756
3. Vaches	Cows	1.072	6.828
4. Béliers	Rams.....	6.070	4.073
5. Taureaux	Bulls	911	3.970
6. Moutons	Sheep.....	1.853	2.667

There have been exported to Austria :

		1928 Têtes — Head	1929
1. Bœufs	Oxen	57.292	57.039
2. Porcs	Pigs	108.931	51.943
3. Taureaux	Bulls	2.362	1.907
4. Béliers	Rams.....	297	1.128
5. Vaches	Cows	264	622
6. Moutons	Sheep.....	35	121

3. *Animal products for human consumption:*

Fresh beef :

		1925 Tonnes — Tons	%	1924 Tonnes — Tons
Autriche	Austria	3.146	43,8	
Tchécoslovaquie	Czechoslovakia.....	2.813	46,7	
Total		6.092		5.036
Valeur en millions de lei	Value, in millions of lei	213		156

Fresh pork.

		1925	%	1924
Allemagne	Germany.....	1.561	48,2	
Autriche	Austria	867	26,6	
Tchécoslovaquie	Czechoslovakia.....	737	22,7	
Total		3.251		141
Valeur en millions de lei	Value, in millions of lei	169		8

Poultry.

		1925	%	1924
Autriche	Austria	664	60,2	
Allemagne	Germany.....	268	25,2	
Hongrie	Hungary	83	7,5	
Suisse	Switzerland.....	79	7,1	
Total		1.102		258
Valeur en millions de lei	Value, in millions of lei	77		16

Cheese and kachkaval.

		1925	%
Grèce	Greece	246	40,3
Turquie	Turkey	267	43,6
Egypte	Egypt	75	12,2
Total		614	
Valeur en millions de lei	Value, in millions of lei	53	

Eggs.

		1925		1924		
		Tonnes	Tons	%	Tonnes	Tons
Allemagne	Germany	7.724		69,5		
Autriche	Austria	2.276		20,6		
Pologne	Poland	636		5,7		
Hongrie	Hungary	199		1,8		
Suisse	Switzerland	168		1,5		
Tchécoslovaquie	Czechoslovakia	39		0,3		
Total		11.130			7.700	
Valeur en millions de lei	Value, in millions of lei	723			496	

4. *Vegetables, flowers, seed.*

Beans:

France	France	24.506	33,6
Italie	Italy	7.080	9,8
Gibraltar	Gibraltar	8.338	11,5
Allemagne	Germany	6.629	9,1
Grèce	Greece	5.775	7,9
Hollande	Netherlands	5.228	7,3
Grande-Bretagne	Great Britain	3.989	5,5
Belgique	Belgium	3.288	4,5
Espagne	Spain	1.605	2,2
Total		72.885	52.071
Valeur en millions de lei	Value, in millions of lei	706	833

Lentils:

France	France	1.758	35,3
Autriche	Austria	782	15,6
Tchécoslovaquie	Czechoslovakia	333	6,6
Allemagne	Germany	375	7,5
Hongrie	Hungary	745	14,9
Italie	Italy	251	5,0
Pays-Bas	Netherlands	203	4,0
Total		5.013	2.854
Valeur en millions de lei	Value, in millions of lei	55	40

Clover seed.

Allemagne	Germany	334	35,6
Tchécoslovaquie	Czechoslovakia	299	32,3
Hongrie	Hungary	139	14,8
Autriche	Austria	80	8,5
Total		938	1.575
Valeur en millions de lei	Value, in millions of lei	33	115

Fodder seed.

Belgique	Belgium	905	22,8
France	France	645	16,2
Tchécoslovaquie	Czechoslovakia	550	13,8
Allemagne	Germany	452	11,3
Hongrie	Hungary	364	9,2
Pays-Bas	Netherlands	361	9,1
Total		3.982	3.286
Valeur en millions de lei	Value, in millions of lei	55	76

Colza.

		1925		1924		
		Tonnes —	Tons	%	Tonnes —	Tons
Hollande	Netherlands	4.710	37,9			
France	France.....	2.457	19,8			
Grande-Bretagne	Great Britain.....	1.942	15,6			
Belgique	Belgium.....	1.483	11,9			
Total		12.411			2.008	
Valeur en millions de lei	Value, in millions of lei	188			32	

Pumpkin seeds.

Pologne	Poland.....	3.067	56,1			
Turquie	Turkey	288	5,3			
Egypte	Egypt	823	15,1			
Tchécoslovaquie	Czechoslovakia.....	473	8,9			
Grèce	Greece	259	4,7			
Total		5.459			4.212	
Valeur en millions de lei	Value, in millions of lei	123			78	

5. *Fruit.*

Grapes.

Pologne	Poland.....	1.073	98,9			
Total		1.080			2.036	
Valeur en millions de lei	Value, in millions of lei	11			22	

Apples.

Hongrie	Hungary	6.800	29,1			
Allemagne	Germany.....	6.100	26,1			
Pologne	Poland.....	5.770	24,6			
Autriche	Austria	2.267	9,7			
Tchécoslovaquie	Czechoslovakia.....	1.888	8,1			
Total		23.395			9.564	
Valeur en millions de lei	Value, in millions of lei	201			33	

Pears.

Pologne	Poland.....	1.721	55,0			
Allemagne	Germany.....	1.057	33,9			
Total		3.126			15	
Valeur en millions de lei	Value, in millions of lei	26			0,09	

Prunes.

Allemagne	Germany.....	1.075	41			
Pologne	Poland.....	975	36,8			
Hollande	Netherlands	208	7,8			
Hongrie	Hungary	40	1,5			
Total		2.646			1.262	
Valeur en millions de lei	Value, in millions of lei	48			18	

Nuts.

Allemagne	Germany.....	4.159	32,4			
Pologne	Poland.....	2.621	20,4			
Hongrie	Hungary	1.694	13,2			
Tchécoslovaquie	Czechoslovakia.....	1.385	10,9			
Autriche	Austria	1.192	9,3			
Total		12.778			17.870	
Valeur en millions de lei	Value, in millions of lei	297			321	

(c) As representing an exporting agricultural country, the Roumanian Government would state that, in view of the present economic situation of its agriculturists, its primary concern has been to introduce measures capable of ensuring the practical and effective disposal of its surplus production of cereals and other agricultural return, and thus to increase the purchasing capacity of the population.

The following means, it thinks, might be employed to this end.

1. Preferential Customs treatment by European importing countries for cereals and agricultural products of European origin.

The Roumanian Government would point out that such preferential treatment, representing, as it obviously does, a limitation of the most-favoured-nation clause, cannot adversely affect the interests of overseas countries, which will always remain the chief suppliers of the deficiency prevailing on European markets. Moreover, such preferential Customs treatment, although it would mean that the European countries exporting agricultural products would benefit by the margin between a general and a preferential duty, would not thereby prejudice the protectionist policy of States with insufficient agricultural production, as it is always the general rate of duty which reacts on prices. Furthermore, the application of such a system, improving—as it would—the economic situation of agricultural exporting countries by increasing their purchasing capacity, would thereby unquestionably benefit industrial countries in Europe and overseas.

2. The consolidation on a reasonable level by European importing countries of all import duties on European agricultural products in such a manner as to leave a margin of profit to agriculturists in the exporting countries.

3. A system of entire freedom of trade in cereals and agricultural products on the European markets, and the complete abolition of every hindrance to such trade, and of all measures aimed at the artificial restriction of the imports of cereals and other agricultural products or compulsory changes in the consumption of various agricultural products.

It is absolutely essential, in the Roumanian Government's opinion, that European importing countries should give effective guarantees to European agricultural exporting countries, that all kinds of prohibitive and restrictive measures on the imports of cereals and other agricultural products, such as monopolies of any kind, sliding-scale duties, etc., should be entirely abolished.

The Roumanian Government declares that, if the countries importing agricultural products persist in their present practices regarding such imports, it may find itself compelled, in its turn, to treat imports of manufactured articles in the same manner.

B.

The Roumanian Government believes that the best way of promoting the disposal of manufactured products is to increase the purchasing power of agricultural exporting countries by promoting the export of their surplus production at satisfactory prices.

The practical means for achieving this end have been mentioned in the reply to A.

They further consider that a practical method of increasing the purchasing capacity of consuming countries would be to procure agricultural exporting countries long-term credits and more moderate rates of interest, thus enabling producers to cheapen their costs.

C.

The Customs and administrative measures likely to extend markets and improve international trade are, the Roumanian Government thinks, given in the foregoing replies to A and B.

Special mention might also be made of the following further administrative measures, the abolition of which is of capital importance :

1. The abolition of all administrative measures resembling disguised protectionism.

The Roumanian Government believes it to be really urgent and essential to give agricultural exporting countries effective guarantees that veterinary and phytopathological measures will in no case be applied as measures of indirect protectionism.

As regards veterinary measures, the Government considers it highly desirable that the work of the International Veterinary Conference, referred to in Article 2, paragraph 7, of the Protocol regarding the Programme of Future Negotiations, should be brought to a satisfactory conclusion.

2. The abolition of all discrimination in the matter of railway and inland waterway transport rates in favour of agricultural products, including cereals from overseas, for the purpose of promoting the growth of certain maritime ports, such discrimination being directed against the products of European agricultural countries. This tariff policy on the part of certain industrial States is a material factor in restricting the markets of agricultural exporting countries.

3. The abolition of systems of prohibition or restriction of the importation of certain agricultural products by means of a margin between the import duties on the raw material and the finished agricultural product. Mention might be made, in particular, of the margin in importing countries between the import duty on wheat and that on flour. This margin, being a form of indirect protectionism, should be reduced to its natural level.

D.

To the extent that Roumania, as an exporter of agricultural products, is interested in the question of raw materials, the Roumanian Government thinks it has answered this question in the preceding paragraphs.

Sweden.

[*Translation.*]

A (a) and (b).¹

The most important agricultural articles of which a surplus is produced in Sweden are cattle, pigs, pork and other meat, butter and eggs. The value of the total exports of these products amounted, in 1929, to approximately 132,279,000 Kroner. Exports of cattle were valued at 1,432,000; pigs at 4,061,000; pork at 38,647,000; other meat at 4,066,000; butter at 75,097,000, and eggs at 8,976,000.

The principal markets for these products were: For cattle, Germany; for pigs, Germany and Denmark; for pork, Great Britain; for other meat, Norway and Germany; for butter, Great Britain and Germany; and for eggs, Great Britain and Germany.

A (c), B and C.

It would, of course, be possible to ensure an extension of the markets for agricultural products, as well as for industrial products, by a convention providing for a considerable reduction in Customs tariffs and by the abolition of other restrictions on international trade now in force.

It is only natural that the League's Economic Organisation should direct its efforts towards this end. The Swedish Government is entirely prepared to help in this work. Without enumerating the Customs duties and restrictions in force in various countries which more particularly handicap the free development of Sweden's foreign trade, the Swedish Government desires to put forward the following general considerations concerning the collective method of work in the field of commercial policy.

I. REDUCTION OF CUSTOMS DUTIES.

The chief point in this problem was indicated clearly by the 1927 Economic Conference, which declared in particular that the time had come to put an end to the increase in Customs barriers and to move in the opposite direction.

The League Economic Organisation has unquestionably done everything in its power to carry out this recommendation. It first examined the possibility of negotiating general conventions for the limitation of the Customs duties on certain classes of commodities. It then undertook an enquiry into the conditions for a general and uniform reduction of all Customs duties. Lastly, it endeavoured to achieve at the least a Customs truce to hold good for a specified period of time. In these endeavours, the Organisation has had the support of the free trade countries, which have shown themselves entirely prepared to abandon their freedom of action in Customs policy in order to facilitate the conclusion of international conventions. These efforts have all failed, however, because certain other countries have refused to accept any restriction on their liberty of action and have used it to make constant increases in their Customs duties, a movement which has not ceased even now. Thus these countries, notwithstanding the attitude taken up by their delegates at Conferences at Geneva, have shown in practice that at present, at any rate, they are not ready to change their Customs policy on the lines recommended by the World Economic Conference.

It hardly appears possible to overcome their opposition by an immediate discussion of the Customs question in all its length and breadth. Experience has shown that this is not a practicable method of attaining even far less ambitious results. We have only to recall the negotiations which were held at Geneva at the beginning of the current year for the conclusion of a Customs truce. It follows that a collective tariff agreement embracing a considerable number of European countries and involving an appreciable reduction of Customs duties, and likewise the stabilisation of the present commercial policy of the free trade countries, could hardly be achieved in the present circumstances. Negotiations between the free trade countries on the one side and the protectionist countries on the other would, moreover, be impeded by the difficulties due to the fact that the various countries belonging to each of these two groups have divergent interests in regard to the different classes of goods. The considerations set forth above do not apply with equal force to the suggestion for a collective tariff agreement between the agricultural and industrial European countries with the object of extending the foreign markets for the agricultural products of the agrarian countries. Here, too, however,

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there are extremely grave difficulties, particularly if it were proposed to conclude a tariff agreement granting more favourable treatment to European agricultural products than to similar commodities from overseas.

Although, therefore, the Swedish Government hardly dares hope—in the present circumstances at any rate—that the difficulties could be overcome by the opening of negotiations with the immediate object of regulating Customs duties by an international convention, it recognises the necessity of using all available ways and means. If it, nevertheless, should be decided to choose the method of negotiations, Sweden will not fail to help in the achievement of a positive result. We must not, however, conceal the fact that the responsibility, not only for the hampering of international trade by the continual raising of a large number of Customs barriers, but also for the effects of this action on the future commercial policy of the hitherto free trade countries lies with those countries whose economic policy, as practised hitherto, has prevented any effectual co-operation among the European countries in the Customs field. The creation of the requisite conditions for achieving such co-operation depends primarily on these countries.

2. STABILISATION OF COMMERCIAL POLICY.

The normal exchange of goods between the European countries is, however, impeded, not merely by excessive Customs barriers, but also by the constant changes in Customs tariffs, and, generally speaking, by the instability of the commercial policy of many countries. It is worth noticing that commercial treaties are most frequently of short duration and undergo constant changes. Recently, there has even been observed in certain countries a tendency to give a new interpretation to the provisions of commercial treaties and even to evade them.

The programme of future negotiations, of which the Questionnaire now under consideration forms part, contains several suggestions for the purpose of lessening the difficulties resulting from this state of affairs. The Swedish Government keenly desires that these proposals should be put into effect to the greatest possible extent. Without exhausting the subject, it wishes to mention the following subjects which, in its opinion, are of vital importance for improving the system governing commercial relations between the European countries, and which are at the same time suitable for settlement by international agreement.

(a) *Establishment of a standardised Customs nomenclature.* — Sweden is already applying the framework for a Customs nomenclature prepared by the Committee of Experts and hopes that a general convention on the subject will be drawn up as soon as the experts have completed their work.

(b) *A plurilateral commercial convention (without tariff provisions).* — The proposal put forward by the French delegation at the Customs Conference which met at Geneva this year deserves very serious consideration. A convention of that kind, if unanimously accepted, covering the provisions generally found in commercial treaties, would unquestionably help to remove the uncertainty felt concerning the interpretation and scope of the said provisions. A convention on these lines might, further, pave the way for a later collective tariff agreement.

(c) *Most-favoured-nation clause.* — As regards this question, a draft formula has already been prepared and submitted by the Economic Committee. Further, a careful examination has been given to the question whether and how far the most-favoured-nation clause can be invoked in order to obtain the privileges stipulated in general international conventions. That, however, is only a first step towards the settlement of the problem as a whole. There still remains the question whether anti-dumping Customs duties and compensation duties are compatible with the clause, how the term "like products" is to be interpreted, what is the effect of the clause on quota agreements and other arrangements of the kind, etc. The proposed formula does not meet these and other questions. The uncertainty at present prevailing in this connection has caused much inconvenience, particularly during the current year, and the Royal Government would welcome with pleasure a speedy and exhaustive enquiry into the subject. A clear and, if possible, complete convention on the interpretation and application of the most-favoured-nation clause would unquestionably be very valuable to all trading countries.

(d) *Dumping.* — This subject has also been discussed. The difficulty encountered has been that of finding a definition. It has had to be recognised that there are too many different forms of dumping to make it possible to bring it under any uniform rules. Certain forms of dumping can, however, be dealt with immediately by an international conference. The Swedish Government wishes to draw attention, in particular, to the dumping of agricultural products, which has recently grown very considerably, and which is carried on by means of the system of export certificates. The abuse of this system—and it is often abused—may easily have a disorganising influence on price levels, and consequently on the normal sale of goods. It would probably be desirable to have an international regulation on this subject.

D.

As regards the distribution of raw materials, the regulations in force in Sweden make no restriction either to imports or exports.

In principle, the widest measure of liberty is strongly to be desired in this matter. Certain antagonistic tendencies may be observed. For instance, in some countries the free distribution of raw materials is hampered by export and import duties, while producers are more and more commonly resorting to agreements for sharing the world markets, a fact which obviously may have very harmful consequences for the consumer.

This state of affairs could not be easily remedied by the conclusion of international conventions. The subject, however, deserves close attention, and an international regulation might perhaps be feasible on certain points. As is known, there is already in existence an international agreement concerning export duties on hides, skins and bones.

Turkey.

A. ¹

(a), (b) Our surplus agricultural products and their natural and normal outlets, referred to under (a) and (b) in section A of the Annex to Article I, are stated in the attached list.

(c) The means to be employed to ensure the disposal of these surplus products in the normal markets and in other countries with an insufficient production are of a financial or of a practical and provisional character.

1. The financial means consist, first and foremost, in ensuring that the products are sold in the consuming countries as cheaply as possible—the chief condition for which is that the import customs duties on them must be low. In order to achieve this result, Turkey seeks to obtain by means of commercial treaties the largest possible reduction in the import duties on these products.

2. The practical and provisional means consist in ensuring that the products are sold under the system of free competition and are of better quality than other similar products. Among such means are the standardisation of the products according to their kind and quality; their preparation and despatch in such a manner as to guard against circumstances rendering them unfit for consumption—*e.g.*, rot and putrefaction; supervision of the products and prevention of their adulteration; the application during their production and preparation of all the necessary hygienic and scientific measures; the making-up of the internal and external packing in such a manner as to prevent deterioration of any kind. These points were discussed at length by the Central Economic Board and, moreover, a law (No. 1705 of June 10th, 1930) concerning the prevention of adulteration, and the supervision and protection of export commodities, has been promulgated and put into force in order to attain the objects indicated above.

B.

The means mentioned in the foregoing section might also be instanced as facilitating the disposal of manufactured products, particularly in the direction of increasing the extent to which it is possible for consuming countries to purchase these products. The manufacturing industry being, however, only of recent growth in Turkey, our exports of this kind are not large enough to be taken into consideration.

C.

With regard to the Customs and administrative measures which seem likely to promote the extension of markets and the improvement of international trade in the products mentioned in A and B above, it is desirable, in the interests of every country, to abstain from levying export and transit dues. Such dues, which are calculated to hamper the trade in export commodities, are not collected in Turkey. Of the cereals and vegetable products formerly subject to an export tax, Law No. 1698 of June 8th, 1930, exempted from that tax: wheat, barley, maize, rye, buckwheat, oats, millet, peas, rice, chick-pea, beans (kidney, broad and dwarf), lentils, fox-tail grass, sesame seed, flour, bran ("paspal") and "razmol".

In addition, it is considered necessary to abolish, whenever they exist: restrictions and prohibitions in regard to foreign ships and foreign agricultural and industrial products; measures intended to withhold from some particular country the privileges extended to another country in respect of such ships and products; export bounties, together with other similar measures, such as dumping; all of which are likely to hamper international trade and the extension of markets. The chief import prohibitions and restrictions in force in Turkey being based on considerations of public health and order, or on legal provisions establishing a monopoly in certain products, it may be truly said that Turkey applies no prohibition or restriction that is unjustifiable from the commercial and economic points of view.

The Turkish Customs tariff was framed in accordance with economic and financial considerations, and the rate of the duties fixed proportionately. These duties having been reduced in certain respects in virtue of treaties, and the Powers with which a commercial arrangement, treaty or convention, based upon the most-favoured-nation principle has been concluded having also profited thereby, the Turkish duties on foreign agricultural and industrial products obviously cannot be called high, still less prohibitive. Similarly, there is no discrimination

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States. (A, (a), (b) and (c), B, C and D).

between the ships and the agricultural and industrial products of different foreign countries in respect of the privileges granted by law.

In so far as export products are concerned, there are no trusts, cartels or combines in Turkey capable of organising dumping or similar practices. Nor are there any bounties that, going beyond their natural function of encouraging the industry concerned, might restrict or render impossible the competition of another country in the same class of products. For countries the mutual trade relations of which are not dependent upon any special convention, the chief means of extending markets and facilitating international trade is to base those relations on legal and contractual provisions, establishing by negotiations such conditions as will meet their economic needs. Now that the most-favoured-nation system is being almost universally applied, countries that have not concluded such commercial treaties and conventions will obviously never be able to extricate themselves from their difficulties and to compete with success.

* * *

With regard to Article 2, paragraph 4, of the Protocol, it has not been considered necessary to give detailed particulars, since the information required is included in the particulars given above, and since, moreover, the commercial conventions concluded by Turkey, as also the conventions with regard to which she has already opened negotiations, contain provisions for preventing any application of the system of indirect protectionism.

Agricultural products	Outlets
Wheat :	Greece, Syria, Italy.
Rye, millet :	Germany, England, Italy, Greece, Syria.
Maize :	Germany, Netherlands, Italy, Greece.
Oats :	Germany, Belgium, England, Italy, Greece, America.
Barley :	Germany, Belgium, France, Netherlands, England, Syria, Russia, Greece.
Fox-tail grass :	Germany, Belgium, France, Italy, Greece, Syria.
Sesame :	Italy, Roumania, Russia, Syria.
Rice :	Iraq, Egypt.
Chick-pea, peas and the like :	Belgium, Bulgaria, France, England, Italy, Greece, Syria.
Grapes and raisins :	Germany, Belgium, France, Netherlands, England, Sweden, Italy, Roumania, Russia, Syria, Egypt, America, Greece.
Oranges :	Russia.
Figs :	Germany, Austria, Belgium, Denmark, France, England, Italy, Russia, Egypt, America.
Hazel nuts and almonds, whole or shelled :	Germany, Italy, Roumania, Russia, Syria, Egypt, Belgium, France, England, America.
Miscellaneous fruit, fresh or dried :	France, England, Yugoslavia, Syria, Egypt, Germany, Italy, Iraq.
Fresh vegetables :	France, Greece, Syria, Roumania, Russia.
Tobacco :	Every country.
Cotton :	France, England, Italy, Russia, Greece.
Opium :	France, Germany, England, Netherlands, Japan.

Yugoslavia.

A.¹

(a) The agricultural products of which there is an over-production in Yugoslavia are given in the annexed list.

(b) The normal outlets for these products are exclusively the European markets—viz., Italy, Austria, Roumania (as a transit country), Germany, Greece, Hungary, Czechoslovakia, etc.

(c) As representing an exporting agricultural country, the Yugoslav Government would state that, in view of the present economic situation of its agriculturists, its primary concern has been to introduce measures capable of ensuring the practical and effective disposal of its surplus production of cereals and other agricultural commodities at prices guaranteeing producers an adequate return, and thus to increase the purchasing capacity of the population.

The following means, it thinks, might be employed to this end :

1. Preferential Customs treatment by European importing countries for cereals and agricultural products of European origin.

The Yugoslav Government would point out that such preferential treatment, representing, as it obviously does, a limitation of the most-favoured-nation clause, cannot adversely affect the interests of overseas countries, which will always remain the chief suppliers of the deficiency prevailing on European markets. Moreover, such preferential Customs treatment, although it would mean that the European countries exporting agricultural products would benefit by the margin between a general and a preferential duty, would not thereby prejudice the protectionist policy of States with insufficient agricultural production, as it is always the general rate of duty which reacts on prices. Furthermore, the application of such a system, improving—as it would—the economic situation of agricultural exporting countries by increasing their purchasing capacity would thereby unquestionably benefit industrial countries in Europe and overseas.

2. The consolidation on a reasonable level by European importing countries of all import duties on European agricultural products in such a manner as to leave a margin of profit to agriculturists in the exporting countries.

3. A system of entire freedom of trade in cereals and agricultural products on the European markets, and the complete abolition of every hindrance to such trade, and of all measures aimed at the artificial restriction of the imports of cereals and other agricultural products or compulsory changes in the consumption of various agricultural products.

It is absolutely essential, in the Yugoslav Government's opinion, that European importing countries should give effective guarantees to European agricultural exporting countries that all kinds of prohibitive and restrictive measures on the imports of cereals and other agricultural products, such as monopolies of any kind, sliding-scale duties, etc., should be entirely abolished.

The Yugoslav Government declares that, if the countries importing agricultural products persist in their present practices regarding such imports it may find itself compelled, in its turn, to treat imports of manufactured articles in the same manner.

B.

The Yugoslav Government believes that the best way of promoting the disposal of manufactured products is to increase the purchasing power of agricultural exporting countries by promoting the export of their surplus production at satisfactory prices.

The practical means for achieving this end have been mentioned in the reply to A.

They further consider that a practical method of increasing the purchasing capacity of consuming countries would be to procure agricultural exporting countries long-term credits and more moderate rates of interest, thus enabling producers to cheapen their costs.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c), B, C and D).

C.

The Customs and administrative measures likely to extend markets and improve international trade are, the Yugoslav Government thinks, given in the foregoing replies to A and B.

Special mention might also be made of the following further administrative measures, the abolition of which is of capital importance :

1. The abolition of all administrative measures resembling disguised protectionism.

The Yugoslav Government believes it to be really urgent and essential to give agricultural exporting countries effective guarantees that veterinary and phytopathological measures will in no case be applied as measures of indirect protectionism.

As regards veterinary measures, the Government considers it highly desirable that the work of the International Veterinary Conference, referred to in Article 2, § 7, of the Protocol regarding the Programme of Future Negotiations, should be brought to a satisfactory conclusion.

2. The abolition of all discrimination in the matter of railway and inland waterway transport rates in favour of agricultural products, including cereals, from overseas, for the purpose of promoting the growth of certain maritime ports, such discrimination being directed against the products of European agricultural countries. This tariff policy on the part of certain industrial States is a material factor in restricting the markets of agricultural exporting countries.

3. The abolition of systems of prohibition or restriction of the importation of certain agricultural products by means of a margin between the import duties on the raw material and the finished agricultural product. Mention might be made, in particular, of the margin in importing countries between the import duty on wheat and that on flour. This margin, being a form of indirect protectionism, should be reduced to its natural level.

D.

To the extent that Yugoslavia, as an exporter of agricultural products, is interested in the question of raw materials, the Yugoslav Government thinks it has answered this question in the preceding paragraphs.

* * *

Annex ad A (a).

AGRICULTURAL PRODUCTS OF WHICH THERE IS A SURPLUS IN YUGOSLAVIA.

Denomination	Average production (Last 5 years)	Average surplus (Last 5 years)
1. Wheat	20 million quintals	4.5 million quintals
2. Maize.	30 " "	4.5 " "
3. Barley	4 " "	180,000 quintals
4. Oats	3.4 " "	70,000 "
5. Rye	1.8 million quintals	20,000 quintals
6. Flour.	—	191,000 "
7. Beans.	813,000 quintals	272,000 "
8. Wines.	3.4 million hectolitres	500,000 hectolitres
9. Hops	—	42,000 quintals
10. Hemp	297,000 quintals	108,000 "
11. Horses	—	37,000
12. Cattle.	—	125,000
13. Pigs	—	246,000
14. Poultry (live)	—	20,000
15. Prepared meat.	—	8,400 quintals
16. Cheese (Catchcaval)	—	18,000 "
17. Eggs	—	263,000 "
18. Fresh fruit (apples, plums, nuts, etc.)	—	380,000 "
19. Prunes.	—	300,000 "
20. Marmalade	—	18,000 "
21. Medicinal plants.	—	30,400 "

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Geneva, October 16th, 1930.

LEAGUE OF NATIONS

SECOND CONFERENCE

WITH A VIEW TO

CONCERTED ECONOMIC ACTION

REPLIES OF THE GOVERNMENTS

TO THE QUESTIONNAIRE ANNEXED TO ARTICLE I
OF THE PROTOCOL REGARDING THE

PROGRAMME OF FUTURE NEGOTIATIONS

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Series of League of Nations Publications

II. ECONOMIC AND FINANCIAL
1930. II. 44. Addendum.

Bulgaria.

[Translation.]

A. ¹

(a) The Bulgarian agricultural products, which show considerable export surpluses, are enumerated in Annexes A and B.

(b) The normal markets for these products are shown in Annex C, while Annex D gives the quantities and value of the principal products exported to the most important countries during the last three years.

(c) The disposal abroad of Bulgarian exported products is meeting with obstacles due to the over-production in agriculture throughout the world, the consequent fall in prices, and the restrictive economic policy pursued in other countries with regard to imports of agricultural produce.

This policy, which is of particular interest in the present connection, manifests itself in the form of :

- (i) Customs duties on agricultural products imported into the other countries, and
- (ii) Various measures other than Customs measures taken with the immediate, though not always ostensible, object of restricting imports of the same foreign products.

With regard to the practical means of removing or eliminating the obstacles caused by the economic policy of the countries which import agricultural products, and thereby securing and enlarging the foreign market of the countries which export these products, the following may be suggested :

1. A certain improvement in international trade in agricultural products might be secured by the conclusion between the countries concerned of long-term commercial treaties, accompanied by transit, veterinary, phytopathological and other agreements. The essential point in connection with such treaties and agreements is that they should be fairly and impartially carried out. This could be ensured to a large extent by the creation of a Permanent Organ of Conciliation and Arbitration on the lines indicated in the French memorandum submitted to the Conference in February and March 1930.

2. Multilateral economic conventions concluded under the auspices of the League of Nations might also be useful. In this connection, the extension of the Convention for the Simplification of Customs Formalities and the conclusion of an international veterinary convention seem to be particularly desirable.

3. To attain this object, it would be desirable to create direct relations between the producers' co-operatives in the countries which export agricultural produce and the consumers' co-operatives in the importing countries.

4. A Customs *rapprochement* between the countries of Europe, based on preferential treatment for agricultural products of European origin, would also be useful for facilitating the disposal of such products.

How can such a measure of *rapprochement* be realised? The solution of that question will depend on the attitude of the non-European countries which export agricultural products and on the claims of the importing countries of Europe with regard to the compensatory adjustments to be made by the European countries which export agricultural products.

5. An appreciable reduction in agrarian Customs duties in the industrial countries of Europe and a restriction of the indirect agrarian protectionism as practised by these countries might serve the even more important object of facilitating the marketing of European agricultural products. The real question is how far such a mitigation of agrarian protectionism in Europe is attainable, in view of certain conditions without the removal of which there can be little hope of any substantial relaxation of agrarian protectionism, whether direct or indirect.

6. Finally, an effective means of facilitating the marketing of agricultural products would be the restricting output by the big exporters, such a policy can alone make it possible to increase prices sufficiently to ensure at least a minimum profit for agriculture.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A (a), (b) and (c), B, C and D).

B.

The marketing of products manufactured in Bulgaria must be regarded as a difficult problem, especially in view of the low purchasing power of the population consequent upon the very small profits from agriculture—the principal means of livelihood of 80 per cent of the population.

Of the various measures of an international character for improving the profits of agriculture and increasing the purchasing power of the population, the following may be mentioned :

(a) Obtaining long-term foreign credits, both for the Government and for private people, at the lowest possible rates of interest ;

(b) International restriction and rationing of production with a view to remedying the agricultural depression throughout the world.

(c) The mitigation of agrarian protectionism (see reply to A (c)).

Protectionism in Bulgaria, which is chiefly industrial and fiscal, has arisen as a result of the following circumstances :

(1) The difficult financial position of the Government, due to reparations and post-war loans for the establishment of refugees and the stabilisation of the currency. Import duties are the main source of revenue, and any reduction in this revenue would make it impossible to balance the budget.

(2) The necessity of protecting local industries, since these are not yet in a position to face the competition of foreign industry, which has been established for a longer time and is more up to date.

(3) The considerable and permanent deficit in the balance of payments of the country and the consequent danger to the stability of the currency. The average annual deficit of the balance of payments is about 2 milliard (debit trade balance, national debt and reparations, interest and dividends on foreign capital leaving the country). In view of the difficulties occasioned by the extension of exports, and the dangers involved by covering deficits by foreign loans, a certain restriction of imports by means of import duties seems to be of prime necessity.

Since the question of Bulgarian Customs protectionism has been raised, we may mention here the system of encouraging local industry, which has led to the drafting of a special law.

This law, though helping to create certain industries in the country, does, without doubt, hinder the disposal of the corresponding foreign industrial products. It must be remembered, however, that thanks to this law, a large quantity of raw materials and semi-manufactured products and all machinery enter into the country free of duty and this entirely counterbalances the protectionist tendencies of the law.

C.

The following measures are designed to abolish certain typical cases of indirect protectionism.

1. Abolition of the various restrictions with regard to the quality of the cereals imported (weight in hectolitres and admixtures) and of flour (content of starch), which do not affect similar products of the country itself.

2. Adjustment of the wide disproportion which exists between taxes on the raw product (grain) and on the manufactured product (flour).

3. Abolition of all discrimination in railway or river tariffs, whereby artificial advantages are given to certain importers, while difficulties are created for the normal purveyors of agricultural produce.

4. Restriction, as far as possible, of the system of certificates of origin and certificates of quality, as also of the obligation to have a consular stamp affixed to these certificates, as this often proves an unsurmountable obstacle to the exportation of a number of agricultural products (grapes, vegetables, live-stock, butchers' meat, etc.).

D.

The above is, in our opinion, a satisfactory answer to the questions set forth in this paragraph.

Annex A.

AVERAGE ANNUAL SURPLUSES OF BULGARIAN AGRICULTURAL EXPORTS DURING THE FIVE YEARS 1925-1929.

Leaf tobacco	26,134.5	metric tons
Eggs	11,742.6	» »
Maize.	94,008.1	» »
Barley	35,157.4	» »
Wheat and young corn.	26,919.8	» »
Rye	12,298.5	» »
Millet.	5,570.3	» »
Dry beans	10,079.8	» »
Wheat flour.	17,359.9	» »
Bran and meslin.	9,238.6	» »
Buffaloes, bulls & cows	3.5	thousand head
Bullocks and cows.	20.1	» »
Wethers, ewes and rams	148.2	» »
Goats of both sexes	40.2	» »
Live fowls	579.7	» »
Poultry.	196.2	metric tons
Raw skins of small animals.	1,813.0	» »
Essence of roses.	2.7	» »
Compressed roses	0.8	» »
Silkworm cocoons	673.7	» »
Common cheese	346.6	» »
“Kashkaval” (cheese similar to Gruyère).	622.7	» »
Fresh butter	30.5	» »
Colza seed	10,283.8	» »
Sunflower seeds	11,096.1	» »
Fresh vegetables.	106.2	» »
Vegetable seeds	22.8	» »
Vetch.	4,260.0	» »
Shoots for planting	218.3	» »
Husks of oleaginous seeds	17,019.0	» »
Charcoal	21,556.4	» »
Fresh grapes	756.5	» »
Fresh fruits	462.5	» »
Dried plums.	117.3	» »
Nuts shelled or unshelled.	1,091.7	» »
Common table wines.	1,881.4	» »
Common alcohol.	694.1	» »
Refined sugar	2,592.9	» »

Annex B.

BULGARIAN AGRICULTURAL EXPORTS DURING THE LAST THREE YEARS.

Articles	1927		1928		1929		Articles
	Tonnes Tons	Millions de leva Millions of leva	Tonnes Tons	Millions de leva Millions of leva	Tonnes Tons	Millions de leva Millions of leva	
Tabac en feuilles....	26.940	2.100,6	22.399	2.242,5	20.222	2.896,3	Leaf tobacco.
Œufs.....	12.475	853,9	10.648	567,7	12.721	734,5	Eggs.
Mais.....	128.925	540,6	47.462	262,9	78.609	390,3	Maize.
Orge.....	77.748	435	36.750	191,9	17.864	86,5	Barley.
Froment.....	39.436	288,1	20.530	147,3	3.346	24	Wheat.
Seigle.....	19.852	115,7	24.220	139,7	3.776	22,1	Rye.
Millet.....	2.791	13,5	7.514	43,4	7.777	28,2	Millet.
Haricots secs.....	7.673	45,7	3.906	44,1	9.406	134,4	Dry beans.
Farine de froment...	14.717	163,2	8.363	89	1.266	13,3	Wheat flour.
Son et dragée.....	9.317	28	10.545	40,8	6.143	21,3	Bran and meslin.
Buffles et bufflonnes ¹	5,7	29,4	2,4	13,8	1,7	12,5	Buffaloes, bulls and cows. ¹
Bœufs et vaches ¹ ..	28,3	160,2	17,5	96,2	15,5	104,8	Bullocks and cows ¹
Moutons et brebis ¹ ..	143,3	84,6	133,3	77,4	59,9	42	Wethers and ewes ¹
Boucs et chèvres ¹ ...	67,6	31,9	44,3	23,9	31,9	19	Goats of both sexes ¹
Poules vivantes.....	843	40,2	653	30,9	382	23,5	Live fowls.
Viande de volaille...	113	5,3	351	19,2	500	27,7	Poultry.
Peaux brutes de menu bétail.....	2.880	331,7	1.821	332,2	1.624	298,6	Raw skins of small animals.
Essence de rose.....	2,4	185,7	3,2	240,7	3	266,8	Essence of roses.
Concrète de rose ...	1,1	16,4	0,5	21,2	1	75,7	Compressed roses.
Cocons de vers à soie	550	175,9	856	265,8	700	188,4	Silkworms' cocoons.
Fromage ordinaire ..	1.358	61,3	126	5,5	228	9,9	Common cheese.
Kachkaval (fromage genre Gruyère) ...	1.246	104	750	50	968	68	"Kachkaval" (cheese similar to Gruyère)
Colza (graines).....	3.780	42,1	39.412	406,7	136	1,4	Colza seed.
Graines de tournesol	3.060	26	11.319	84,8	18.909	121	Sunflower seeds.
Vesce.....	1.824	14	4.387	34,2	6.471	42,6	Vetch.
Sarments à planter..	294	16,8	354	21,4	297	24	Shoots for planting.
Déchets de graines oléifères.....	19.140	60,6	21.306	101,2	25.266	111,2	Husks of oleaginous seeds.
Charbon de bois.....	18.176	40,2	22.913	58,8	26.574	79,4	Charcoal.
Raisins frais.....	562	7,7	952	13,6	2.112	31,8	Fresh grapes.
Noix avec ou sans coquilles.....	2.139	48,3	780	18,7	838	22,2	Nuts, shelled or un- shelled.
Vins ordinaires.....	5.739	67,4	3.242	38,8	424	4,5	Common table wines.
Alcool ordinaire.....	1.562	28,7	892	16,9	844	17	Common alcohol.
Sucre raffiné.....	3.913	47,7	9.046	104,7	5	0,07	Refined sugar.

¹ Per thousand head.

Annex C.

NORMAL MARKETS FOR SURPLUS BULGARIAN AGRICULTURAL PRODUCTS FOR EXPORT.

Goods	Countries to which the products are or may be exported
Buffaloes	Greece, Turkey, Egypt.
Bullocks and cows	Greece, Turkey, Spain, Egypt, Austria.
Wethers and ewes	Greece, Turkey.
Goats of both sexes	Greece, Turkey.
Fowls	Italy, Greece, Germany, Egypt.
Poultry	Italy, Germany.
Butter	Greece, Turkey, Egypt.
Cheese	Greece, Egypt, France, Turkey, Austria, Italy.
“Kashkaval” cheese (similar to Gruyère)	Greece, Egypt, Turkey, France.
Eggs	Germany, Austria, Switzerland, Italy, Spain, Greece, France.
Wheat and young corn	Greece, Turkey, France, Belgium, Italy, Egypt.
Rye	Germany, Belgium, the Netherlands, Austria, Greece, Egypt, Italy, Turkey.
Barley	Germany, Belgium, the Netherlands, Greece, Austria, England, Egypt, Italy, France, Czechoslovakia.
Maize	France, Austria, England, Germany, Greece, Italy, Hungary, Belgium, the Netherlands, Czechoslovakia.
Millet	Austria, the Netherlands, Germany, Czechoslovakia, Belgium, Greece, Italy.
Dry beans	Greece, France, Belgium, Germany, Italy, Egypt, Spain.
Wheat flour	Greece, Egypt, Italy, France, Turkey, Germany, Syria, Palestine, Austria, Czechoslovakia.
Bran and meslin	Germany, Austria, Greece, Italy, Hungary, France, the Netherlands, Czechoslovakia.
Fresh grapes	Austria, Germany, Czechoslovakia, Poland.
Fresh fruits	Austria, Germany, Czechoslovakia, Poland.
Cooked plums	Austria, Germany, Greece, Egypt, France.
Nuts	Austria, Germany, France, United States, Hungary, Italy, Czechoslovakia.
Fresh vegetables	Austria, Germany, Czechoslovakia.
Colza seed	Germany, the Netherlands, Austria, England, France, Czechoslovakia, Belgium, Hungary.
Vegetable seeds	Roumania, Hungary, Greece, Czechoslovakia.
Seed onions	Austria, Italy, Greece, Czechoslovakia, Hungary, Rou- mania, Germany.
Sunflower seeds	Austria, England, Germany, Greece, Belgium, Italy, the Netherlands, France.
Vetch	Italy, France, Belgium, the Netherlands, Greece, England, Germany.
Shoots for planting	Greece, Roumania, Turkey, Yugoslavia.
Tobacco	Germany, Austria, Poland, Belgium, Italy, Czechoslova- kia, Hungary, Egypt, Holland, France, Switzerland.
Wines	Austria, Germany, Switzerland, Hungary, Czechoslovakia.
Husks of oleaginous seeds	Germany, Austria, England, the Netherlands, Czecho- slovakia, Belgium, Switzerland.
Charcoal	Turkey, Greece, Egypt.
Raw sheepskins	Germany, Austria, Italy, United States, Czechoslovakia, France, Poland, Hungary.
Raw goatskins	United States, France, Austria, Germany.
Raw kidskins	Germany, Italy, France, United States, Austria.
Silkworms' cocoons	Italy, France, Switzerland, Turkey, Greece, Czechoslovakia.
Essence of roses	France, Germany, United States, Italy, Switzerland, England.
Compressed roses	France, United States, Germany.
Common alcohol	Greece, Turkey.
Refined sugar	Greece, Turkey.

Annex D.

EXPORTS OF THE MOST IMPORTANT BULGARIAN AGRICULTURAL PRODUCTS TO THE PRINCIPAL COUNTRIES DURING THE YEARS 1927, 1928 AND 1929.

Articles	1927		1928		1929		Articles
	Quantité en tonnes	Valeur en millions de léva	Quantité en tonnes	Valeur en millions de léva	Quantité en tonnes	Valeur en millions de léva	
	Quantity in tons	Value in millions of leva	Quantity in tons	Value in millions of leva	Quantity in tons	Value in millions of leva	
AUSTRIA							
Oeufs	4.566,4	312,2	4.932,9	259,5	3.918	215,9	Eggs.
Maïs	20.320,7	87,3	8.434,3	49,7	13.370	75	Maize.
Millet	1.183,8	5,8	2.993,4	17,1	1.454	4,3	Millet.
Seigle	8.188,9	47,6	860,8	5,2	—	—	Rye.
Orge	4.161,1	23	1.435,3	7,2	—	—	Barley.
Colza	1.559,8	18,9	5.124,9	51,3	—	—	Colza.
Raisins frais	507,4	6,9	919,8	13,2	1.767	26,6	Fresh grapes.
Tabac en feuilles	4.019,8	353,9	2.932,9	300,7	2.252	330,7	Leaf tobacco.
Noix	1.275,3	25,1	165,6	3,9	560	12,6	Nuts.
Vins ordinaires	4.700,8	56,3	2.613,4	31,3	139	1,5	Ordinary wines.
Peaux brutes de menu bétail	367,6	53,6	542,2	82,8	531	84,2	Raw skins of small animals.
Peaux tannées et maroquins	—	—	136,6	22,1	77	14,8	Tanned skins and morocco leather.
ENGLAND							
Maïs	3.138,2	12,6	2.000	10,4	1.571	6,3	Maize.
Graines de tournesol	—	—	281,1	2,1	1.717	10,8	Sunflower seeds.
Colza	—	—	4.917,4	51,3	40	0,4	Colza.
Déchets de graines oléifères	5.409,2	17,9	3.794,3	18,5	5.935	27	Husks of oleaginous seeds.
Essence de rose	176	13,5	177	13,5	358	36,1	Essence of roses.
BELGIUM							
Orge	29.977,8	169	9.012,2	48,2	2.003	8,7	Barley.
Seigle	1.956,8	11,7	2.788,2	16,2	—	—	Rye.
Graines de tournesol	170	1,7	274,7	2	2.320	14,7	Sunflower seeds.
Colza	—	—	1.228,1	12,4	—	—	Colza.
Tabac en feuilles	1.151,1	71,2	2.319,8	155,6	2.042	188,5	Leaf tobacco.
Minerais divers	1.836,9	33,7	2.150,1	20,9	5.971	57,4	Various kinds of ore.
GERMANY							
Oeufs	3.854,3	266,8	4.673,3	252,8	6.559	389,5	Eggs.
Seigle	5.759,3	33,4	11.760	67,2	1.716	9,9	Rye.
Orge	21.210,3	118,9	19.138,7	99,2	5.939	30	Barley.
Maïs	31.186,6	127,3	7.335,1	40,2	19.821	93,9	Maize.
Millet	252,9	1,4	2.043,2	12	3.176	11,1	Millet.
Haricots secs	73,6	0,4	450,3	3,6	1.341	19,9	Dry beans.
Colza	104,1	1	9.878,9	101,8	96	1	Colza.
Son et dragée	3.479,1	10,9	4.308,9	16,7	3.588	11,9	Bran and meslin.
Graines de tournesol	2.126,5	17,5	2.108,9	15,9	6.135	38,7	Sunflower seeds.
Tabac en feuilles	9.322,5	668	8.543,5	834,9	7.270	1.000,5	Leaf tobacco.
Déchets de graines oléifères	10.368,8	32,2	14.288,6	67,3	15.776	68,3	Husks of oleaginous seeds.
Essence de rose kgr.	205	15,7	174	13,4	305	30,1	Essence of roses, in kilogrammes.
Noix	640,5	13,4	302,8	6,1	92	1,8	Nuts.
Peaux brutes de menu bétail	788	140,1	736,1	137,9	635	113,9	Raw skins of small animals.
Peaux tannées et maroquins	12	1,9	46,7	7,8	69	13,2	Tanned skins and morocco leather.
GREECE							
Buffles et bufflonnes mil. d. têtes	4,5	22,6	1,7	9,6	1,3	9,5	Buffaloes, bulls and cows (per thousand head).
Bœufs et vaches mil. d. têtes	24,5	135,6	15,4	83,5	14,2	96,5	Bullocks and cows.
Moutons, brebis et béliers mil. d. têtes	102,7	61,7	101,3	60,1	50,1	35,5	Wethers, ewes and rams.
Boucs et chèvres mil. d. têtes	71	36,6	42,9	23,1	31,3	18,6	Goats of both sexes.
Porcs mil. d. têtes	3,4	10,6	1,7	5,8	1,3	5,9	Pigs.
Fromage ordinaire, tonnes	1.217,1	55,1	20,2	0,9	134	5,8	Common cheese, in tons.
Kachkaval	566,8	47,5	162,4	10,8	255	18,3	Kashkaval.
Froment	26.164,4	195	7.906,7	60	1.378	10,4	Wheat.
Orge	3.459,1	18,6	971,3	5,2	5.774	28,7	Barley.
Maïs	15.394,8	62,1	7.242,8	40,8	10.892	60,9	Maize.
Haricots secs	4.651,9	28,8	1.596,2	19,6	4.090	56,4	Dry beans.
Sarments à planter	272,2	15,5	330	19,9	230	18,1	Shoots for planting.
Alcool	1.522,5	27,9	841,8	15,9	800	16	Alcohol.
Charbon de bois	4.202,1	9,7	4.402,4	11,3	10.672	31,7	Charcoal.
Farine de froment	11.081,9	122,9	3.729	40	114	1,2	Wheat flour.
Graines de tournesol	—	—	929,3	6,9	2.587	16,9	Sunflower seeds.
Sucre raffiné	2.158,5	25,5	3.036	35	—	—	Refined sugar.

Articles	1927		1928		1929		Articles
	Quantité en tonnes	Valeur en millions de léva	Quantité en tonnes	Valeur en millions de léva	Quantité en tonnes	Valeur en millions de léva	
	Quantity in tons	Value in millions of léva	Quantity in tons	Value in millions of léva	Quantity in tons	Value in millions of léva	
EGYPT							
Kachkaval (fromage genre Gruyère) . . .	172,5	14,6	142,1	8,5	291	19,3	Kashkaval cheese (similar to Gruyère)
Farine de froment . . .	110,6	1,2	1.119,8	12,4	51	0,5	Wheat flour.
Tabac en feuilles . . .	725,1	36,6	897,5	61,1	843	98,2	Leaf tobacco.
ITALY							
Poules vivantes, milliers de pièces . . .	664,7	31,5	612	28,9	355,2	21,5	Live fowls (per thousand).
Viande de volaille . . .	112,7	5,3	339,3	18,6	484	26,8	Poultry.
Oeufs	214,7	14,5	210,2	11,1	187	11,2	Eggs.
Maïs	1.930,8	8,6	8.091,2	43,9	9.982	52,4	Maize.
Haricots secs	—	—	665,5	9,8	951	13,5	Dry beans.
Farine de froment . . .	567,3	6,3	1.736,4	18	731	7,8	Wheat flour.
Vesce	557,8	4,3	2.737,1	20,8	1.162	7,6	Vetch.
Tabac en feuilles . . .	2.413,2	209,4	2.073,1	214,9	1.750	273	Leaf tobacco.
Peaux brutes de menu bétail	34,2	7,8	106,4	24,1	165	37,2	Raw skins of small animals.
Cocons de vers-à-soie	540,9	174,4	835,4	261,4	650	174,8	Silkworms' cocoons.
POLAND							
Tabac en feuilles . . .	705,8	47,4	2.402,8	282,6	3.174,0	538	Leaf tobacco.
TURKEY							
Moutons, brebis, béliers (mil. de p.) . . .	37,4	20,8	31	16,8	9,7	6,5	Wethers, ewes and rams (in thousands)
Kachkaval (fromage genre Gruyère) . . .	441,7	36,5	327,6	23,3	335	24,3	Kashkaval cheese (similar to Gruyère)
Froment	0,06	—	12.492,4	86,4	1.962	13,6	Wheat.
Charbon de bois	13.896,0	30,3	18.487	47,4	15.874	47,6	Charcoal.
Sucre raffiné	655,6	20,9	6.007,2	69,7	0,3	—	Refined sugar.
HUNGARY							
Maïs	9.768,8	44,5	1.787,1	10,6	614	3,6	Maize.
Tabac en feuilles . . .	1.703,5	178,1	886,4	108,9	973	105,2	Leaf tobacco.
FRANCE							
Oeufs	521,2	35,3	26,8	1,5	62	3,1	Eggs.
Maïs	14.442,6	59,6	10.936,9	57,7	1.462	7,1	Maize.
Haricots	1.917,6	10,6	615,2	5,6	1.831	26,1	Beans.
Essence de rose	1,6	121,2	2	154,9	2	158,5	Essence of rose.
Concrète de rose	1,1	16,4	0,5	20,5	1	72,8	Compressed roses.
Peaux brutes de menu bétail	195,5	53,5	144,7	46	50	13,4	Raw skins of small animals.
Colza	—	—	2.360,8	24,6	—	—	Colza.
NETHERLANDS							
Seigle	580,7	3,3	4.996,3	29	1.183	7,1	Rye.
Maïs	2.412,5	9,3	—	—	6.072	24,5	Maize.
Graines de tournesol	99,5	0,8	966,6	7,2	2.278	14,5	Sunflower seeds.
Tabac en feuilles . . .	3.266,4	227	1.355	135,6	242	24,4	Leaf tobacco.
Orge	3.067	17,3	1.953,8	10,2	120	0,5	Barley.
Colza	—	—	1.499,1	15,7	—	—	Colza.
CZECHOSLOVAKIA							
Tabac en feuilles . . .	3.189,4	276,3	792,7	123,2	1.481	266,7	Leaf tobacco.
Boyaux d'animaux domestiques	23,1	4,9	36,4	10,0	44	11,3	Intestines of domestic animals.
Peaux brutes de menu bétail	92,4	11,1	129,1	18	97	13,5	Raw skins of small animals.
Colza	—	—	1.083,9	11,2	—	—	Colza.

Irish Free State.

A.¹

(a) (b) The principal agricultural products which are produced in the Irish Free State in quantities in excess of national consumption are as follows :

Product	Exports in 1929 in thousands of £'s.	Exports as percentage of total production	Principal countries to which exports in 1929 were sent.
Live Cattle.....	13,549	82	G.B. ² (£12,342,000, N.I. ² (£1,207,000).
Live sheep & lambs .	1,382	39	G.B. (£1,288,000), N.I. (£94,000).
Pig products :			
Live pigs	1,933	60	G.B. (£1,799,000), N.I. (£134,000).
Fresh pork	1,203		G.B. (£507,000), N.I. (£696,000).
Bacon ³	2,720		G.B. (£2,597,000), N.I. (£118,000).
Other sorts.....	205		G.B. (£184,000), N.I. (£13,000).
Total pig products .	6,061		G.B. (£5,087,000), N.I. (£961,000).
Poultry.....	950	31	G.B. (£875,000), N.I. (£73,000).
Eggs.....	3,219	44	G.B. (£2,987,000), N.I. (£228,000).
Butter.....	4,555	36	G.B. (£4,066,000), N.I. (£474,000).
Cream.....	416	90	G.B. (£378,000), N.I. (£38,000).
Wool.....	833	93	G.B. (£473,000), U.S.A. ² (£193,000), Germany (£55,000), Belgium (£44,000), N.I. (£24,000), Netherlands (£19,000), France (£11,000), Canada (£10,000).
Hides.....	301	95	G.B. (£286,000), N.I. (£9,000).
Skins.....	260	95	G.B. (£177,000), Netherlands (£45,000), Belgium (£34,000).
Horses produced for sale ⁴	2,518	84	G.B. (£2,088,000), N.I. (£173,000), France (£63,000), Switzerland (£47,000), U.S.A. (£43,000), Belgium (£26,000), British India (£23,000), Italy (£19,000), Netherlands (£9,000), Spain (£8,000).

(c) As will be noted from the answers to (a) and (b), the Irish Free State has a surplus of agricultural products for export, and, further, the export of agricultural produce is much larger than the export of manufactured products. The Irish Free State, in common with other countries, has suffered during recent years from the decline in prices of agricultural produce, and has found it necessary to take steps, by legislation and otherwise, gradually to rationalise at least certain forms of agricultural production, and further to improve the marketing organisation of its produce in the direction of standardising quality, where practicable, and arranging for large-scale marketing on modern lines.

The Government of the Irish Free State had earlier arrived at the opinion, which is quoted in the protocol regarding the programme of future negotiations (on page 6), that there was a tendency to exaggerate the importance of Customs duties as a factor in international

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A (a), (b) and (c), B, C and D).

² G.B. = Great Britain ; N.I. = Northern Ireland ; U.S.A. = United States of America.

³ There is a large import of cheaper bacon (£1,610,000), mainly from the United States of America.

⁴ There is a large import of horses from the United Kingdom of Great Britain and Northern Ireland—£1,306,000 in 1929. It is difficult to distinguish the extent to which the exports and imports of horses represent sales.

commerce in agricultural produce. Lack of commercial organisation was a more serious handicap, and there was, further, a need for rationalising certain forms of agricultural production. Defective marketing, and the absence of standardisation of quality, were problems which had clearly to be dealt with, and measures to deal with these aspects of the matter have already been adopted by the national legislature.

It may be that this opinion as to the minor importance of Customs duties arises from the fact that Irish Free State agricultural produce was chiefly marketed in Great Britain, a country which has no duties on agricultural produce. It was found, however, that, even under these conditions, the ameliorative measures referred to above were necessary, if Irish Free State produce was to compete successfully with produce from other countries, both European and overseas, which had a superior marketing organisation, and had taken steps to ensure standardisation of quality.

The experience of the Government of the Irish Free State in examining its own problem would suggest that any or all of the measures proposed in the Protocol regarding the Programme of Future Negotiations for the purpose of improving the position of the agricultural producer are wise and salutary measures. Practically all of these proposals have been, for the most part, adopted already as the national programme of the Government of the Irish Free State. An Agricultural Credit Corporation has been set up which enables credit to be obtained on the best possible terms by farmers. Co-operative production in the dairying industry has been established by law, and provision has been made for the adoption of national brands, which will only be granted to produce attaining a certain standard of quality. Consideration is being given to the fuller rationalisation of agricultural production in any and every way possible.

B, C and D.

As the Irish Free State is a comparatively new State, which, for reasons inherent in its history, has had insufficient opportunity to develop its industrial production, it is difficult for the Government, conscious that the home producer is entitled to expect a much larger share of the home market than it has yet been possible to secure him, to suggest means that might be employed to facilitate the disposal of the manufactured goods of fully developed industrial countries seeking markets for their surplus products.

The view has been urged on previous occasions by the Government of the Irish Free State that the problem of comparatively undeveloped countries necessitates special consideration by the Economic Organisations of the League. It has been pointed out that such countries in the absence of practical suggestions as to how their special needs should be met, could not be expected to fall in wholeheartedly with any plans that might stereotype, or even reduce, their existing industrial production, in favour of more advanced industrial countries.

The Government of the Irish Free State would not wish to be taken as standing in the way of any international agreements or arrangements which would tend towards the increased prosperity of other countries, but, until such time as the scheme outlined by the Economic Organisations of the League includes specific proposals for safeguarding the legitimate aspirations of industrially backward countries, such as the Irish Free State, it must be expected to exercise the utmost caution in initiating or supporting plans that might react to its own disadvantage. In justification of this attitude, it may be urged that economic organisations acting under the authority of such a body as the League have a natural duty to ensure the fullest consideration for the interests of such of its members as must be recognised to hold at present a relatively weak position.

The Irish Free State is primarily an agricultural country, but it possesses sufficient industrial experience and trained labour to enable national production to fill a much larger proportion of the home demand for manufactured goods than at present. Unfortunately, as a result of the impetus given to industrial production in other countries during the European war, with consequent over-production in the after-war period, Irish Free State manufacturers have been gravely prejudiced through the continued import of manufactured goods in large quantities that sell at prices with which Irish Free State producers could not at present reasonably be expected to compete. In such a situation, the Irish Free State Government has had no alternative but to take steps for the protection, by means of Customs tariffs, of a number of industrial products. Other countries had for many years maintained much more elaborate systems of protection. The relative positions occupied by different States in their advance towards the common aspiration of industrial prosperity showed such inequalities in opportunity, diversities in the rate of progress, and disparities in achievement that the Government of the Irish Free State has been of opinion that the Commercial Convention adopted at the Preliminary Conference at Geneva with a view to Concerted Economic Action, in February 1930, could not but cause anxiety to many States. The Convention appeared too summary in its adoption of a basis for stabilisation, too partial in its inherent exclusions, to secure under existing circumstances that general economic concert which was its aim.

The number of industrial products on which a protective duty has been imposed in the Irish Free State is small, and the rates of duty imposed low, in comparison with those generally prevailing in Europe. To stereotype what are essentially minimum tariffs, adopted as an experimental first step, on the principles contained in the Convention would endanger the legitimate ambition, held by the industrially undeveloped States, of securing a reasonable share of the home market for home industries, while it would maintain in a manifestly privileged position those other States which have had full time and opportunity to realise that ambition and stabilise their economic achievements.

It is scarcely possible at this stage to do more than indicate generally the lines along which special consideration could be secured for the circumstances of such countries as the Irish Free State. Measures taken internationally to stimulate the demand for, and improve the price of, agricultural produce would clearly be insufficient to justify the acceptance of restrictions on industrial production in States where a reasonable balance between primary and secondary production has not yet been attained. But such measures, if effectively devised and operated, must encourage States having a large interest in agricultural production to consider more favourably than is possible for them at present international arrangements for the stabilising of tariff levels on manufactured goods, provided there is no question but that, as a broad general principle, every State is entitled at any time to adopt such levels for comparable goods as any other State is entitled to adopt or maintain. Except on such a basis of equality of right, international arrangements cannot produce a general concert; they can only result in dividing members of the League into separate and antagonistic economic groups. In the view of the Government of the Irish Free State, it is extremely desirable that the Economic Organisations of the League should now undertake an international survey of the tariff levels on manufactured goods other than such as are produced only in restricted localities, with a view to informing all Members of the League as to the position in this respect of other Members with whom they are invited to enter into conventions, and to discovering whether, and to what extent, a basis of equality in the exercise of fiscal powers in the national interest can be laid down. A basis which, adopted for stabilisation tariff levels of the present date, would, in the view of the Irish Free State, be an empirical basis involving such plain inequities as to afford no prospect of an enduring international agreement. Meanwhile, the Government of the Irish Free State would find itself at liberty to approve measures for the limitation of direct or indirect bounties or subsidies to industrial production, so that the fiscal policies of the various States would become more easily comparable, and the attainment of a real common measure of equity be facilitated.

It is recognised that indirect or hidden forms of protectionism may have a detrimental effect on the interests of many States, and it would, therefore, appear desirable that a close enquiry should be made into cases of indirect protectionism, as well as into all aspects of the question of export bounties and subsidies. With this information available, it should be possible to study more accurately the problem of how consistent with the interests of other nations and in the manner least prejudicial to an international understanding, individual States could effectively proceed to encourage national production.

Portugal.

[*Translation.*]

A.¹

(a) Table A attached shows, from 1925 to 1929, the average national and assimilated exports of the principal agricultural products of vegetable and animal origin.

Among these very varied products there are two which are of much greater importance than the rest. These are liqueur and table wines, the value of which is £2,884,483, and cork in the form of sheets, bottle stoppers and discs, which amounts to £1,059,814.

Table B shows the average exports for the same period of the various industrial products of the country. Among these we would mention preserved fish, which amounts to a total of £1,642,611, of which £1,259,610 is made up of sardines.

(b) A complete reply to this question is furnished by Tables A and B, which show that Great Britain, France, North America, Brazil and the Portuguese colonies are the principal outlets for Portugal's surplus agricultural production. Her products are, however, sent all over the world, mainly to other European countries.

(c) The disposal of surplus production might be facilitated by the reduction in the importing countries of import duties and charges, and the simplification of formalities imposed on the ground of the protection of health and other pretexts, and which, in many cases, hamper the regular exchange of commodities.

A better knowledge in countries with an insufficient production of the surplus output of producing countries, including qualities and prices, the international recognition of descriptions, appellations of origin and regional marks (which is so important for the exportation of port and madeira), credit facilities commensurate with the safety and importance of the transactions, the mutual recognition of the advantages of giving preference to European markets for the products or raw materials which they can supply on better terms than others—all these things, if countries acted in an enlightened spirit of solidarity (which is, moreover, essential in view of the precarious economic situation of Europe at the present time), would help to facilitate the disposal of surplus production.

B.

The foregoing considerations under A (c) also apply in general to Question B.

At the present time, Portugal exports a large variety of manufactured products (see Table B); but, although the national industry, which is being completely reorganised, has already made great progress, the only product of which there is a considerable surplus at the moment is preserved fish. There is still a sufficient market for all the other products in the Portuguese colonies.

C.

The Portuguese Government will reply in detail to this question later, as soon as the enquiry into the matter, by the Ministry of Finance, which has consulted commercial and industrial associations in the mother-country and the colonies, is completed.

D.

The reply given above to paragraph (c) of Question A in regard to the disposal of surplus production also applies to the movement of products.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c); B; C and D).

Table A.

NATIONAL AND ASSIMILATED EXPORTS OF THE PRINCIPAL AGRICULTURAL
AND ANIMAL PRODUCTS.

Average figures for the period 1925-1929.

Description of product.	Quantity.	Value in escudos.	Value in £.	Countries to which exported.
<i>Liqueur wines:</i> Port (decalitres) ..	4,820,203	221,271,797	2,115,328	In escudos. Great Britain (130,640,000\$), France (20,700,000\$), Angola (17,910,000\$), Brazil (14,770,000\$), Germany (8,330,000\$).
<i>Liqueur wines:</i> Madeira (decalitres)	382,380	16,712,625	165,665	Sweden (5,760,000\$), Denmark (2,800,000\$), France, Finland, Norway and Germany.
<i>Liqueur wines:</i> of other origin (decalitres)	610,679	12,025,952	120,898	Great Britain (3,120,000\$), Brazil (2,150,000\$), Belgium (1,710,000\$), Italy, Netherlands and Angola.
Table wines, red and white (decalitres).	4,539,224	50,055,641	483,692	Brazil (15,330,000\$), France (13,290,000\$), Angola (9,540,000\$), Mozambique (5,570,000\$).
Cork (including disks and bottle stoppers (kg.)	105,635,877	108,547,313	1,059,814	United States of America (31,540,000\$), Great Britain (27,780,000\$), Germany (22,170,000\$), Netherlands (7,760,000\$), Denmark (6,100,000\$), Belgium (2,690,000\$), Sweden, Brazil (8,180,000\$), Angola (2,430,000\$), Mozambique (2,430,000\$), Great Britain.
Olive oil (kg.)	2,595,639	14,945,689	140,735	Netherlands (3,910,000\$), Great Britain (3,850,000\$), Germany (2,330,000\$), Belgium (1,220,000\$), France.
Almonds (kg.)	2,049,795	14,610,552	144,471	Belgium (4,940,000\$), Great Britain (2,440,000\$), France (1,840,000\$), United States of America and Germany.
Wool (waste), raw wool, washed wool (not specified) (kg.)	1,166,644	10,741,434	107,376	Spain (4,640,000\$), Great Britain (2,420,000\$), Portuguese Colonies.
Timber (kg.)	48,133,208	7,998,977	77,847	United States of America (2,000,000\$), Belgium (1,920,000\$), Netherlands (1,440,000\$), Germany.
Dried figs (kg.)	6,448,694	6,794,943	68,473	Great Britain (3,650,000\$), Germany (1,400,000\$), Brazil (550,000\$).
Dried grapes (kg.) ..	4,556,092	5,674,859	57,699	Spain (2,900,000\$), Great Britain (720,000\$), France, United States of America, Netherlands, Italy and Germany.
Hides and skins, raw or prepared (kg.) ..	696,472	5,086,495	51,255	Great Britain (2,390,000\$), Germany (2,170,000\$), France.
Pineapples (number)	1,856,373	5,032,785	48,568	Great Britain (4,080,000\$), France, Germany.
Carob beans (kg.) ..	13,192,281	4,290,870	42,148	Belgium, Netherlands, France, Great Britain, Mozambique and provisioning of vessels.
Dried vegetables (not specified) (kg.) ...	1,605,485	3,081,555	28,947	Great Britain (1,370,000\$), Brazil (600,000\$), Angola.
Onions (kg.)	4,805,429	2,378,047	23,105	Brazil (870,000\$), Provisioning of vessels.
Fresh and dried fruit (not specified) (kg.)	9,999,481	2,154,113	19,120	Spain (640,000\$), Great Britain (340,000\$), Germany, Netherlands and Denmark.
Fodder (not specified) (kg.)	7,935,188	2,088,225	20,008	Great Britain (950,000\$), provisioning of vessels.
Pot-herbs and fresh vegetables (not specified) (kg.)	858,193	1,608,796	15,730	Great Britain (1,480,000\$).
Apples (kg.)	2,709,809	1,580,374	15,524	Brazil, Great Britain, Argentine.
Chestnuts (kg.)	1,410,111	1,306,387	12,625	Spain (780,000\$), Portuguese Colonies provisioning of vessels.
Live-stock (head) ...	2,859	1,061,495	10,537	

Table B.

NATIONAL AND ASSIMILATED EXPORTS OF THE PRINCIPAL MANUFACTURED PRODUCTS.

Average figures for the period 1925-1929.

Description of product.	Quantity.	Value in escudos.	Value in £.	Countries to which exported.
Preserved sardines . .	33,434,176	127,820,918	1,259,610	France, Germany, Great Britain, Belgium, Italy, United States of America, Argentine, Brazil, Netherlands and Egypt.
Preserved tunny....	807,234	6,185,915	61,509	Italy.
Preserved fish (not specified) (kg.)....	7,219,158	18,387,422	181,357	Italy, Egypt, Germany, France, Belgium, Great Britain, Argentine, Turkey, Netherlands, Greece.
Sardines in brine, dried, pressed and prepared in the form of anchovies .	5,364,084	8,362,123	82,280	Italy, Greece, Spain, Turkey, Brazil, Egypt, Argentine, France.
Fish not specified, in brine, dried, pressed and prepared in the form of anchovies.....	2,602,970	5,760,006	57,855	Greece, Italy, Spain, France, Argentine, Brazil, Egypt, Germany.
Preserved olives....	2,011,407	3,321,375	32,475	Brazil.
Preserved tomatoes in salted purée....	367,458	752,049	7,538	Great Britain.
Other fruit, pot-herb and vegetable preserved.....	225,872	643,981	6,384	Brazil.
Candied fruit.....	87,706	653,303	6,409	United States of America, Great Britain.
Wood manufactures, sawn, in bundles, for cases and casks	21,261	5,634,172	55,681	Spain.
Wood manufactures, rods,	127,784	903,894	8,876	Brazil.
Iron and steel manufactures.....	1,170,505	2,931,705	29,440	Brazil, Great Britain, Spain, France Belgium.
Instruments, hardware, implements and tools for arts and crafts, agriculture and gardening.....	571,586	2,001,362	19,669	Brazil.
Medicaments, simple or compound	139,883	1,516,998	15,024	Brazil, Portuguese Colonies.
Printed papers and books	161,463	1,272,641	12,663	Brazil.
Cork manufactures, not specially mentioned, with the exception of bottle stoppers	313,634	925,165	9,374	United States of America, Great Britain, Brazil, France.
China, earthenware and pottery for electrical apparatus, with or without metal fittings .	217,223	737,955	7,267	Brazil, Spain, Belgium, Netherlands, Germany.
Copper and copper alloys	80,064	692,555	6,821	Great Britain, Germany, France, Spain.
Glassware.....	94,074	474,602	4,759	France, Great Britain, Spain.
Stoneware	1,044,472	457,261	4,586	Brazil, Belgium, Spain.
Linen cloth, embroidered.....	8,338	448,211	4,667	United States of America, Germany Great Britain, and Argentine.
Printed matter, loose	45,790	441,729	4,309	Brazil, Great Britain, Spain and France.
Silverware	513	279,517	2,792	Brazil, France and Morocco.

Switzerland.

[Translation.]

A¹.

(a) Switzerland, whose grain production is restricted by her general economic conditions, is compelled to convert a relatively large proportion of her milk production into export articles (cheese, condensed milk, milk chocolate, milk flour for children). These articles represent her surplus agricultural production. The exports of these products have constantly decreased in recent years, as shown by the following figures :

	1913	1928	1929
	in thousands of quintals		
Fresh milk	181.2	128.5	94.6
Condensed milk	405.6	373.1	356.0
Hard cheese, in portions	356.8	216.5	248.2
Chocolate	168.2	88.6	75.8

While there has been an increase in milk production as compared with the pre-war period, the export of milk products has constantly declined. This is due principally to the fact that foreign countries have continually increased their Customs duties, luxury taxes and other imposts of the same kind, particularly on chocolate ; that in many countries Customs duties on cheese have also been increased ; that, in view of the over-production of milk abroad, the prices of milk and milk products have been greatly reduced ; and, finally that many countries have developed their cheese industry by using Swiss processes, the goods being often sold under designations likely to produce the false impression on the purchaser that they are Swiss products.

At times there is also an over-production of cattle, pigs, fruit and wine on the Swiss market.

(b) As regards the high-quality products referred to in the reply to the preceding question, it is hardly possible to speak of "normal" outlets properly so-called. Swiss cheese is sold principally to the United States of America, Germany and Italy, and also to France and Great Britain ; the remainder of the quantity exported is distributed among a large number of other countries. The position is similar in respect of condensed milk and chocolate.

(c) It is difficult to reply to this question, since, as pointed out above, Switzerland has no "normal" outlets properly so-called for agricultural products. A reduction in Customs duties (protective and fiscal), luxury taxes and other imposts of the same kind levied by foreign countries, in some cases on a very high scale, would be likely considerably to promote the disposal of Swiss products. In addition, certain countries, when selling products competing with ours, should cease to use designations of origin constituting what Switzerland regards as unfair competition. Internal measures, such as an improvement in quality, export concentration, etc., also come into consideration.

B.

This question raises extremely difficult and complicated economic problems. The Federal Council is not in a position to deal with them in detail within the limits of the present reply. The place and the circumstances in which the question was raised justify, however, the assumption that it refers exclusively, or at any rate principally, to European countries. This raises the often-discussed problem of the relations between the agricultural countries of Eastern Europe and the more industrial countries of Central and Western Europe. It can hardly be denied that there is a certain antagonism between them. It would appear that this antagonism should, without much difficulty, lead each of these groups to provide for the economic needs which the other group cannot satisfy. In the opinion of the Federal Council, it is not simply a question of agricultural countries on the one side and industrial countries on the other, for the economic structure of almost all these countries is mixed. The so-called industrial countries will not, or cannot, neglect their agricultural production while the so-called agricultural countries endeavour to maintain the industries which they have established and even to extend them and to introduce fresh industries. The Swiss economic structure is

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, a), b) and c) ; B ; C and D).

definitely of this mixed type. Although industry occupies a much larger number of persons than agriculture, the latter nevertheless continues to be of such importance that the Government cannot under any circumstances disregard it. For cultural, political and economic reasons, Switzerland must always endeavour to prevent a further decline in her agriculture. While formerly about half the inhabitants of Switzerland found their livelihood in agriculture, at the present time this branch provides a living for barely a quarter of the total population. Switzerland cannot, therefore, give her consent to any international measure likely to impair still further, or even to threaten, the existence of her agriculture, which is already undergoing a period of severe depression.

On the other hand, the Federal Council perfectly understands that the Eastern European countries, living principally on the disposal of their agricultural products, require facilities for export. It is well aware that such facilities would be likely to increase the buying power of these countries and thereby to create fresh outlets for industrial products. It would, however, point out that Switzerland imported agricultural products from the Eastern European countries to a value of 25 million francs in 1913 and 78 million francs in 1929. In spite of a certain Customs protection accorded to Swiss agriculture, which produces under much less favourable conditions than the competing agriculture of the Eastern European countries, the imports from this part of Europe have not declined, but have, on the contrary, considerably increased.

Switzerland is willing to study carefully any measures which may facilitate the disposal of agricultural products from Eastern Europe to a still greater extent. She will do so provided her vital interests are not affected.

How can such disposal be facilitated ?

(a) It is possible, to a certain extent, to meet the present situation by improving the quality of the products (standardisation), and by creating a better organisation for collecting and distributing them.

(b) In the first place, there is a temptation to seek the solution of this problem in the sphere of Customs policy. But, in the opinion of the Federal Council, this solution would meet with very great difficulties. The experience gained in recent years in the negotiation of bilateral commercial tariff treaties shows that this system has but a small effect in promoting trade. Would there be a greater possibility of overcoming existing antagonisms by means of multilateral agreements ? This appears doubtful, to say the least. The Eastern countries have made a fresh proposal ; they express the wish that their agricultural products and, in particular, their cereals should be guaranteed preferential Customs duties. The Federal Council would, however, find difficulty in accepting this proposal, because in many commercial treaties Switzerland has undertaken to guarantee to other countries unconditional and unrestricted most-favoured-nation treatment—in particular, to overseas countries exporting food products to the Federation. Switzerland could not think of violating or freeing herself from these obligations ; for, even if her exports of industrial products to Eastern Europe were considerably increased, this could not even approximately compensate for the loss of Switzerland's existing markets in the overseas countries in question. Even if the application of preferential duties to the agricultural products of Eastern Europe only slightly affected the interests of the overseas suppliers, Switzerland considers that such preferential treatment could only be granted with the latter's consent.

(c) As, therefore, in the opinion of the Swiss Government, the Customs policy method is likely to offer considerable difficulties, efforts might be made to solve the problem by creating, both in exporting and importing countries, specific organisations which could enter into direct relations with each other. This method also offers great difficulties both from the internal and international points of view. The Federal Council would, however, be willing to participate actively in a detailed study of this proposal, as of any other solution which might be proposed.

It is rightly stated that the defective organisation of international credit is a further reason for the unsatisfactory economic position of Europe. Switzerland shares this view, and considers that, by granting long-term credits to the agricultural countries of Eastern Europe suffering from the present depression, their purchasing power would be increased and the sales of industrial products to these countries would be increased proportionately. The Federal Council is prepared to take active part in the study of this proposal also, but would draw attention to the extreme importance of defining for what purposes these credits would be used. If they involved an increase of agricultural production, a further unfortunate drop in the prices of agricultural products would be brought about. It is unnecessary to point out here that this proposal of international credits involves other extremely difficult and delicate problems.

Finally, the Federal Council must refer to the particularly high Customs barriers and other obstacles to trade which at present exist in Eastern Europe. These Customs barriers and obstacles to trade restrict ever more narrowly, and, in many cases, entirely prevent the sale of Swiss industrial products. The Federal Council considers that these barriers would have to be greatly reduced if common action were taken to promote the disposal of products coming from countries which have established them.

C.

Apart from the remarks made under B, the Federal Council will confine itself to pointing out here that these measures have already been excellently defined in the resolutions of the International Economic Conference of 1927, and also in Article 2 of the Protocol of March 24th, 1930. The Federal Council considers that it is still necessary, by concluding bilateral or multilateral international agreements, to oppose energetically any fresh Customs increases and to take the quickest possible steps to lower Customs barriers and reduce trade obstacles. In this connection, the Federal Council is of opinion that the European countries which still pursue a more or less liberal Customs policy and which do not, as a rule, consolidate their Customs duties by treaties, could and should obtain guarantees from the other countries with regard to their exports. The first group of States would naturally undertake certain obligations as compensation for the guarantees given by the second group of States. The Federal Council would be willing, either alone or in combination with other countries negotiating commercial tariff treaties, to enter into negotiations with the first group of States.

D.

In accordance with the principles already laid down by the International Economic Conference, the Swiss Government holds that all export restrictions and taxes on raw materials should be abolished. With regard to international agreements in the form of cartels in respects of raw materials, wide publicity should be demanded, and in so far as these agreements are concluded between countries producing raw materials, it should be stipulated that the interests of consuming countries should be loyally protected.

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Geneva, October 31st, 1930.

LEAGUE OF NATIONS

SECOND INTERNATIONAL CONFERENCE

WITH A VIEW TO

CONCERTED ECONOMIC ACTION

(Geneva, November 17th, 1930)

REPLIES OF THE GOVERNMENTS

TO THE QUESTIONNAIRE ANNEXED TO ARTICLE I
OF THE PROTOCOL REGARDING THE

PROGRAMME OF FUTURE NEGOTIATIONS

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Series of League of Nations Publications

II. ECONOMIC AND FINANCIAL
1930. II. 44. Addendum II.

Spain.

A.¹

[*Translation.*]

(a) The agricultural products of which there is over-production in Spain, and which therefore must be exported, are given, together with the corresponding figures, in the annexed table No. 1. If that table is examined, it will be seen that the agricultural products exported by Spain may be divided into three groups—namely:

1. Agricultural products found in a very small number of European countries—
oranges, lemons, olive oil, olives, almonds, hazel-nuts, rice, saffron, red pepper, garlic, dried figs, and raisins ;
2. Agricultural products which are found in a larger number of European countries—
wines, fresh grapes, fruit pulp, onions, melons and apricots ;
3. Agricultural products which are widely grown either by natural or by forced cultivation, such as tomatoes, onions, artichokes and potatoes.

The barriers and difficulties which hinder the distribution and disposal of these products in Europe are, for group 1, mainly fiscal ; for group 2 they are fiscal and protectionist ; and for group 3, mainly protectionist.

(b) The markets to which these products are mainly sent are those indicated in the statistical table given in Annex 2. If this table is consulted, it will be seen that almost all products exported by Spain are sent to European markets.

(c) As far as Spain is concerned, it is, above all, necessary, in order to ensure the sale of her agricultural products, to study ways and means of removing the obstacles and barriers in European markets which prevent the sale of the agricultural products enumerated in group 1 of (a). As these hindrances mainly consist of fiscal and not protectionist taxation, it would be desirable to reduce the fiscal duties in every country which hinder the import of agricultural products not produced at home.

B.

In order to facilitate the disposal of manufactured products in agricultural countries such as Spain, the purchasing power of those countries must be increased. This may be effected in the following two ways :

(1) By promoting the increase of the purchasing power of the currency in countries which have not stabilised their currency ;

(2) By facilitating in every country the sale of agricultural products from the countries in question, provided that the European purchasing country does not itself produce them, and therefore does not cause loss to its own growers.

C.

Accordingly, Spain considers that, while retaining protectionist duties, which it seems at present impossible to abolish, since they meet a very real and urgent need in every European country, it would be desirable to reduce the purely fiscal and other similar obstacles to the sale of agricultural products within the continent of Europe. In this way, the agricultural countries of Europe will benefit greatly by increasing the sale of their products, and the industrial countries of Europe will improve their position through the increased capacity of the agricultural countries to buy manufactured products.

¹ In forwarding its reply, the Spanish Government informed the Secretariat that it was not, for the moment, replying to the points contained in Section D of the questionnaire.

The text of the reply on the other points is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c), B and C).

Annex 1.

EXPORT OF PRINCIPAL AGRICULTURAL PRODUCTS.

(In millions of Pesetas)

	1925	1926	1927	1928	1929	Moyenne Average	Pour cent Per cent	
Oranges.....	214,4	215,1	186,1	257,6	237,8	222,2	11,8	Oranges.
Vins.....	121,3	124,2	315,5	347,8	246,9	231,1	12,3	Wines.
Huiles d'olive....	71,8	135,4	106,5	229,2	142,8	137,1	7,3	Olive Oils.
Amandes.....	69,4	65,8	69,7	80,7	66,1	70,3	3,7	Almonds.
Noisettes.....	10,6	12,5	22,5	20,2	37,8	20,7	1,1	Nuts.
Raisins frais	15,3	8,1	14,9	19,0	39,7	19,4	1,0	Grapes.
Raisins secs	13,2	13,9	14,8	11,5	17,1	14,1	0,8	Raisins.
Pulpes de fruits..	10,2	13,7	14,9	19,5	19,2	15,5	0,8	Fruit Pulp.
Olives	24,8	41,1	25,0	36,6	54,1	36,3	1,9	Olives.
Oignons.....	36,5	36,4	31,2	31,4	30,7	22,2	1,8	Onions.
Riz.....	21,7	30,8	35,1	39,2	19,9	29,3	1,6	Rice.
Safran	6,1	5,4	9,6	13,7	10,5	9,1	0,5	Saffron.
Piment en poudre	12,4	11,7	9,2	11,5	15,9	12,1	0,6	Powdered Pimento.
Pommes de terre	0,1	10,3	6,3	9,6	20,6	10,4	1,9	Potatoes.
Ails.....	2,5	2,0	5,5	3,9	3,6	3,5		Garlic.
Artichauts	0,7	0,7	1,1	2,3	7,8	2,5		Artichokes.
Tomates	2,3	1,8	1,7	3,5	4,2	2,7		Tomatoes.
Citrons	6,2	3,5	3,9	3,4	8,3	5,1		Lemons.
Melons	4,7	9,6	2,4	4,2	4,8	5,1		Melons.
Abricots	1,8	1,8	2,1	2,8	3,5	2,4		Apricots.
Figues sèches	4,9	5,4	4,7	3,7	5,0	4,7		Dried figs.
TOTAL	656,9	749,2	882,7	1.150,3	996,3			
TOTAL GÉNÉRAL..	1.584,7	1.605,7	1.895,3	2.183,5	2.112,9	1.876,4	100,0	GENERAL TOTAL
Pour cent	41,5	56,7	46,5	52,6	47,0			Per cent

Annex 2.

	France	Grande-Bretagne Great Britain	Allemagne Germany	Italie Italy	Etats-Unis U.S.A.	Hollande Holland	Belgique Belgium	Maroc Z. F. Morocco F. Z.	Maroc Z. E. Morocco S. Z.	Suisse Switzerland	Portugal	Argentine	Uruguay	Cuba	Brésil Brazil	Autres Others	Total		
Oranges	49,7	103,8	41,6			19,3	10,9										12,6	237,9	Oranges.
Vin rouge.....	119,9		5,7	7,3		3,8	3,5										15,9	164,1	Red wine.
Vin blanc.....	27,3							4,9		3,10							4,8	35,4	White wine.
Vin de liqueur	4,6	5,5	4,1			4,5	1,9	1,5	1,8								15,2	69,4	Liqueur wine.
Huile en petites boîtes					8,6							22,6	12,1	10,9					
Huile en grands foudres	4,4	5,0	0,0	5,6	20,4							22,6	12,1	10,9			15,2	69,4	Oil in small tins.
Amandes en coque ..	1,4	1,5			4,5							7,6		8,4			21,9	73,3	Oil in casks.
Amandes sans coque ..		22,3	3,9		13,6	2,8						1,3					2,1	10,8	Almonds (unshelled).
Noisettes en coque ..	0,3	1,2	0,0		0,5		0,9					2,6					10,3	55,5	Almonds (shelled).
Noisettes sans coque.	7,4	9,3	7,3	3,1	3,2	2,5											1,0	3,9	Nuts (unshelled).
Raisins frais.....	4,0	20,8	10,2														2,1	34,9	Nuts (shelled).
Raisins secs	1,8	8,2	0,6														4,7	39,7	Grapes.
Pulpes de fruits	4,3	5,2	3,7		0,8	1,8	2,7										6,5	17,1	Raisins.
Olives					36,8							4,7					0,8	19,3	Fruit pulp.
Oignons		23,5			4,4							4,7		3,4	4,0		5,2	54,1	Olives.
Riz		9,6	0,5									1,1					1,7	30,7	Onions.
Safran.....	6,4										1,5	2,3		2,1			3,9	19,9	Rice.
Piment en poudre ..	1,2			1,9	4,8							1,9		1,1			1,1	10,5	Saffron.
												2,8					5,2	15,9	Powdered Pimento.

Finland.

A.¹

Although Finland, like most European countries, is both an agricultural and industrial country, inasmuch as she exports considerable quantities of industrial products, in particular wrought wood, the greater part of the Finnish population (65 per cent according to the 1920 statistics) lives on agriculture, and live-stock products have for a long time been important export articles.

(a) Finland has a surplus production of butter, cheese, hides and skins, and to some extent fresh meat. The following table gives the quantities and values of these exports :

Year	Butter Tons	marks ooo,ooo's omitted	Cheese Tons	marks ooo,ooo's omitted	Hides and skins Tons	marks ooo,ooo's omitted	Fresh Meat Tons	marks ooo,ooo's omitted
1911-1915 ²	11,444	581	1,245	31	2,695	59	1,067	11
1921-1925	8,561	316	2,508	56	3,131	66	2,863	24
1925 . . .	13,191	478	3,820	77	4,755	102	3,366	31.7
1926 . . .	13,212	428	2,887	51	5,302	97	3,226	28.2
1927 . . .	15,076	475	2,949	54	5,679	111	1,551	14.6
1928 . . .	13,376	458	1,648	33	5,084	113	677	7.4
1929 . . .	16,606	537	2,194	40	5,370	99	471	5.5

(b) The markets for these surplus exports are :

BUTTER, IN TONS, EXPORTED BY THE STATE CONTROL STATION IN 1922-1929, TO VARIOUS COUNTRIES.

	1922	1923	1924	1925	1926	1927	1928	1929
Great Britain . . .	5,949	5,943	6,857	8,596	9,479	10,420	10,085	11,859
Germany	153	71	1,167	4,026	3,438	4,398	3,162	4,427
Sweden	702	81	—	11	2	—	10	—
Norway	98	31	—	8	24	58	1	23
Denmark	536	184	74	258	164	164	44	182
France	28	—	—	—	—	—	—	—
Poland	—	—	—	—	—	—	—	—
Czechoslovakia . .	—	24	—	—	—	—	—	—
Switzerland	7	—	—	—	—	—	—	—
Netherlands	—	—	—	—	—	—	—	—
Belgium	1	—	—	—	—	—	—	—
Total	7,474	6,334	8,098	12,899	13,107	15,040	13,302	16,491

In 1930, from January 1st to August 31st :

	Tons
Great Britain	8,671
Germany	3,412
Denmark	137
Norway	9
Switzerland	—
Total	12,229

The above figures show that Finnish butter is at present exported almost exclusively to England and Germany.

¹ The text of the present reply is arranged in the same order as the items of the questionnaire submitted to the States (A, (a), (b) and (c), C and D).

² Former amounts converted into present currency by multiplying by 11.

In the last two years Finnish cheese has been purchased by the following countries :

	1928 Kilogrammes	1929 Kilogrammes
Germany	874,864	1,177,859
Belgium.	312,924	405,318
United States of America	185,905	165,130
Great Britain	98,321	17,012
Sweden	79,923	67,200
Denmark	65,497	43,425
Norway	10,223	2,181
Poland	10,208	6,556
France	5,950	52,983
Hungary	—	53,893
Switzerland	—	9,393
Spain	—	6,145
Total	1,648,480	2,193,764

As shown by the above table, the most important markets for Finnish cheese are at present Germany, Belgium and the United States of America.

Meat has been exported from Finland to Great Britain, Sweden and Norway, and hides and skins to Germany and the United States of America, etc.

(c) The measures adopted in certain countries to increase the Customs duties on dairy produce have seriously disturbed those Finnish farmers whose attention was devoted particularly to the sale of this produce. It is probable that the increase in Customs duties on dairy produce in one European country will hinder the sale of Finnish butter and cheese and reduce the economic yield of the dairy-farming industry.

The Customs policy pursued by the United States of America has also impeded the export of Finnish cheese to that country. In 1927, about 18 per cent of the total exports of cheese went to the United States, while, since then, exports to that country have greatly decreased.

The total meat production of Finland has been calculated at about 110 million kilogrammes, and is principally consumed within the country. In the last few decades, Finland has, however, exported a certain quantity of meat, and such exports are apparently capable of considerable development. Since the war, these exports have principally gone to Sweden (partly to Stockholm and partly to the consuming centres and industrial districts of north Sweden), to Norway (principally to Oslo) and to England. Since the world war there has been a great recovery in these exports. Finnish meat is in great demand in Sweden and has been sold on an equal footing with Swedish meat.

As a result, however, of various Royal Decrees, foreign meat is placed in a special position as compared with Swedish meat. By these decrees, importers of foreign cattle or meat are obliged to report their business to the competent authority. Again, any person using foreign meat in products sold for human consumption must make a similar declaration to the authorities, mentioning the place where such products will be prepared. Moreover, by these decrees, imported meat or meat obtained from an imported animal must be stamped with the word " Utländskt " (foreign) or the country of origin. Again, all meat preparations produced even partly from foreign meat must be stamped in the same manner. Consequently, Finnish meat and meat products cannot be sold in Sweden without this stamp. Infringements of these decrees are punishable with a fine of not less than 25 and not more than 1,000 crowns. The above measures taken by the Swedish Government, which have greatly reduced the exports of Finnish meat to Sweden, cannot be regarded as measures necessary for the prevention of disease, since the meat control and the supervision of meat preparations produced in Finland are properly organised from the point of view of health.

The exports of Finnish meat to Norway have consisted principally of fresh beef. Export has been possible only when prices were favourable, especially in the cold season, and the best economic results have been obtained with large ox quarters of the highest quality. The goods are exported principally by boat via Turku-Stockholm and thence by rail in transit to Oslo ; attempts have also been made to send meat to Oslo by rail via Tornio when the temperature is suitable. These exports have been made for a long enough time and on a large enough scale to prove that the export of fresh meat from Finland to Norway is quite feasible in practice. The import duties on meat in Norway are very high.

Finnish meat exports have recently greatly decreased, principally on account of the above-mentioned obstacles to the free sale and treatment of the meat. Generally speaking, in order to develop normally the export of Finnish livestock products, the natural outlets for these products—*i.e.*, the industrial countries of England, Germany and Belgium, and also

the Scandinavian countries—should abstain as far as possible from Customs and other restrictions.

During the present depression, the prices of agricultural products are, in comparison with the pre-war period, relatively much lower than the prices of the articles required by agriculture and lower than wages, so that the purchasing power of the agricultural population is necessarily restricted. The present depression appears to be due to the following causes :

- (1) The increase in the value of gold and the resulting general drop in prices ;
- (2) The greatly increased supply of agricultural products since the war ;
- (3) The decrease in the consumption of agricultural products, due, among other things, to the fact that the adoption of mechanical methods has rendered unnecessary a large number of draught animals, while excessive Customs duties have impeded the normal growth of consumption.

It would appear that Finland's possibilities of purchasing industrial products—and this applies to many other countries—could be increased if the countries occupying a leading economic position endeavoured to remove the causes of the economic depression by adopting effective practical measures and a uniform system. In the first place, harmful fluctuations in the purchasing power of gold should be obviated by a more equal distribution of gold reserves and the stabilisation of the currencies in the various countries.

Similarly, as the great technical progress which has taken place in agriculture since the war has greatly increased its productive capacity, while the general adoption of mechanical power has considerably reduced the demand for certain agricultural products, many large producing countries no longer require the same relative amount of labour as before the war. The countries which are being converted into industrial countries should therefore not prevent the transfer of agricultural labour to industry and other trades by imposing Customs duties and other artificial obstacles.

A more liberal policy of this kind would lead to an extension and development of the markets for agricultural products, while, at the same time, the power of the agricultural countries properly so-called to purchase industrial products would be greatly increased.

C and D.

The disposal of agricultural products in the Scandinavian countries would be greatly promoted if these countries did not hinder the import of Finnish meat by administrative measures. There would appear to be no real justification for these measures, as the Finnish export slaughter-houses satisfy all reasonable requirements, while the packing and transport of meat have always been carried out in Finland with sufficient care.

In view of these facts, Finland recommends that an international convention should be concluded in the near future for unifying veterinary measures and abolishing the indirect protection which they confer.

Although the aim pursued by the League of Nations in the sphere of political economy since the great Economic Conference of 1927—*i.e.*, a considerable reduction in protectionist tariffs in all countries, especially in Europe—will scarcely be easy of attainment in the near future, as many countries find it indispensable, for the present, to protect their home production, still the partial results attained, such as the signature of the Commercial Convention of March 24th, 1930, should be welcomed as a step towards concerted economic action.

In the course of the future negotiations for greater uniformity in European Customs matters, the formal foundations, such as a unified nomenclature, must be established—at any rate on their main lines. Moreover, in order to further the solution of such questions, a comparative study should be made of the tariffs in various countries, as proposed by the French delegation's Memorandum, Section VI, appended to the Protocol regarding the programme of future negotiations. It might be advisable in the first place to make such an enquiry in regard to a group of specially important commodities in the trade between European countries. Among the groups of commodities suggested by the Economic Committee of the League of Nations in its proposals for Customs unification, timber, wood-pulp and paper are important for Finnish export. The Finnish Government, while referring to the opinions which it expressed at the beginning of this year on the Economic Committee's reports, has the honour to make the following proposal in respect of these unification plans :

It is desirable that the Customs duties of the various countries on timber and its products should be unified, and that the League of Nations should continue its efforts in respect of the standardisation of timber and the timber trade, possibly with the assistance of the International Chamber of Commerce. Moreover, a comparative study should be made of the Customs protection accorded to planed wood in the various countries on similar lines to the calculation of Customs protection on sawn wood, by comparing the import duties on round wood and sawn wood in the various countries. This would no doubt give even more significant

figures than the percentages of Customs protection on sawn wood. Such an enquiry is necessary for the further study of this question. In accordance with the results of this enquiry, the import duties on planed wood would have to be correspondingly reduced. Again, efforts should be made to clear up any similar unfairness existing in the tariffs on ply-wood.

In respect of the unification of wood-pulp and paper, in this case also the Customs tariff headings in the various countries should, in the first place, be unified. In view of the mistakes made with regard to Finland in the investigations hitherto conducted, which were pointed out by the Finnish Government in its communication at the beginning of this year, the work recorded in document E.543 of the Economic Committee should be checked, so that the comparisons of the Customs tariffs of the various countries is based on exact facts. The average market prices (not prices extracted from export statistics) should therefore be indicated; for instance, for the following standardised goods: Wet and dry mechanical wood-pulp; bleached and unbleached sulphate and sulphite cellulose, wet and dry; cardboard produced from mechanical wood-pulp; rag-board; Kraft paper; newsprint; other printing paper; brown wrapping paper; parchment paper; grease-proof; standardised writing paper; rag paper; etc.

The question of Customs duties on wood-pulp and paper is closely connected with that of the international trade in wood for paper-making and the export duties on this material. The international trade in wood for paper-making could not be organised in such a way as to permit of this material being freely bought and sold on the market, like the raw materials of the textile industry and metals, etc., but the buyer must make direct purchases abroad, and this may involve difficulties for forestry and lead to the destructive exploitation of the forests. As, moreover, the transport costs of wood are much higher than those of the products of the wood-pulp and paper industry, it is of greater advantage from the point of view of world economy that wood for paper-making should be treated in the producing country. When studying this question, therefore, attention should be drawn to the necessity of abolishing prohibitive import duties, by means of which various countries endeavour to give artificial support to their wood-pulp and paper industry.

Greece.

[*Translation.*]

The Greek Government has been unable to comply with the wish expressed in paragraph 2 of Article 1 of the "Protocol" to formulate "concrete proposals capable of serving as a basis for future negotiations". The replies reflect its views, at the present stage of the discussions, on each of the questions raised in the questionnaire, without prejudice to the attitude it may be finally compelled to adopt during the future negotiations.

A. ¹

(a) Greece has an export surplus, after supplying home consumption, of the following agricultural products :

Tobacco leaves, wine in barrels, currants, raisins, sultanas, heavy wines, olive oil, olives, dried figs, citrus fruits, almonds, locust beans, olive-kernel oils, turpentine essence, resin, raw skins and hides, wool and hair, cocoons and silk. (The figures in the annexed table represent the average annual exports of these products in the five years 1925 to 1929.)

There is, on the other hand, a definite deficit in the production of cereals and sugar. In the case of cereals, the deficit is estimated at 45 per cent of the country's requirements, and is covered by imports from abroad, especially America. There is practically no production of sugar, and Greece buys what she needs principally from Czechoslovakia.

(b) The table gives some indication of the normal outlets for each of these surplus products. For tobacco, we may mention Germany, the Netherlands and the United States of America ; for raisins, England ; for wines, France, and to some extent Switzerland and Germany ; for olives, the United States, France and Italy ; for olive oil, France, Italy, England and the Balkan countries.

The total value of the surplus agricultural produce exported abroad is estimated at about 5,500 million drachmas. These goods are mostly (*i.e.*, to a value of 3,800 million drachmas) sold on the European markets. The United States is the principal market outside Europe.

This surplus produce is sold almost exclusively to Central and Western Europe and the United States, while the agricultural countries of Europe have as yet offered outlets of only secondary importance.

(c) Greece is seriously anxious as to the possibility of maintaining, in future, the present normal outlets for her surplus production, for the following reasons :

1. The constantly increasing competition encountered by certain products in markets which they formerly commanded, from similar products of other origin. This is the case with currants, of which Greece formerly possessed a kind of "natural monopoly" of production.

2. The restrictive measures adopted by some countries importing our products, such as wine, by which their sale is greatly impeded ;

3. The existence of all-powerful combines which, by fixing prices, create serious difficulties, particularly for tobacco producers, who are thus subjected to conditions harmful to the country's balance of trade.

It is quite clear that, in order to overcome these difficulties, suitable measures should be taken, in the first place, to counteract these tendencies which are so harmful to Greek export trade, and, in the second place, to provide, by ordinary bilateral negotiations, fresh outlets for surplus products in countries where their import has hitherto been prevented by various opposing private interests. In this respect, the Balkan countries offer a suitable field. For this reason, the First Balkan Conference, which recently met at Athens, devoted its entire attention to a more rational organisation for the exchange of products, and the possibilities of a general agreement on this subject were discussed at length. An inter-Balkan

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agreement of this kind, in addition to increasing mutual trade, would greatly promote the standardisation of products and enable concerted action to be taken for their sale outside the Balkans.

Greece would, in that case, not object to undertaking to purchase a part of her grain supplies from her neighbours, so long, of course, as her constant efforts had not succeeded in making her independent of imports from foreign countries. It should be noted that the Customs duties at present imposed on the import of grain into Greece by no means constitute an obstacle to such imports, since Greece cannot yet dispense with foreign cereals.

While the proposal to reserve an import quota for the Balkan countries supplying Greece with grain is of particular importance for safeguarding European production in the present period of depression, it would not prejudice the oversea suppliers, who would, as in the past, still retain a large share in the country's grain supply.

As regards tobacco, the proposed organisation of a common front between Greece, on the one hand, and Turkey and Bulgaria, which are also producing countries, on the other hand, would greatly facilitate the disposal of the surplus production, as it would tend (1) to reduce production in the same proportion in the three countries, (2) to create improved standard qualities, and (3) to keep in check the powerful organisation of the manufacturing combines, which inevitably involves a fall in prices, to the great detriment of producers.

The Greek Government does not propose to discuss here the undoubted advantages that would result from the point of view of the better disposal of surplus agricultural produce, from the systematic organisation, on international lines, of agricultural credits, arbitration or commercial disputes, etc., as all these remedies are already being advocated by the League of Nations and apparently no one denies the soundness of their principles.

B.

Greece is essentially an agricultural country, and purchases almost all the industrial products she needs abroad. Moreover, Greek manufacturers import their machinery and many semi-manufactured materials. The imports of manufactured goods continue to grow, and would grow still further if the purchasing power of the agricultural population could be steadily increased by the better and more reliable disposal of their products. The Greek Customs tariff, having been reduced by a succession of bilateral commercial agreements, is not among the highest, and cannot therefore be regarded as an obstacle to imports.

Except for carpets—an industry that has expanded in recent years and is of the highest importance to Greece, as it is the principal means of livelihood of the refugees who fled from the Near Eastern wars—Greek manufactured products can, by their nature, only be exported to the Balkan countries, and this trade is at present very small.

The conclusion of agreements for extending the markets for the small surplus production of Greek industry might be looked upon as one of the practical possibilities for safeguarding interests common to Greece and her neighbours.

C.

It would appear that the essential factors for extending markets and improving international trade are a strict and loyal observance of the provisions of bilateral treaties, a fairer and more impartial application of the most-favoured-nation clause, and simultaneous and progressive reductions of Customs barriers. But this programme must be carried out in a spirit of sincere international co-operation, to ensure improved economic conditions for all.

In the same way, the Greek Government considers that the conclusion of regional economic agreements, such as that which was the subject of general preliminary study at the recent Balkan Conference, should be encouraged.

Not only would each State be relieved of the often difficult task of finding a basis for agreement by direct negotiation with each other State, but the formation of local groups would help to clear the way for a European or even worldwide economic understanding.

Among the measures calculated to facilitate relations between the various markets may also be mentioned the simplification of Customs formalities and the abandonment of all discrimination in their application.

D.

This question is of prime importance to Greece, as the country is not endowed by nature with the principal raw materials.

The Greek Government would therefore welcome any suggestion from countries possessing raw materials with a view to their fair distribution.

Annex.

TABLE OF EXPORTS OF AGRICULTURAL PRODUCTS, SHOWING THE AVERAGE QUANTITIES EXPORTED TO CERTAIN EUROPEAN COUNTRIES DURING THE LAST FIVE YEARS, 1925-1929, AND THEIR VALUE IN DRACHMAS, COMPARED WITH THE TOTAL EXPORTS OF THE SAME PRODUCTS TO ALL OTHER COUNTRIES.

No d'ordre	Produits exportés	France France Kilos Kg.	Valeur Value Drachmes Drachmas	Allemagne Germany Kilos Kg.	Valeur Value Drachmes Drachmas	Italie Italy Kilos Kg.	Valeur Value Drachmes Drachmas	Grande- Bretagne Great Britain Kilos — Kg.	Valeur Value Drachmes Drachmas	Pays-Bas Netherlands Kilos Kg.	Valeur Value Drachmes Drachmas	Produits exportés
1	Hespéridées	—	—	—	—	272.000	1.849.600	435.800	2.963.440	—	—	Citrus fruits.
2	Figues sèches	—	—	1.484.000	8.904.000	6.913.000	41.478.000	685.000	4.110.000	—	—	Dried figs.
3	Raisins secs de Corinthe	2.967.000	29.788.000	7.551.000	75.812.000	3.341.000	33.543.000	51.423.000	516.286.000	7.776.000	78.071.000	Currants.
4	Raisins « Sultanina » ...	251.600	2.817.920	3.249.800	36.386.560	5.520.800	60.839.200	3.268.600	36.608.320	1.052.600	11.799.120	Sultanas.
5	Amandes	252.190	6.304.750	—	—	—	—	—	—	—	—	Almonds.
6	Caroubes	9.084.000	12.280.000	—	—	1.806.000	2.420.040	3.495.000	4.673.300	—	—	Locust beans.
7	Tabac en feuilles	291.000	18.676.000	8.751.000	1.203.389.000	8.025.000	515.044.500	486.000	31.914.800	1.562.000	100.248.160	Tobacco leaves . ¹
8	Olives	373.000	3.699.160	—	—	225.000	2.232.000	—	—	—	—	Olives.
9	Huile d'olive	1.579.000	30.649.000	—	—	5.394.000	104.967.240	850.000	16.541.000	—	—	Olive oil.
10	Huile de grignons	—	—	—	—	—	—	—	—	—	—	Kernel oil.
11	Mistelles	—	—	—	—	904.000	2.748.168	650.000	1.976.000	—	—	Heavy wines.
12	Vins en fûts	46.090.000	183.438.200	10.573.000	42.080.540	23.324.000	92.829.520	6.326.000	25.177.480	6.068.000	24.151.640	Wine in casks.
13	Peaux brutes	269.000	10.980.580	419.000	17.103.580	2.102.000	85.803.640	—	—	—	—	Hides and skins.
14	Essence de térébenthine	—	—	1.180.000	17.764.800	263.000	3.966.780	31.000	466.460	301.000	4.533.060	Turpentine.
15	Colophane	—	—	257.000	1.043.420	5.432.000	—	—	—	—	—	Resin.
16	Laine et poils	57.000	1.740.780	44.000	1.346.760	23.000	—	—	—	—	—	Wool and hair.
17	Cocons	60.336	6.652.332	—	—	248.000	—	—	—	—	—	Cocoons.
18	Soie	77.376	29.283.800	—	—	29.700	—	—	—	—	—	Silk.
19	Tapis	9.800	1.817.880	2.200	408.320	1.800	—	16.000	296.260	—	—	Carpets.
	Total	61.361.303	347.728.402	42.174.000	1.404.238.980	63.824.300	984.192.190	6.766.400	640.714.160	16.759.600	218.793.980	Total.

No ordre	Produits exportés	Belgique	Valeur	Roumanie	Valeur	Yougoslavie	Valeur	Prix moyens au cours de la période 1925-1929 Average price during 1925-1929	Poids total en kilos Total Weight kg.	Valeur	Autres destinations non dénombrées Other countries		Products exported
		Kilos Kg.	Drachmes Drachmas	Kilos Kg.	Drachmes Drachmas	Kilos Kg.	Drachmes Drachmas			Total value Drachmas	Kilos - Kg.	Drachmes - Drachmas	
1	Hespéridées	—	—	1.274.000	8.663.200	181.000	1.220.800	6,80	2.162.800	14.697.400	343.100	22.602.300	Citrus fruits.
2	Figues sèches	—	—	755.000	4.430.000	232.000	1.392.000	6	9.733.000	60.314.000	11.757.880	63.023.600	Dried figs.
3	Raisins secs de Corinthe	136.000	1.363.000	—	—	—	—	10	73.194.000	734.866.400	78.089.100	782.170.428	Currants.
4	Raisins « Sultanina » ...	260.000	2.912.000	—	—	—	—	11,20	13.602.400	151.053.120	14.557.600	163.043.180	Sultanas.
5	Amandes.....	—	—	—	—	—	—	25	268.690	6.304.750	910.640	20.397.872	Almonds.
6	Caroubes.....	—	—	600.000	804.000	—	—	1,40	20.385.000	20.177.340	15.450.120	21.112.225	Locust beans.
7	Tabac en feuilles ¹	909	583.330.120	—	—	—	—	64,20	31.287.000	2.008.602.420	49.614.232	3.184.032.030	Tobacco leaves. ¹
8	Olives	—	—	2.879.000	28.559.680	184.000	1.825.280	9,92	3.661.000	36.316.120	11.868.820	113.314.094	Olives.
9	Huile d'olive	—	—	115.000	2.237.900	—	—	19,45	7.986.000	154.395.140	11.037.540	213.897.419	Olive oil.
10	Huile de grignons.....	—	—	—	—	336.000	3.479.880	10,30	336.000	3.479.880	1.799.360	18.158.313	Kernel oil.
11	Mistelles	—	—	—	—	—	—	3,04	1.554.000	4.724.160	2.535.960	8.782.438	Heavy wines.
12	Vins en fûts	4.666.000	17.570.680	—	—	—	—	3,81	97.047.000	369.535.060	111.649.440	448.567.475	Wine in casks.
13	Peaux brutes	—	—	—	—	—	—	40,70	2.790.000	113.477.800	2.983.960	80.947.200	Hides and skins.
14	Essence de térébenthine	—	—	360.000	5.421.600	—	—	15,06	1.135.000	32.153.100	2.098.340	31.996.616	Turpentine.
15	Colophane.....	—	—	1.311.000	5.392.660	250.000	1.015.000	4,06	7.250.000	28.491.000	8.751.840	34.500.148	Resin.
16	Laine et poils	—	—	—	—	176.000	5.375.040	30,54	300.000	9.165.000	2.910.240	30.265.452	Wool and hair.
17	Cocons	—	—	—	—	—	—	10,20	308.336	9.385.292	318.400	32.714.532	Cocoons.
18	Soie	—	—	—	—	—	—	378,50	107.077	39.925.250	62.430	30.327.482	Silk.
19	Tapis.....	—	—	—	—	—	—	185,60	29.800	2.876.920	110.413	17.894.760	Carpets.
	Total....	5.971.000	64.475.700	7.294.000	55.509.040	1.359.000	14.308.000	—	267.642.103	3.800.949.792	229.929.475	5.346.187.544	Total

¹ Tabac en feuilles. —	Autriche Austria kilos—kg.	Valeur Value Dr.	Suède Sweden kilos—kg.	Valeur Value Dr.
Tobacco leaves.				

In the five-year period 1925-1929, the total exports amounted to 625,334 tons, making the value of 5,855,158,000 drachmas.

Lithuania.

A.¹

[*Translation.*]

(a) The principal agricultural products of which Lithuania produces a surplus for export are: flax and linseed, timber materials, grain, butter, eggs, fruit, poultry, pigs and bacon, cattle and horses.

Lithuania has not every year a sufficient surplus of grain for export; nevertheless, the steady recovery of the country since the war, and the extensive draining of marshes and other efforts to improve agricultural production, will certainly increase the surplus of grain for export if the market is favourable, although stockbreeding is developing and also calls for a greater quantity of grain every year. The increase in exports of pigs and dairy produce is particularly notable.

(b) Lithuania exports most of her produce to European countries. Almost half the flax is purchased by Great Britain, a third by Germany, and the remainder is distributed among Belgium, France, Czechoslovakia and other countries. Most of the linseed is also exported to Great Britain. About 70 per cent of the butter exports go to Germany, and 20 per cent to Great Britain. Eggs are exported principally to Great Britain and Germany—about 45 per cent to each country—and about 10 per cent to Latvia. Rough timber is exported almost exclusively to Germany, while wrought wood goes to Great Britain, Germany, Spain, the United States of America and other countries. Cattle, pigs and geese are exported principally to Germany. Bacon, the output of which is increasing considerably, is exported to Great Britain. Horses are exported to various countries, but chiefly to Belgium, Denmark, Great Britain, Latvia and the Netherlands. In respect of grain, Lithuania generally exports rye to Latvia and a small quantity to Germany, wheat and barley to Germany, oats to Latvia, lentils, vetches and peas to Great Britain, Germany and Latvia.

(c) We are inclined to think that the principal cause of the present economic depression is to be found, not in insufficient output, but in the ill-adjusted economic system of the world.

Again, the European agricultural countries are at present obliged to accept very low prices for their agricultural produce, not on account of any abnormal increase in their production—there is, in fact, no such abnormal increase—but because there is an insufficient demand for agricultural produce in the industrial countries of Europe, although these latter countries do not produce all the foodstuffs they require.

The lack of equilibrium in the European markets is, in our opinion, principally due to the fact that, in recent years, the industrial countries themselves have been constantly endeavouring to increase their agricultural production, while continuing to import considerable quantities of agricultural produce from overseas.

It is a curious fact that although the European agricultural countries purchase the greater part of the manufactured goods from the European industrial countries, they have difficulty in finding an outlet for their produce in Europe.

The industrial countries are endeavouring to increase the profits from their works and at the same time produce a sufficient quantity of agricultural products without any regard to the normal cost of production. With this object, they raise high Customs barriers, issue sanitary regulations, and spend the profits accruing from their industry, entirely forgetting that prosperity cannot be confined in watertight compartments. The results are disastrous for both classes of country.

The basic remedy for this position is surely to be found in specialised production. In our opinion, every country must produce and manufacture those goods which cost it least. Moreover, if agricultural countries can be enabled to sell their surplus produce to industrial countries, a step of capital importance will be taken towards improving the international economic position.

An endeavour must be made to rationalise international production and co-ordinate the economic efforts of various countries, while at the same time the obstacles to the free

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movement of goods must be removed. Although the abolition of these obstacles may not completely settle the problem, it will at any rate promote the movement of goods and enable the various countries to work on profitable and rational lines.

B.

In the modern economic world, the two principal producing branches—agriculture and industry—are closely connected.

It is evident that agricultural countries will buy more manufactured goods if they are able to sell their products to industrial countries and thus increase their purchasing power.

A study of statistics shows that the years following the war are characterised by a great disparity between the prices of industrial products and those of agricultural products, and between the financial yield of agriculture and that of industry.

In order to decrease this price-disparity between manufactured goods and agricultural produce, the industrial countries should, in our opinion, constantly endeavour to decrease manufacturing costs by means of rationalisation, scientific improvements in factories, and other means at their disposal.

If practical means are not found for enabling agricultural countries to increase their purchasing power and to restore the former equilibrium of prices, we consider it a vain hope that unemployment and the other economic difficulties in various countries will soon disappear.

But the European farmers themselves must also intensify their production and reduce their costs, in order to meet competition from oversea producers who possess extensive and fertile lands, mechanical methods of agriculture, and a good sales and transport organisation, and who are thus able to sell certain classes of product more cheaply in European markets.

The chief means by which the European farmer can be helped to increase his income and purchasing power are the more intensive use of agricultural machinery, the standardisation of products, a better system of purchase and sale, and other suitable measures.

The co-operative societies might, we think, do very valuable work in this field.

It would be profitable for both producers and consumers to enter into direct relations with each other.

Credits are indispensable for increasing the agricultural yield, and international action in this respect will greatly help to promote this object, and will enable these countries to purchase a greater quantity of manufactured goods.

C.

In replying to this question, it should be pointed out, in the first place, that the movement of goods might be encouraged by reducing Customs tariffs and by changing them as rarely as possible.

Other methods which might increase the freedom of trade are the simplification of Customs tariffs, the unification of their nomenclature, the simplification of various Customs and administrative formalities, the abolition of export and import prohibitions and restrictions, etc.

The various administrative and veterinary regulations cause great difficulties for agricultural countries, particularly as they are frequently unjustified.

Seeing that, since the war, there has been an increase both in the production and in the population of Europe, while the volume of international trade has decreased, it is evident that co-ordinated international action is required to settle this complex question in a more rational manner with a view to increasing international trade.

D.

It would appear to be of the greatest importance to organise the distribution of raw materials and to specialise their production.

In order to attain this main object, greater freedom of movement for raw materials is essential for the development of industry and trade:

Consequently, all countries should aim at reducing Customs duties on raw-materials, as such duties can only be justified on fiscal grounds or by exceptional circumstances.

It is naturally impossible in this short summary to examine all these questions in detail; all we can do is to record here some general ideas and suggestions which, if carried into effect, might well increase economic prosperity and ensure peace in this sphere.

Lithuania has the highest appreciation for the efforts made by the League of Nations to establish closer and smoother economic relations between the nations to their greater mutual advantage, and it is her sole desire to co-operate, as far as she is able, in this vitally important work.

Luxemburg.

The Grand-Duchy of Luxemburg is both an agricultural and an industrial country : 31.2 per cent of the population are engaged in agriculture and 47.4 per cent in trade or industry.

A. ¹

(a) and (b).

Products	Average Exports	Outlets
Potatoes	70,000 metric quintals	France, Germany, Great Britain.
Rye	60,000 metric quintals	France (Lorraine), Germany (Rhineland).
Oats	12,000 metric quintals	France (Lorraine), Belgium.
Clover-seed	8,800 metric quintals	Germany, Belgium.
Fruits	20,000 metric quintals	Germany, Great Britain, Netherlands, Belgium.
Wines	80,000 hectolitres	Belgium, Germany, Poland.
Alcohols	18,000 hectolitres	Belgium.
Tan bark	60,000 metric quintals	France, Germany, Netherlands.
Roses.	8,000,000 items	All countries.
Fruit trees and shrubs	4,000,000 items	Adjacent countries.
Forest plants	30,000,000 items	Adjacent countries.
Pigs	30,000 head	Germany, France, Belgium.
Young pigs	12,000 head	Germany, France, Belgium.
Dairy cows	3,000 head	Germany, France.
Horses	2,000 head	Germany, Switzerland.
Butter	350,000 kilogrammes	Germany, France, Belgium.
Milk	10,000 hectolitres	France.

There is an absolute surplus. That is to say, the Grand-Duchy must export annually wine, alcohol, tan bark, roses, fruit trees and shrubs, forest plants, pigs, young pigs, dairy cows, horses and butter. In the other products, the surplus is intermittent, occurring, as a general rule, only in years when there is a good harvest.

(c) To ensure the disposal of surplus agricultural production in the normal markets, it would be necessary to reduce the protective tariffs on such products to a reasonable level and to abolish import restrictions and prohibitions.

The Belgo-Luxemburg Economic Union has no Customs duties on the majority of agricultural products : Live animals, meat, milk, eggs, potatoes and cereals (except oats). The few dutiable products are very lightly taxed—for example, butter at the rate of 2.85 gold francs per quintal, oats at the rate of 0.85 gold francs per quintal.

While maintaining the principle of the most-favoured-nation clause, the Grand-Ducal Government recommends, from the standpoint of agriculture, the conclusion of agreements which would take into account the export requirements of the individual States.

B.

The disposal of manufactured products would be facilitated by the reduction of Customs duties to a more moderate level.

In connection with the export of industrial products to agricultural countries, it is highly desirable that such States should be assisted in finding outlets for their agricultural products. This would be to the advantage, not only of the agricultural countries themselves, but also of the industrial countries, which would thus obtain increased purchasing power for their manufactured products. Further, it is probable that the agricultural States, if assured of outlets for their normal production, would be less inclined to embark on premature and artificial industrialisation. Industries can thrive only with the help of protective duties, which cause the countries exporting industrial products harm far exceeding any advantages that may be derived by the agricultural States.

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Lastly, the disposal of manufactured products to consuming countries would be facilitated by the international organisation of long-term credits with a view to the economic equipment of non-industrialised countries short of capital.

C.

The Grand-Ducal Government recommends as Customs and administrative measures to improve international trade :

- (1) An anti-dumping campaign ;
- (2) The abolition of export bounties of every kind ;
- (3) The abolition of consular visas for certificates of origin—since they add nothing to the value of the document—or the reduction of the fee to a strict minimum, in conformity with the Convention concerning Customs formalities.

D.

As a means of ensuring the free movement of raw materials, the Luxemburg Government can only recommend the putting into force of the International Convention for the Abolition of Import and Export Prohibitions and Restrictions.

Czechoslovakia.

[Translation.]

Czechoslovakia is glad to reply to the questionnaire appended to paragraph 1 of the "Protocol regarding the Programme of Future Negotiations" of March 24th, 1930, because she feels that nothing should be left undone to overcome the agitation and insecurity resulting from protective measures lately taken throughout the world and to restore order and harmony in international economic relations. With this idea, she is resolved to contribute, as far as she is able, towards realising the aims of the League.

According to the returns for 1921, 39.6 per cent of the total population was engaged in agriculture, forestry and fishing, 33.8 per cent in industry and trades, and 10.7 per cent in commerce, finance and transport. As regards the main forms of production, therefore, Czechoslovakia has a mixed structure, both industrial and agricultural. These two elements are very important for national economy. The prosperity of one influences that of the other and, inversely, the weakening of one has an unfavourable effect on the other.

In the external trade of Czechoslovakia, industry is of greater importance, as some branches of industrial production are dependent on exports. More than 80 per cent of the exports go to European countries (in 1928, 84.2 per cent while 10 per cent goes to America, including 7 per cent to the United States; 4 per cent to Asia; 2 per cent to Africa, etc.)

Agriculture is distinguished by intensive production, in respect of both vegetable and animal products. The agricultural output covers home consumption in sole cases entirely, and in others almost entirely; it supplies raw materials for important branches of industry, and has considerable export surpluses.

The following are the replies to the various points of the questionnaire, although the information does not claim to be complete as regards either production figures or foreign markets.

A. ¹

(a) The surplus products of the soil and of the agricultural industry are: barley, oats, rye, potatoes, violet and other clover seeds, sugar-beet seeds, hops, cucumbers, onions, dried chicory root, fruit, sugar, molasses, alcohol, starch, malt, wood billets and sawn wood, breeding cattle, cattle for slaughter, horses, foals, prepared meat, ham, milk, butter, cheese, horticultural products.

It is impossible to give a permanent list of surplus agricultural products. In the near future, progress may be made in certain kinds of production on account of new tendencies, the perfecting of manufacturing processes, the improvement of certain products of the soil and of the agricultural industry, and the rationalisation of methods of distribution. On the other hand, measures of commercial policy taken in foreign countries to a great extent influence the present export possibilities unfavourably, and have caused considerable changes in the external trade and home consumption of Czechoslovakia.

(b) The most important outlets for the products of the soil and of the agricultural industry are European countries, especially those of Central and Western Europe. Many of these products are also exported to oversea countries.

The principal markets for the various products are:

Barley	Germany, Austria, Great Britain, Netherlands, Italy, Switzerland.
Oats	Austria, Switzerland, Italy, Germany.
Rye	Austria, Germany, Switzerland.
Fruit	Germany and Scandinavia.
Cucumbers	Germany, Denmark, Austria.
Potatoes	Austria, Italy, Hungary.

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Violet clover seed	Germany, Sweden, United States of America, Switzerland.
Other clover seed	Germany, Austria, Denmark, United States.
Dried chicory root	Germany, Austria, Italy.
Hops	Germany, France, Austria, Belgium, and almost all European and oversea countries.
Sugar-beet seeds	Italy, United States, Yugoslavia, Hungary.
Beer	Germany, Austria, Switzerland.
Malt	Germany, Switzerland, Austria, Italy, Poland, and other European and oversea countries.
Alcohol	Germany.
Starch	Austria, Yugoslavia, Poland.
Cattle (all kinds)	Austria, Hungary, Switzerland.
Horses	Austria, Germany.
Milk	Germany, Hungary, Austria.
Butter	Germany.
Cheese	Austria, Hungary, Germany, Roumania.
Ham	Austria, Italy, Germany, France, Hungary, and other European countries.
Wood and cellulose	Germany, Hungary, Great Britain, France, Poland, Italy, and other countries.

The order in which the countries are mentioned in this table has no reference to their commercial importance.

Five tables are appended giving further information.

(c) Possible measures for ensuring the disposal and distribution of surplus produce on foreign markets may be divided into two categories : The organisation of production with a view to reducing manufacturing costs ; standardisation to improve and unify the quality of the goods, which, on account of the volume of agricultural production, is indispensable if competition is to be possible ; a good system of commercial information on the position in foreign markets ; rationalisation of exports, particularly by the local direction of offers.

Czechoslovakia, while merely claiming adequate protection for the branches of her production, which are purely entitled by natural and economic conditions to their existence, considers that she is entitled to demand in return that other States do not prevent the export of Czechoslovak surplus produce by insurmountable or improper barriers, and, in particular, by Customs, veterinary, phytopathological, transport or any other measures representing indirect protectionism.

B.

The industrial production of Czechoslovakia stands at a high level, is old-established, and of very varied character.

The exported goods include glass, pottery, boots and shoes and other leather goods, textiles of all kinds, bent wood furniture, paper, matches, musical instruments, iron products, machinery, etc.

The most important markets are Germany, Austria, the United States of America, Great Britain, Hungary, Yugoslavia, Poland, Italy, France, etc.

For more detailed information, demonstrating Czechoslovakia's interest in the settlement and development of international relations, see the annexed table.

As regards the raising of the purchasing power of consuming countries which are mainly agricultural, the measures mentioned under A may help to solve these questions. In addition, there are other measures which these States may adopt. In particular, State measures may be taken, even in countries that have less capital, for obtaining the credits necessary for capital expenditure or working expenses on acceptable terms. The agricultural production of these countries might be greatly improved and their purchasing power increased if steps were taken to prevent any rise, on account of measures of commercial policy, in the cost of production and the prices of the materials necessary for rationalising, extending and increasing agricultural production, and any interference with the increased consumption of foreign surplus industrial products by means of similar measures.

C.

In the replies given under A and B, certain measures have been indicated which might help, directly or indirectly, to extend markets and improve international trade. Some of these measures may be taken independently by the Governments concerned. In other cases, the parties engaged in production and trade may unite for common action ; or two States

may enter into direct negotiations with each other. It is evident that some of these measures might lead to better results if they were carried out by several States, whether in the form of international action or in that of direct agreement between the interested groups.

Moreover, various methods may be considered which would be particularly likely to lead to a collective settlement of certain questions, notably :

More rapid preparation for international action, which may be effected in stages for certain groups of goods, with a view to the collective regulation of Customs tariffs, special account being taken of the economic conditions in the various countries. In making a collective reduction in Customs duties, the difficulties which might arise from a reduction of duties by a fixed percentage uniformly applied, or from the desire to fix the duty at the same level in all countries, must be avoided.

In the opinion of Czechoslovakia, these measures also include the conclusion and putting in force as early as possible, and by the greatest possible number of States, of a multilateral veterinary convention. Such a convention would no doubt ensure the co-operation of many States in the sphere of international commercial policy under the auspices of the League.

Forms of indirect protectionism are of particular importance, as they are frequently a serious obstacle to the application of necessary measures in the sphere of commercial policy.

These forms comprise fiscal measures—*i.e.*, discrimination between goods produced in the country and those produced abroad by means of turnover and luxury taxes, discrimination in the allocation of tax abatements in home production, etc. ; tolerated or officially-supported propaganda in favour of the consumption of home products, and the compulsory use of raw materials originating in the country ; abuses connected with compulsory marking in order to distinguish foreign goods ; differentiations in transport policy ; the abuse of sanitary, veterinary, and phytopathological measures.

Actions of this kind might be supplemented by technical measures, which might be inserted in a collective agreement, such as :

The conclusion of a multilateral non-tariff commercial treaty ; the ratification by the greatest possible number of States of the International Convention relating to Economic Statistics of December 14th, 1928 ; the completion of the International Convention relating to the Simplification of Customs Formalities of November 13th, 1923, and the assurance that it would be applied and ratified by the greatest possible number of States ; the careful examination of the Arrangement of Madrid of April 14th, 1891, for the Prevention of False Indications of Origin on Goods, revised at Washington on June 2nd, 1911 ; the conclusion of an international convention regarding the unification of Customs nomenclature.

The obvious disadvantages resulting from the non-solution or only partial solution of the above problems have probably contributed to produce differences of opinion regarding the most-favoured-nation principle and the system of preferential tariffs. Czechoslovakia feels that the various aspects of this question should not be lost sight of, but should be studied in order to ascertain whether and to what extent their international settlement would further the solution of the problems raised by the Protocol regarding the Programme of Future Negotiations.

Obviously, however, the primary condition for the successful solution of these questions is loyal co-operation between the greatest possible number of States.

D.

In order to ensure the movement of European raw materials and their better utilisation, all obstacles to their export should be abolished. Moreover, the other side of the question should also be taken into account, in order that there may be no obstacle in the form of an unjustified and disproportionate margin between Customs duties on imported semi-manufactured and manufactured products produced from raw materials, the export of which should be encouraged in the manner described above. The collective action for reducing Customs duties mentioned under C would thus at the same time promote a better movement of raw materials and semi-manufactured goods.

TABLE I. — CROPS OF MOST IMPORTANT AGRICULTURAL PRODUCTS IN CZECHOSLOVAKIA FROM 1925 TO 1929.

(In quintals.)

Produits	1925	1926	1927	1928	1929	Products
Seigle d'hiver...	14.478.239	11.417.653	14.920.210	17.999.920	17.981.166	Winter rye.
Seigle de printemps	279.311	243.724	314.489	354.726	354.839	Spring rye.
Total du seigle..	14.757.550	11.661.377	15.234.699	18.354.646	18.336.005	Total rye.
Orge d'hiver....	67.824	53.510	76.921	70.354	63.537	Winter barley.
Orge du printemps	12.387.457	11.377.099	12.694.243	14.303.884	13.886.747	Spring barley.
Total de l'orge..	12.455.281	11.430.609	12.771.164	14.374.238	13.950.284	Total barley.
Avoine	13.043.583	13.798.865	14.283.213	14.716.123	14.939.933	Oats.
Houblon	70.152	96.687	108.510	94.343	118.176	Hops.
Pommes de terre de printemps	2.154.431	1.637.467	3.085.544	2.551.696	3.537.026	Early potatoes.
Pommes de terre tardives.	72,831.533	48.829.380	97.655.596	86.177.187	103,420.157	Late potatoes.
Total des pommes de terre .	74.985.964	50.466.847	100.741.140	88.728.883	106.957.183	Total potatoes.
Chicorée	1.323.758	1.077.653	1.004.525	1.018.204	884.063	Chicory.
Concombres ...	424.157	298.464	480.320	427.932	704.946	Cucumber.
Graines de betteraves à sucre .	52.586	49.194	64.023	53.176	33.844	Sugar beet seed.
Graines de betteraves fourragères	4.784	4.742	6.361	6.094	8.016	Fodder-beetseed.
Semences de trèfle violet...	90.713	90.788	162.934	121.446	134.155	Red-clover seed.
Semences d'autres trèfles....	60.519	53.047	77.021	43.353	34.658	Other cloverseed.

TABLE II. — FRUIT CROP IN CZECHOSLOVAKIA FROM 1925 TO 1929.

(In quintals.)

Espèces	1925	1926	1927	1928	1929	Fruit
Pommes	1.555.157	1.570.449	1.199.560	1.792.810	795.110	Apples.
Poires.....	367.722	1.091.488	521.574	953.302	340.262	Pears.
Coings	1.866	1	1	1	1	Quinces.
Nèfles.....	480	1	1	1	1	Medlars.
Cerises	652.160	604.630	366.624	591.206	186.268	Cherries.
Griottes.....	77.122	76.136	42.935	66.904	22.274	Egriots.
Prunes.....	2.104.629	2.532.532	698.099	1.740.277	1.131.775	Plums.
Quetsches	204.418	257.681	82.075	204.761	101.148	Damsons.
Abricots.....	12.313	11.688	8.659	10.551	1.832	Apricots.
Pêches	5.577	4.995	5.263	6.084	1.400	Peaches.
Noix.....	160.775	80.919	54.074	78.173	7.755	Walnuts.
Groseilles à maquereau	17.891	14.756	14.561	14.908	13.197	Gooseberries.
Groseilles.....	26.422	21.193	21.456	22.834	20.404	Red Currants.
Framboises	10.328	1	1	1	1	Raspberries.
Total des fruits.....	5.196.860	6.266.467	3.014.880	5.481.810	2.621.425	Total fruits.

¹ Figures not available.

TABLE III. — PRODUCTION OF SUGAR, ALCOHOL, STARCH AND MALT IN CZECHOSLOVAKIA
IN THE YEARS 1924-25 TO 1928-29.

(In quintals.)

Espèces	Campagnes — Years					Goods
	1924-25	1925-26	1926-27	1927-28	1928-29	
<i>Sucre.</i>						<i>Sugar.</i>
Production totale brute de sucre pour la vente :						Total gross production of sugar for sale.
a) de consommation.....	12.381.044	13.010.572	9.470.150	10.594.967	9.145.081	(a) For consumption.
b) brut.....	9.174.821	9.242.015	6.375.553	7.744.673	6.178.841	(b) Raw.
Production nette de sucre pour la vente ¹ :						Net production of sugar for sale. ¹
a) de consommation.....	12.190.206	12.763.899	9.194.827	10.258.583	8.875.664	(a) For consumption.
b) brut.....	386.872	522.591	— 23.908 ²	854.436	446.241	(b) Raw.
c) total en valeur du sucre brut ³ .	14.283.707	15.073.436	10.458.194	12.549.220	10.564.498	(c) Total expressed as raw sugar. ³
<i>Alcool</i> (en hectolitres d'alcool absolu)	563.872	580.010	515.857	594.789	615.887	<i>Alcohol</i> (in hectolitres of absolute alcohol).
<i>Amidon.</i>						<i>Starch.</i>
1. Humide :						1. Wet :
a) blanc.....	71.877	75.777	44.503	146.026	118.360	(a) White.
b) fécule.....	11.531	32.397	20.391	21.802	15.285	(b) Fecula.
2. Sec :						2. Dry :
a) blanc.....	139.396	126.018	70.287	224.757	154.859	(a) White.
b) fécule.....	8.740	7.337	6.020	14.776	7.668	(b) Fecula.
3. Humide et sec en valeur de l'amidon sec ⁴ ...						3. Wet and Dry expressed as dry starch. ⁴
a) blanc.....	184.319	173.379	98.101	316.023	228.834	(a) White.
b) fécule.....	15.947	27.586	18.765	28.402	17.221	(b) Fecula.
Amidon de farine de froment, de maïs et de riz....	43.340	38.795	61.555	48.384	80.289	Starch from wheat flour, maize and rice.
<i>Malt</i>	5	5	3.181.725	3.313.769	3.685.133	<i>Malt.</i>

¹ The net production of sugar for consumption (raw) available for sale has been calculated by deducting from the total gross production the quantity of sugar for consumption (raw) available for sale obtained by treating the sugar for consumption (raw) produced in the country, stocks in the country, other sugar factories or bonded warehouses.

² This figure is negative because the total gross production of sugar available for sale is less than the quantity of raw sugar for sale obtained by treating the raw sugar produced in the country, or sugar stocked in the country, purchased from other sugar factories or in bonded warehouses.

³ Sugar for consumption is calculated in terms of raw sugar, in the ratio of 100 to 114.

⁴ Wet starch is converted into dry starch in the ratio of 100 to 62.5.

⁵ No figures available.

TABLE IV. — TIMBER PRODUCTION IN CZECHOSLOVAKIA IN 1920¹.

Espèces de bois	En stères In cubic metres	Kinds of timber
Bois d'œuvre dur	755.095	Hardwood.
Bois d'œuvre tendre	5.973.154	Softwood
Bois de chauffage dur	2.710.277	Hardwood for fuel
Bois de chauffage tendre	3.039.356	Softwood for fuel
Menu bois et déchets.	901.203	Small wood and waste

¹ No figures of timber production are available after 1920.

TABLE V. — NET EXPORTS AFTER DEDUCTING IMPORTS (+). — EXCESS OF IMPORTS OVER EXPORTS (—).

Noms des articles	1925		1926		1927		1928		1929		Names of goods
	q (pièces)	1000 Kc									
orge (55.55/1).....	+ 487.318	+ 103.337	+ 1.154.791	+ 189.849	+ 1.696.979	+ 319.890	+ 692.506	+ 133.463	+ 1.216.357	+ 195.573	Barley.
pommes de terre (104/17-105).....	— 107.445	— 20.950	— 454.821	— 35.097	+ 331.534	— 19.606	+ 188.502	— 12.086	+ 192.885	— 9.693	Potatoes.
trèfle violet (121/3).	+ 21.963	+ 36.054	+ 816	+ 1.605	+ 5.724	+ 6.934	+ 29.193	+ 40.196	+ 36.344	+ 34.117	Red clover.
autres graines de trèfle (122).....	+ 16.149	+ 25.076	+ 12.763	+ 15.329	+ 11.943	+ 16.267	+ 14.683	+ 18.829	+ 11.660	+ 13.172	Other clover seed.
graines de betterave (126-127).....	— 39.725	— 29.882	— 23.354	— 21.565	— 13.356	— 10.874	— 19.657	— 12.849	— 4.726	— 3.500	Beetroot seed.
houblon (145).....	+ 48.089	+ 432.884	+ 68.159	+ 567.813	+ 76.047	+ 422.960	+ 58.097	+ 267.338	+ 83.175	+ 168.088	Hops.
concombres (100- 100/3).....	+ 206.197	+ 10.364	+ 32.682	+ 1.235	+ 65.524	+ 3.708	+ 56.255	+ 3.491	+ 2.365	— 4.684	Cucumbers.
avoine (56,56/1,56/2)	— 639.986	— 102.215	+ 71.635	+ 8.035	+ 630.145	+ 90.070	+ 630.926	+ 111.488	+ 657.056	+ 84.566	Oats.
orge (54,54/1,54/2)	— 1.696.588	— 278.954	— 902.552	— 125.469	— 1.666.339	— 279.521	— 1.026.330	— 177.411	+ 530.203	+ 72.752	Rye.
accédanés du café (y compris la chi- corée torréfiée) (321).....	+ 1.790	+ 874	+ 1.671	+ 877	+ 1.487	+ 704	+ 220	+ 108	+ 1.988	+ 832	Coffee substitutes (including dried chicory).
fruits (77-96/2).....	+ 43.937	— 46.901	+ 402.111	— 17.701	+ 80.374	— 56.045	+ 245.089	— 14.106	— 236.168	— 132.116	Fruits.
raisins frais et moût de vendange (77-78).....	— 5.998	— 3.231	— 5.304	— 3.170	— 14.939	— 8.614	— 13.578	— 7.144	— 34.542	— 14.688	Grapes and must.
noix et noisettes (79-80/2).....	— 14.696	— 29.236	— 14.254	— 22.293	— 43.737	— 46.476	— 26.468	— 30.468	— 36.262	— 48.093	Walnuts and hazel nuts.

its fins de table, rais (81-89).....	- 7.007	- 3.978	- 17.908	- 9.586	- 17.381	- 11.626	- 16.673	- 13.025	- 54.219	- 29.175	High-class fresh table fruit.
nes, poires, runes ordinaires t autres fruits rais (90/1-92/2)...	+ 102.002	+ 3.374	+ 493.739	+ 37.529	+ 214.833	+ 29.255	+ 382.955	+ 61.465	- 42.121	- 10.150	Apples, pears, plums and other fresh fruits.
nes séchées (93- 4).....	- 37.866	- 14.528	- 53.280	- 16.507	- 62.313	- 16.927	- 83.902	- 23.907	- 65.229	- 24.302	Dried plums.
its préparés, échés, marmelade ans addition de ucres, etc. (95-96/2)	+ 7.502	+ 698	- 882	- 3.674	+ 3.911	- 1.657	+ 2.755	- 1.027	- 3.795	- 5.708	Fruits, prepared, dried, jam without sugar, etc.
re (36-44)	+ 9.019.030	+ 2.321.107	+ 10.069.144	+ 2.246.474	+ 6.147.453	+ 1.520.219	+ 7.764.986	+ 1.698.433	+ 5.974.653	+ 1.067.415	Sugar.
ool (293)	+ 46.120	+ 9.407	+ 11.687	+ 2.183	+ 71.329	+ 19.359	+ 27.817	+ 7.901	+ 33.952	+ 9.934	Alcohol.
idon (1938-1941).	+ 2.537	+ 73	+ 8.179	+ 1.581	+ 379	+ 98	+ 17.124	+ 4.460	+ 10.892	+ 1.280	Starch.
lt (61).....	+ 1.304.831	+ 478.005	+ 1.711.730	+ 494.850	+ 1.638.037	- 474.942	+ 1.554.867	+ 474.467	+ 1.785.151	+ 501.837	Malt.
is (rondins) tendres t durs (341-344) ..	+ 10.519.793	+ 294.134	+ 4.127.497	+ 128.834	+ 9.504.000	+ 289.622	+ 7.253.594	+ 234.098	+ 3.580.123	+ 126.214	Wood (billets) soft and hard.
nt tendres (344) ..	+ 9.907.564	+ 274.933	+ 4.012.870	+ 130.423	+ 9.178.844	+ 280.291	+ 6.692.079	+ 220.636	+ 3.358.579	+ 123.094	Other kinds, soft.
és (353-356).....	+ 4.577.357	+ 269.973	+ 3.090.993	+ 186.323	+ 6.828.817	+ 413.625	+ 3.652.667	+ 234.704	+ 1.618.335	+ 103.492	Sawn.
nt tendres (356) ..	+ 4.269.123	+ 252.684	+ 2.777.194	+ 167.068	+ 6.247.863	+ 379.090	+ 2.947.106	+ 195.216	+ 1.169.028	+ 82.009	Other kinds, soft.
pèce bovine de ferme et pour l'éle- vage (159, 162, 165)	- 8.708	- 35.379	- 4.452	- 19.132	- 2.751	- 14.469	+ 263	- 2.646	- 6.042	- 22.039	Horned cattle for farm work and for breeding.
pèce bovine de boucherie (156-157)	- 137.093	- 270.985	- 58.239	- 120.712	- 14.501	- 30.556	- 4.901	- 5.093	- 86.895	- 175.278	Horned cattle for butchers' meat.
evaux (174-180) ..	- 6.505	- 24.291	- 7.919	- 28.230	- 717	- 14.714	+ 1.701	- 7.412	+ 530	- 8.728	Horses.
ont poulains (180) ..	+ 12	- 15	- 9	- 13	+ 35	+ 28	+ 14	+ 7	+ 15	+ 7	Foals.
mbon (310).....	+ 16.750	+ 33.209	+ 15.983	+ 31.464	+ 15.902	+ 32.410	+ 13.440	+ 26.505	+ 12.336	+ 26.073	Ham.
it (205).....	+ 490.343	+ 63.208	+ 397.072	+ 48.876	+ 128.018	+ 17.061	+ 46.750	+ 7.030	+ 35.281	+ 4.501	Milk.
urre (243-244)	- 4.052	- 12.445	- 3.746	- 10.043	- 5.959	- 15.905	+ 1.385	+ 146	- 541	- 2.693	Butter.
omages (314-315/2)	+ 28.442	+ 9.590	+ 26.163	+ 4.890	+ 26.895	+ 2.354	+ 24.027	- 438	+ 16.801	- 4.993	Cheese.

TABLE VI. — TABLE OF EXPORTS OF PRINCIPAL INDUSTRIAL PRODUCTS.

Marchandises ¹ Goods ¹	1927		1928		1929		Débouchés en 1929 Markets in 1929
	Tonnes Tons	Milliers de Kc Crowns (in thousands)	Tonnes Tons	Milliers de Kc Crowns (in thousands)	Tonnes Tons	Milliers de Kc Crowns (in thousands)	
Bières	38.539	46.072	41.948	50.084	44.741	53.233	Allemagne, Autriche, Grande-Bretagne, Pologne, Suisse, Pays-Bas. Germany, Austria, Great Britain, Poland, Switzerland, Netherlands.
Beer	92.428	199.875	93.628	201.291	91.538	197.271	Allemagne, Italie, France, Pologne, Autriche, Suisse, Etats-Unis. Germany, Italy, France, Poland, Austria, Switzerland, United States of America.
Pâtes de bois	5.752.637	971.825	5.622.289	910.760	5.989.886	959.170	Allemagne, Autriche, Hongrie, Pologne, Yougoslavie, Roumanie. Germany, Austria, Hungary, Poland, Yugoslavia, Roumania.
Wood pulp	70.766	190.588	72.189	196.762	70.423	358.973	Yougoslavie, Allemagne, Autriche, Roumanie, Hongrie, Pologne. Yugoslavia, Germany, Austria, Roumania, Hungary, Poland.
Charbons minéraux, même carbonisés ou agglomérés.	4.724	240.538	4.549	276.594	3.921	233.998	Allemagne, Etats-Unis, Autriche, Grande-Bretagne, Italie, Hongrie. Germany, United States of America, Austria, Great Britain, Italy, Hungary.
Coal, including coke and briquettes	7.045	641.182	9.232	900.764	10.142	908.030	Etats-Unis, Allemagne, Grande-Bretagne, Pologne, Autriche, Italie. United States of America, Germany, Great Britain, Poland, Austria, Italy.
Produits chimiques, y compris les alcools ne servant pas comme boissons	443	189.194	519	228.363	556	241.404	Allemagne, Etats-Unis, Pays-Bas, Grande-Bretagne, Autriche, Suède. Germany, United States of America, Netherlands, Great Britain, Austria, Sweden.
Chemical products (including alcohol not intended for consumption).	11.787	589.413	11.065	583.972	10.483	538.439	Allemagne, Pologne, Roumanie, Hongrie, Grande-Bretagne. Germany, Poland, Roumania, Hungary, Great Britain.
Cuir et peaux préparés	32.834	589.687	26.607	541.938	27.293	523.500	Roumanie, Allemagne, Yougoslavie, Hongrie, Autriche. Roumania, Germany, Yugoslavia, Hungary, Austria.
Leather and dressed hides and skins	8.902	192.607	5.964	153.706	7.104	146.869	Allemagne, Grande-Bretagne, Autriche, Hongrie, Yougoslavie. Germany, Great Britain, Austria, Hungary, Yugoslavia.
Chaussures de peau	14.133	1.318.716	14.262	1.362.336	13.974	1.305.285	Autriche, Grande-Bretagne, Allemagne, Hongrie, Italie. Austria, Great Britain, Germany, Hungary, Italy.
Footwear of leather	2.131	493.869	2.406	576.267	2.424	566.778	Autriche, Allemagne, Suisse, Grande-Bretagne, France. Austria, Germany, Switzerland, Great Britain, France.
Gants de peau	43.863	2.084.720	38.889	2.035.053	38.969	1.947.436	Autriche, Yougoslavie, Hongrie, Roumanie, Allemagne. Austria, Yugoslavia, Hungary, Roumania, Germany.
Leather gloves	11.912	107.612	13.578	132.551	14.694	144.642	Allemagne, Etats-Unis, Yougoslavie, Pays-Bas, Suisse. Germany, United States of America, Yugoslavia, Netherlands, Switzerland.
Fils de laine	8.817	364.111	8.102	341.542	7.413	296.218	Etats-Unis, Grande-Bretagne, Autriche, Hongrie, Allemagne. United States of America, Great Britain, Austria, Hungary, Germany.
Woollen yarn	1.535	103.062	1.318	101.155	857	84.876	Etats-Unis, Grande-Bretagne, Allemagne, Autriche, France. United States of America, Great Britain, Germany, Austria, France.
Fils de coton	7.278	346.231	7.939	448.437	8.037	466.217	Grande-Bretagne, Autriche, Pays-Bas, Allemagne, Hongrie. Great Britain, Austria, Netherlands, Germany, Hungary.
Cotton yarn	42	21.177	43	21.262	47	21.551	Grande-Bretagne, Pays-Bas, Allemagne. Great Britain, Netherlands, Germany.
Fils de chanvre, de lin, etc.	1.314	252.297	1.444	304.485	1.516	306.985	Etats-Unis, Grande-Bretagne, Autriche, France, Allemagne. United States of America, Great Britain, Austria, France, Germany.
Yarn of hemp, flax, etc.	2.837	209.749	2.566	209.762	3.117	234.716	Etats-Unis, Grande-Bretagne, Pays-Bas, Allemagne, Autriche. United States of America, Great Britain, Netherlands, Germany, Austria.
Tissus de laine	50	11.102	68	16.394	76	17.806	Autriche, Pays-Bas, Pologne, Grande-Bretagne. Austria, Netherlands, Poland, Great Britain.
Woollen fabrics							
Tissus de soie naturelle ou artificielle							
Natural or artificial silk fabrics							
Tissus de coton							
Cotton fabrics							
Tissus de jute							
Jute fabrics							
Tissus de chanvre, de lin, etc.							
Fabrics of hemp, flax, etc.							
Broderies, dentelles, passementeries et tulles brodés							
Embroidery, lace, trimmings and embroidered tulle							
Bonneterie							
Hosiery							
Chapeaux ornés pour dames							
Ladies' trimmed hats							
Chapeaux, autres, de toute sorte							
Other hats of all kinds							
Lingerie							
Underwear							
Vêtements pour femmes							
Clothes for women							

Vêtements pour hommes	491	56.527	504	60.577	650	77.595	Pays-Bas, Autriche, Suisse, Allemagne, Netherlands, Austria, Switzerland, Germany.
Clothes for men							
Autres objets confectionnés	228	39.348	311	50.420	347	45.490	Grande-Bretagne, Etats-Unis, Yougoslavie, Allemagne. Great Britain, United States of America, Yugoslavia, Germany.
Other ready-made clothes							
Meubles en bois	9.937	92.319	11.278	105.294	12.064	111.752	Grande-Bretagne, Etats-Unis, Allemagne, Autriche, France. Great Britain, United States of America, Germany, Austria, France.
Furniture of wood							
Autres ouvrages en bois	15.708	101.646	16.929	111.904	15.001	115.083	Allemagne, Grande-Bretagne, Pologne, Yougoslavie, Autriche. Germany, Great Britain, Poland, Yugoslavia, Austria.
Other wooden articles							
Papiers et cartons	59.701	201.058	57.462	205.763	57.430	209.934	Hongrie, Etats-Unis, Grande-Bretagne, Yougoslavie, Allemagne. Hungary, United States of America, Great Britain, Yugoslavia, Germany.
Paper and cardboard							
Ouvrages en marbre, en pierre, etc.	8.453	40.430	12.632	50.461	9.048	51.849	Grande-Bretagne, Autriche, France, Pologne, Roumanie. Great Britain, Austria, France, Poland, Roumania.
Marble and stone articles, etc.							
Tuiles, briques, carreaux, tuyaux, autres qu'en faïence ou en porcelaine	120.883	93.455	148.386	122.946	121.279	111.986	Pologne, Autriche, Hongrie, Roumanie, Yougoslavie. Poland, Austria, Hungary, Roumania, Yugoslavia.
Tiles, bricks, slabs, pipes, other than of earthenware or china							
Faïences et porcelaines	62.799	355.409	61.770	353.201	55.777	338.777	Etats-Unis, Allemagne, Autriche, Grande-Bretagne, Pologne. United States of America, Germany, Austria, Great Britain, Poland.
Earthenware and china							
Autres poteries	5.189	10.240	14.860	62.889	16.123	69.467	Etats-Unis, Allemagne, Autriche, France, Grande-Bretagne. United States of America, Germany, Austria, France, Great Britain.
Other pottery							
Verres de vitrage	69.596	215.896	87.053	261.425	102.179	284.729	Allemagne, Etats-Unis, Grande-Bretagne, Hongrie, Yougoslavie. Germany, United States of America, Great Britain, Hungary, Yugoslavia.
Window glass							
Gobeletterie	82.507	499.050	95.275	559.279	94.913	556.914	Grande-Bretagne, Allemagne, Italie, Etats-Unis, France. Great Britain, Germany, Italy, United States of America, France.
Table glass							
Autres verreries	21.173	423.127	23.515	440.634	25.235	529.666	Etats-Unis, Allemagne, Grande-Bretagne, France, Italie. United States of America, Germany, Great Britain, France, Italy.
Other glass							
Fer et acier simplement battus, étirés ou laminés	329.834	499.411	352.811	527.930	385.384	582.310	Autriche, Grande-Bretagne, Italie, Allemagne, Yougoslavie. Austria, Great Britain, Italy, Germany, Yugoslavia.
Iron and steel merely hammered, drawn or rolled							
Autres ouvrages en fer et en acier	233.444	889.459	266.509	1.085.870	238.500	1.038.007	Autriche, Roumanie, Yougoslavie, Pologne, Grande-Bretagne. Austria, Roumania, Yugoslavia, Poland, Great Britain.
Other articles of iron and steel							
Bijouterie, autre, même dorée, argentée, nickelée, etc.	2.741	251.669	5.201	426.575	4.440	401.390	Etats-Unis, Grande-Bretagne, Allemagne, Italie, France. United States of America, Great Britain, Germany, Italy, France.
Jewellery, including gilt, silver-plated, nickel-plated, etc.							
Machines motrices, chaudières à vapeur, turbines, pompes etc.	8.388	73.960	11.929	113.582	11.668	115.677	Pologne, Yougoslavie, Etats-Unis, Autriche, Allemagne. Poland, Yugoslavia, United States of America, Austria, Germany.
Motors, steam boilers, turbines, pumps, etc.							
Machines pour fabriques et raffineries de sucre, pour distilleries, vinaigrieres, brasseries et malteries	2.642	24.752	3.488	36.169	7.139	63.150	Pologne, Autriche, Yougoslavie, Pays-Bas, France. Poland, Austria, Yugoslavia, Netherlands, France.
Machines for sugar factories and refineries, distilleries, vinegar factories, breweries and malt-houses							
Machines agricoles	13.621	83.841	13.954	89.871	19.042	119.517	Pologne, Yougoslavie, Roumanie, Allemagne, Italie. Poland, Yugoslavia, Roumania, Germany, Italy.
Agricultural machines							
Voitures et wagons pour chemins de fer et tramways	6.925	42.405	5.904	37.075	2.505	9.285	Yougoslavie, Hongrie. Yugoslavia, Hungary.
Railway and tramway rolling-stock							
Instruments de musique	1.349	72.489	1.422	74.577	1.349	72.429	Allemagne, Pologne, Etats-Unis, Autriche, Roumanie. Germany, Poland, United States of America, Austria, Roumania.
Musical instruments							

¹ D'après la nomenclature commune des marchandises fixée par la Convention du 31 décembre 1913.

¹ In accordance with nomenclature fixed by the Convention of December 31st, 1913.

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Geneva, November 12th, 1930.

LEAGUE OF NATIONS

21

SECOND INTERNATIONAL CONFERENCE

WITH A VIEW TO

CONCERTED ECONOMIC ACTION

(Geneva, November 17th, 1930)

REPLY OF THE FRENCH GOVERNMENT

**TO THE QUESTIONNAIRE ATTACHED TO ARTICLE I
OF THE PROTOCOL REGARDING THE**

PROGRAMME OF FUTURE NEGOTIATIONS

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France.

For the guidance of the international negotiations provided for in the Protocol of March 24th, 1930, the States represented at the Preliminary Conference of February and March were requested to reply to a questionnaire, which very usefully raises the problem of the better organisation of economic relations between nations, in connection both with agricultural and industrial production and with trade. The French Government, being anxious that its reply to this questionnaire should reflect as accurately as possible the present feeling of all the interested parties, has been at pains to obtain the views of the National Economic Council, which is representative of all circles interested in production, commerce and labour in France. The Council for its part has consulted the big groups which represent the various activities of the country.

The French delegates had an opportunity during the Conference, with a view to Concerted Economic Action, and just recently at the Eleventh Assembly of the League of Nations to indicate the broad lines of the programme of organisation which they think might be adopted with a view to remedying the economic difficulties from which the world, and more especially the continent of Europe, are suffering.

Accordingly the French Government will merely preface its reply by recalling the words of one of the French delegates to the Assembly in September to the effect that the work of economic organisation, like the work of political organisation should comprise the three stages—security, arbitration and disarmament. What he meant was that the establishment of loyal and secure relations in conjunction with the regular operation of an organ of conciliation and arbitration to deal with difficulties in the interpretation of existing bilateral or multilateral conventions, is the only means of enabling efforts in the direction of tariff disarmament to bear fruit. By its support of the conclusion of a commercial convention stabilising commercial agreements, the French Government has given proof of its intention to co-operate, so far as is in any way possible, in the struggle against protectionist tariffs. But in view of the facts it feels convinced that to attempt further advance along this road would be useless so long as nothing substantial has been done towards abolishing the indirectly protectionist practices of dumping and the imposition of impediments of all kinds, which paralyse international trade often far more than the actual tariffs.

That is the logical and commonsense method which the French Government has followed in replying to the questionnaire of March 24th. It feels bound to emphasise the special character of the French national economy, which is at once agricultural, industrial, commercial and maritime. The fact that she is one of the great world colonial Powers also means that in considering any plan for the rational organisation of production and trade, France must have in mind not only the home country but also her colonies. Algeria in particular, though separated from the home country by the sea, is in fact politically and economically a natural extension of the home country, and must in any case be considered as forming an integral part of France.

A.

(a) *In what agricultural products is there over-production in each country?*

As regards many of her agricultural products France (including Algeria), has almost achieved complete equilibrium between her productive capacity and her consumption requirements. Apart from exotic products, France does not normally require to import more than a few agricultural products, while her exports—which are mainly high-quality products—are not likely to be very large.

It is also very difficult to estimate the surpluses normally available for export, on account of the extremely variable character of the harvests. For example, the French wheat crop during the period 1925-1929 varied between 73.5 in 1926 and 110 in 1929 or an average of 100 for the whole period. The vintages of recent years have also been subject to considerable fluctuations. In these circumstances it will be seen why the available surpluses are themselves extremely variable and depend not only on the size of the harvests but also on the continuance or discontinuance of successions of good or bad harvests.

Moreover it should be more accurately defined what is really meant by imports or exports of agricultural products, since the factor of quality may profoundly alter the bearing of the figures themselves. For example, France has important markets for high-quality cheese, while at the same time she imports a very considerable quantity of ordinary cheese.

Subject to these inevitable reservations, a close study of the facts shows that France has, as a rule, exportable surpluses, primarily of high-quality wine, cattle for slaughter and

dairy products, and to a lesser degree new potatoes, vegetables, fresh and dried fruits, flowers, poultry, raw hides, sugar and forestry products.

She also exports in varying proportions grain and cereals, swine, ordinary wines, etc.

To sum up, the harvests and the consumption requirements of France under present circumstances are variable factors, and their variations are still very imperfectly known.

(b) *What are the normal outlets for these products?*

Since France does not export in large quantities, and since her exports vary greatly from one harvest to another, she obviously cannot neglect any possible market.

A study of foreign trade figures shows that at the present time the countries adjacent to France are the principal importers of French agricultural products.

Further, the greater use of cold storage railway vans, improved methods of packing and the introduction of new international trains with quicker connections at frontiers are factors which may bring within the ordinary list of French markets other European markets which at present are not open, or are scarcely open, to French trade.

On the other hand, certain European countries which ought to be normal markets for France—in view of the nature of their requirements and their own output capacity—are entirely closed to French commerce by administrative measures of a sanitary or phytopathological character. Other countries which before the war provided a regular market for French wine are to-day closed to it—for example, the U.S.A. under the prohibition system and the U.S.S.R.

The totals of agricultural exports in recent years (which only partially represent over-production) do not amount in value to more than 8 to 9 per cent of the national production. The present tendency in French agricultural circles, however, is to increase these exports and thus to encourage increased production for the benefit of trade and consumers.

The principal markets for French agriculture are, in order of importance, the Economic Union of Belgium and Luxemburg, Great Britain, Germany, Switzerland, U.S.A., Italy, Spain, etc.

Question (b) is also, of course, bound to be of special interest to the countries of Central and Eastern Europe, which are very naturally alarmed at the difficulties they are finding in marketing the surplus of their own cereal production. Their desire to find markets in industrial or semi-industrial countries in Western Europe does not seem impracticable, and the manner in which it can be realised by national and international action should be made the subject of special study.

(c) *What practical means can be employed to ensure the disposal and distribution of surplus production in the normal markets and in other countries with an insufficient production?*

The observations which follow are, in the opinion of the French Government, of general application and should be equally adaptable to the French market itself and for the wider purpose of the organisation of international, and more especially European, trade.

Here again the principal difficulty seems to lie in the varying quality and quantity of agricultural products. These variations inevitably mean, too, instability in sale prices and costs of production. The extension of the market for agricultural products, which goes far to curtail the hope of price increases acting as a compensatory factor at times of bad harvests, has led all the European countries with agricultural products to protect their agriculture against foreign competition. The simplest and most straightforward form of such protection is the Customs tariff; but tariffs have to an increasing degree been supplemented by all kinds of concealed obstructions such as the method of calculating duties, tariff specifications, administrative formalities, certificates of origin and, above all, measures of health protection.

These last precautions, may be quite legitimate, but it is to be hoped that the difficulties they create for the transport of plants and animals are never unnecessarily great. International agreement on this point appears absolutely essential.

If the protection of agriculture is thus brought down to a more reasonable level it must presumably be completed or even supplemented by the rational organisation of markets.

In present circumstances action of this kind is practically essential for all agricultural countries. The line it should take in each particular market—and that will be the first step to be taken—is a matter for the individual countries to settle for themselves. The broad lines of such a programme of organisation may, however, be proposed as follows:

(1) The first requisite for the better organisation of agricultural markets is the provision of statistics (as accurate as possible and regularly kept up to date) of production, trade and consumption. The information available at present in the various countries on all these points

is notoriously inaccurate or greatly out of date. It is most important that there should be an international agreement providing a uniform model for such statistics so as to enable them to be mutually comparable.

(2) The second point to be considered is the rationalisation of production, the systematic employment of fertilisers and scientific methods of cultivation for the purpose of improving and selecting the crops grown, with a view to the likely demand, so as to increase the remuneration of the agricultural producer.

(3) The trade in agricultural products must be more strictly organised in order to reduce to a reasonable minimum the margin between the price to the producer and the sale price. In the light of past experience the development of co-operative organisations may be warmly recommended in this connection.

(4) In order to prevent the flooding of markets at times of boom harvests or shortage at times of bad harvests, and so to eliminate fluctuations in price quotations with the regrettable consequences they involve for the food-supply of various countries, the producing countries must be equipped with mechanical means of storing stocks and keeping from one harvest to another surpluses which cannot be absorbed immediately. The construction of warehouses and silos and the provision of adequate means of transport and shipment will form essential points in this particular programme.

(5) Obviously the execution of such a programme requires considerable financial resources, which all the countries interested in the improvement of the agricultural situation cannot command. The development of agricultural credit cannot be too warmly recommended as a primary means of enabling growers to finance a harvest before the actual sale of the preceding harvest. That, however, is only one chapter in a much larger programme of financial organisation to help agricultural countries towards rationalisation, and the mechanisation and provision of equipment for agricultural work. The means to be employed are not very different from those required in the case of industry, and accordingly what has to be said in regard to them should logically be placed after the reply to point B of the questionnaire.

The French Government considers that agriculture must be organised and concentrated within national limits before a more extensive move can be made towards international co-operation and organisation.

B.

What practical means can be employed to facilitate the disposal of manufactured products, particularly in the direction of increasing the extent to which it is possible for consuming countries to purchase them ?

It is universally recognised to-day that the depression from which the whole world has been suffering since the end of the War, and especially during the past year, characterised as it is by a disturbance of the balance between production and consumption, is really due at least as much to under-consumption as to over-production. It is essential, therefore, to look for some means of facilitating the marketing of the accumulated quantities of manufactured products.

The first means which suggests itself is to create new consumption requirements in the more backward continents and in countries which have not yet attained their normal process of growth. Even in the great consuming countries there is some prospect of a gradual increase in the standard of living. Needless to say, industry is keenly interested in a rapid improvement in the agricultural situation, since rural populations constitute a large market for manufactured industrial products, and their purchasing-power has in many cases been reduced to negligible proportions as a result of current difficulties.

Necessity is one of the chief spurs to human progress, and consumption may conceivably be increased by awakening in certain populations a desire to improve their standard of living. The motor-car and wireless broadcasting may be cited in this connection.

Similarly, propaganda in favour of the use of particular goods may considerably enhance sales and thus increase the wealth of the producing countries. Scientific research with a view to the fuller exploitation of natural resources will also extend the markets of industrial countries by creating new purchasing-power in producing-countries.

At the same time industrial production should be more completely organised to find ways and means of marketing its manufactures. The growth of industrial agreements, national and international—which as long experience has proved, constitute a powerful factor in the adjustment of supply and demand—should also be fostered. This form of regulation of production—for such it amounts to—should never menace the interests of consumers, however. If such agreements, exceeding their proper functions, led to forms of monopoly and unduly high prices, their anti-economic aims would soon be frustrated. But, in order to safeguard the legitimate rights of the consumer against every contingency measures of publicity should be considered such as will keep the various Governments informed of the essential clauses in the obligations assumed and enable them to exercise supervision.

Again, the creation of new co-operatives for purposes of production and consumption, and the establishment of regular relations between the two (the existence of such is

symptomatic of the movement for the rationalisation of industry and commerce) should be encouraged to the utmost.

Lastly, manufactured products, like agricultural products cannot circulate unless backed by credit, and such support is too often inadequate. The French Government considers it essential to summarise the methods it recommends in both cases.

* * *

Note on A and B.

Undoubtedly, the export of agricultural and industrial products is bound to be greatly assisted by the better utilisation of available capital and the better international distribution of credit. The table of discount rates of the various European banks of issue is sufficient to show that this distribution is not perfect. Yet the shortage of capital in a country is often due only to its inability to give sufficient security to the lending countries. The rational organisation of security should therefore be fully examined.

Credit can stimulate exports by two means, which are equally effective: it can be given directly to the consuming countries, or those countries can be given the indirect benefit of it, the export trade being enabled to give customers greater facilities.

Direct credits usually take the form of long-term loans to States, public bodies or important organisations. In all cases such capital can help the exploitation of the recipient countries, increase the wealth of their populations and consequently augment the volume of their foreign purchases. In agricultural countries such loans assist the creation and development of land and agricultural credit. They further enable surplus crops to be kept in storage, the agriculturists being given additional credit to enable them to finance the following harvest. Credits may also be given to a country direct, instead of through the Government—for example, by the establishment of banks as independent companies specialising in land or agricultural credit. This latter method, which precludes the possibility of political influence and enables the use made of the credits granted to be strictly supervised, seems in many respects preferable.

Another very effective means of developing the purchasing power of consuming-countries is to give importers extensions and facilities for payment on a very large scale. Generally speaking, it is the exporter himself who must be given additional credit facilities to enable him in turn to give facilities, to his foreign clients. In practice, the machinery of bill acceptances should be employed to place this form of indirect credit at the disposal of importing countries. Although this form of credit can only be made available on financial centres with currencies having a solid backing, abundant resources and technical experience, it is by no means utilised as much as it might be at present, and it could be more generally employed in new financial centres without injury to any countries in which it is at present in use. France has already made big advances along these lines. The establishment in 1930 of the *Banque française d'acceptation* has opened up large new possibilities of credit, which will be still more widely available in the near future.

The organisation of acceptance credits, however complete, involves serious risks owing to the difficulty of controlling large long-term credits to foreigners, whose use of the sums advanced to them cannot be supervised. Export credits should consequently be supplemented by insurance credits. The latter may be left to private enterprise or organised by Governmental authority. A considerable number of companies have been formed since the war for this purpose: as a rule they share the risks with some undertaking in the debtor country which is better placed for estimating the solvency of its own nationals.

To these forms of private or national security it would be very desirable to add a more general form of international security. The establishment of syndicates between bankers of various lending countries would make such action possible. The general extension of agreements between bankers might lead to the establishment of an international institution to regulate this class of business on the lines of the Bank for International Settlements.

In future, the arrangements made between private banks will facilitate the preliminaries of financing borrower countries, and will tend to substitute co-operation for competition, the results of which are frequently disadvantageous to all the creditors.

Industrial undertakings can themselves, moreover, co-operate with the banks in the diffusion of credit. Recognising their interest in establishing closer relations with client industries which lack capital, the undertakings of the richer countries can help by offering their own credit in place of that of the industries of the poorer countries.

C.

In particular, what are, in the case of the products mentioned in A and B above, the Customs and administrative measures which seem likely to promote the extension of markets and the improvement of international trade?

The reduction of tariff duties, where excessive, is undoubtedly calculated to improve international commercial relations. But the French Government believes, in accordance with the general idea indicated in the opening pages of the present Note, that in present

circumstances it would perhaps be chimerical to hope for new results from concerted action in connection with tariffs. The tariff policy followed by the majority of countries throughout the world is not such as to enable any readjustment of the French tariff (one of the lowest in the world) to be contemplated at present, while it renders altogether improbable the acquiescence of a number of countries in any steps with a view to tariff disarmament. The endorsement of the Commercial Convention of March 24th, 1930, by the largest possible number of States seems to represent the maximum of what can be contemplated at a time of intensified depression.

The logical and, essential course, on the other hand, is to take immediate and effective concerted action with a view to safeguarding trade and establishing compulsory arbitration.

The various stages of such concerted action were indicated, first in the memorandum submitted by the French delegation at the Conference of February-March, 1930, and secondly in the speeches of the French delegates at that Conference and at the Eleventh Assembly of the League of Nations. It will be sufficient therefore to give a brief recapitulation of them.

The French Government considers that the following points represent the necessary pre-requisites for the establishment of security in international economic relations :

The rapid enforcement by the largest possible number of countries of the unified Customs nomenclature, on the preparation of which a Sub-Committee of experts is at present engaged ;

The conversion of specific duties in the various tariffs into *ad valorem* percentages ;

Lastly, the conclusion of a plurilateral commercial convention at the earliest possible date, with guarantees in regard to the following points :

1. The most-favoured-nation clause ;
2. The application of specific tariffs (gross and net taxation, tares, etc.) ;
3. The calculation of *ad valorem* duties ;
4. Export duties ;
5. Internal duties ;
6. Certificates of origin ;
7. Customs information ;
8. Formalities in connection with transit, transshipment, etc. ;
9. The nationality of goods ;
10. The regulation of free traffic ;
11. A system of samples and models ;
12. Certificates of purity and certificates of analysis ;
13. Appellations of origin.

Further, the world has to be freed from indirect protectionist practices, excessive resort to which often makes it difficult to ascertain from the tariff itself whether the country is really protectionist or not. These practices were specified in detail in the Note attached to the French Government's letter of August 27th, 1930, to the Secretary-General of the League. There are certain points, however, which do not appear in that Note.

For example, legislation with regard to marks of origin, certificates of origin, consular invoices and consular fees for such documents, health or phytopathological regulations and the misuse of descriptions of origin all call for international regulation.

In addition, dumping in whatever form seriously disturbs commercial relations. The French Government desires to assert once more its conviction that the abolition of this scourge where it appears would go far to improve international trade.

Secondly, it appears extremely desirable to consider with the least possible delay the establishment of a permanent organ of conciliation and arbitration, with powers to examine and decide all difficulties submitted to it by the countries concerned in its establishment in regard to the interpretation and application of measures taken on the lines indicated above, as also in regard to bilateral or plurilateral commercial and customs conventions at present in force or to be concluded in the future. This step, which in no way encroaches upon the prerogatives of the Permanent Court of International Justice as the supreme instance of appeal, was suggested by the French delegation in March 1930, and was the subject of a resolution at the Eleventh Assembly of the League.

The guarantees of security and arbitration thus provided can alone open up the path to new negotiations in regard to tariffs. It will be desirable, moreover, in the first instance to settle certain questions of principle in connection with the application of tariffs. The desire recently expressed by a number of countries in various continents for the establishment of preferential tariff rates in favour of particular products or of particular countries have had the effect of raising as an urgent issue the interpretation of the most-favoured-nation clause. It appears desirable, if the equilibrium of trade is to be maintained, that the work begun in this field by the Economic Organisation of the League should be carried on actively and should lead up to international discussion on a large scale.

D.

What practical means can be employed to ensure the movement of European raw materials amongst the different countries under more satisfactory conditions and their better utilisation?

The problem of the supply of raw materials is doubtless no longer as acute as it was during and immediately after the war. Certain special questions, however, continue to arise. Passing shortages of certain raw materials may cause serious harm to countries which are dependent for their supply on other countries—and that not only because of the inadequacy of the supply but also because of the high prices which have to be paid. There should be better organisation in order to put an end to these difficulties as far as possible.

Mention should be made in the first instance of the question of prohibitions of or restrictions on the export of certain raw materials by a number of States. New efforts should be made at once to bring into force the International Convention of November, 1927, with the addition of July, 1928, which has lapsed in the absence of the necessary ratifications.

As regards the circulation of raw materials, States should agree to apply the principle of reducing tariff duties. At the same time, preferential or differential transport rates, which of course play a big part in fostering the import or export of goods, should be settled by international agreements. This question has already formed the subject of certain conventions, whereby the contracting States undertake to apply reasonable tariffs to international traffic and to abstain from discrimination detrimental to the interests of the other contracting States. In the same way the importance, for the purposes of circulation of raw materials, of the development and as far as possible the co-ordination of the principal lines of communication by land, air and water must be borne in mind. Particular emphasis should be laid on the desirability of improving the principal European waterways and linking them up with the railways.

Lastly, it is desirable to establish under the auspices of the League of Nations an international information and documentation service, to publish at frequent intervals statistical information for business circles and governments so as to show what conditions are necessary for the satisfactory distribution of products and to draw attention to abuses.

* * *

The French Government, having thus given in as precise a form as possible its answers to the League of Nations questionnaire as far as it affects France, desires to say that its interest in the European situation and in the world crisis, which recently has so seriously aggravated the European situation, is unabated. The French Government is fully prepared to give its support and to take part in negotiations between the States of Europe with a view to considering what conditions are required for the better organisation of trade between the European countries exporting and importing agricultural products. Any such measure is bound to be to the advantage of all countries, since in providing surpluses of agricultural production with larger and more regular markets it will at the same time provide industrial countries with such a stimulus as will enable them to cope effectively with the evil of unemployment.

The French Government is of opinion that the negotiations on these questions of organisation might well be begun either at the meeting of the European Commission of Enquiry, or at the Conference proposed in connection with the programme of Concerted Economic Action in March, 1931. The interval between these two meetings should allow the countries concerned to complete the necessary preparatory work.

Geneva, November 3rd, 1930.

LEAGUE OF NATIONS

SECOND CONFERENCE

WITH A VIEW TO

CONCERTED ECONOMIC ACTION

**Proposals of the Economic Committee
to serve as a Basis for the Future Negotiations**

Note. — These proposals were drawn up on the basis of the replies¹ from Governments to the questionnaire annexed to Article I of the Protocol relating to the programme of future negotiations.

The Protocol of March 24th, 1930, defined the aim of the negotiations which are to be pursued with a view to giving effect to the resolutions of the tenth Assembly of the League of Nations in regard to concerted economic action.

These negotiations are to relate, in particular, to Customs measures likely to lead to a reduction of tariffs, and to "all other practical measures aiming at a better organisation of production and at a more rational distribution of products."

The countries desirous of taking part in these negotiations were asked to communicate their views on a number of questions specified in the Protocol. Their replies have been coordinated by the League Secretariat, and the Economic Committee was instructed to collate the proposals contained therein which, when submitted on November 17th, 1930, to the Governments consulted, would serve as a basis for the projected negotiations.

In the actual words of the Protocol, the Economic Committee was asked to take account, when carrying out its work, of the situation then existing, and to formulate its proposals with a view to ensuring positive results. The Economic Committee has kept this double recommendation in view.

The analysis of the replies from Governments shows that there are three main desiderata:

The first of these relates to problems which the Economic Organisation of the League has already considered and for which it has prepared a solution: there is a desire to see the contemplated action pursued to its full and successful completion and agreements now framed or completed fully carried out.

The second desideratum is a general improvement in Customs matters by the reduction or consolidation of duties.

The third refers to the problem of the commercial exchanges of the agricultural countries in Eastern Europe.

I.

CONCLUSION OR APPLICATION OF CONVENTIONS ALREADY DRAWN UP.

The concerted action which it is proposed to take cannot be dissociated from the economic work already accomplished by the League. That work is its starting-point. Any new agreements must be based thereon. It is therefore of importance, in the first place, to strengthen this foundation for future work.

¹ For the text of the replies, see documents 2ème Conf./A.E.C./1 et Addenda.

I. *Convention for the Abolition of Prohibitions.*

Mention may be made in the first place of the Convention for the Abolition of Import and Export Prohibitions.

This Convention entered into force on the date contemplated, but it only takes effect between a small number of States and under conditions which render it precarious. The eleventh Assembly regretted this situation and expressed the hope that the "States concerned will not abandon their decision to remove, by the abolition of prohibitions, one of the chief obstacles to the free movement of goods."

It is particularly desirable at the present juncture that this hope should be realised for, while there has no doubt been a considerable decrease in the number and importance of these restrictions during the past few years, it would be a mistake to conclude that the Convention is no longer of practical value. In the absence of any contractual undertaking, there is a danger that certain States may again resort to prohibitions in the hope of escaping from their present difficulties. This would mean new impediments to trade. That would be a backward step in the work already accomplished to promote trade, which might jeopardise, or at all events seriously retard, any subsequent action.

The Convention was ratified by nineteen States, including most of the States which have since signed the Protocol regarding future negotiations. Unfortunately, certain temporary exceptions provided for in Article 6, paragraph 1, and the power conferred on States under Article 4 to maintain or impose veterinary prohibitions, have hindered certain countries from complying with the provisions of the Convention. The consequence of the economic interdependence of the majority of the European countries has been that the abstention of a few signatories has involved that of most of the others.

As regards some of these exceptions, the conditions are no longer the same as they were when the Convention was signed.

Moreover, thanks to the efforts of the League of Nations, such progress¹ has been made in the investigation of the international organisation of the campaign against animal diseases, of the development of veterinary services, and technical co-operation of States, that it is now possible to look forward to the early conclusion of agreements which should give importing and exporting States guarantees they do not at present possess, and the absence of which hampered the international trade in live animals and animal products.

That being the case, present circumstances would appear to make it imperative for the European States to undertake a further effort to secure the accession to the Prohibitions Convention of all the signatory States. It is therefore desirable that the future negotiations should deal with this subject.

2. *Commercial Convention.*

Mention should be made of another important point—the question of bringing into force the Commercial Convention of March 24th, 1930. This is another not less important condition for the success of the future negotiations.

The Commercial Convention represented the first stage in the general plan outlined in the recommendations of the tenth Assembly.

By inaugurating a period of calm and stability in Customs matters and in contractual relations, and by establishing in this sphere a real union between most of the European countries, the Convention aims at creating a situation favourable to the successful prosecution of the future negotiations for the better organisation of trade.

The Committee, having regard to the recommendations submitted to it as a guide in its work, *expresses its firm conviction that one of the most important and most urgent objects of the negotiations beginning on November 17th must be to ensure that the conditions necessary for the entry into force of this Convention are fulfilled.*

On this point, too, the eleventh Assembly made an earnest appeal to all the States concerned to see that the Convention should be "put into force between the States signatories and obtain the accessions of the greatest possible number of other States".

Like the Convention for the Abolition of Prohibitions, the Commercial Convention constitutes a necessary safeguard under present circumstances. Without it, there is a danger that States will yield to the difficulties of the hour and denounce some of their commercial agreements, so as to free themselves from irksome tariff obligations, and that there will thus be a new and disastrous increase in Customs barriers.

Finally, apart from its immediate importance, the Commercial Convention forms a useful basis for future tariff negotiations; it may be added to and developed, and it can thus facilitate a further step forward in the international settlement of Customs questions.

¹ The Sub-Committee of Experts on Veterinary Questions submitted to the Economic Committee, at its session in October 1930, a general report on the work of its four sessions. In the opinion of all the members of the Economic Committee and of the veterinary experts, this report furnishes technical data which make it possible now to frame draft proposals for a convention relating to the following questions:

- (1) Organisation of veterinary services, methods of exchanging veterinary information, closer international co-operation between the various services;
- (2) Transit of cattle and animal products, including meat;
- (3) Import and export of animal products, with the exception of meat.

3. *Convention on the Treatment of Foreigners.*

The Convention on the Treatment of Foreigners is a third undertaking which the Economic Organisation has not so far been able to bring to a successful conclusion, but which no scheme of concerted action can ignore. On this point, the eleventh Assembly stated that "real progress in the direction of economic union cannot be restricted to the movement of commodities and capital, but must necessarily extend, under as liberal a system as possible, to the economic activities of companies and individuals." The work undertaken encountered serious difficulties. The Conference summoned to carry it through was unable to reach a conclusion at its first session. By arranging for a further session, it nevertheless indicated its determination to frame a Convention drawn up in the most liberal spirit and marking a real advance on the present situation. The Conference itself laid down the procedure for the continuation of its work.

The Committee, while not modifying this procedure in any way, is of opinion that the States which meet on November 17th should begin preliminary discussions between themselves which would promote the success of the General Conference.

II.

TARIFF NEGOTIATIONS FOR THE GENERAL IMPROVEMENT OF TRADE.¹

The replies from Governments clearly indicate that the latter have a second object in view. This relates to tariff negotiations for the general improvement of trade.

Two proposals merit special attention.

One of these which appears in several replies, has been formulated with special precision by the British Government. It aims at reducing Customs duties by taking groups of commodities and proceeding by stages. In the first place, some such groups as textile fabrics and machinery might be selected as a subject for negotiations. The negotiations might then be extended to other products of industry, agriculture, stock-raising, and fisheries.

In the other proposal, States are divided into two groups: those which, while hitherto retaining their tariff autonomy, pursue a liberal commercial policy, and those again which, while pursuing the policy of conventional tariffs, possess a more or less protectionist Customs regime. This distinction corresponds, moreover, to that drawn in the Commercial Convention of March 24th, 1930. The first States would undertake to maintain their liberal system in return for tariff benefits which would be granted to them by the second group, and which would remain subject to the most-favoured-nation clause. This proposal, which also is put forward in several replies, is most clearly formulated by the Netherlands Government.

The two proposals just mentioned are evidence of the same spirit and have the same end in view. The British Government seems indeed to establish a certain connection between the continuation of the undertaking not to create new protective duties, which it assumed on signing the Commercial Convention and the conclusion of agreements for the progressive reduction of the Customs barriers of States which pursue a protectionist policy.

While there can be no possible question as to the object in view, differences of opinion may nevertheless exist as to the method to be adopted.

On the one hand, it was pointed out that the Economic Committee had already made a close examination of proposals similar to that submitted by the British Government, and that experience had shown that the procedure was necessarily slow and complicated, although it was recognised that two useful conventions had been concluded on these lines—namely, those relating to export duties on hides and skins and on bones.

The objection was also raised that it might be difficult to provide within the limits of groups of commodities, no matter how extensive, the compensating advantages and concessions which are a necessary condition for any negotiations. Further, a reduction in tariff duties based on the total Customs revenue and on the application to this revenue of a certain percentage of reduction would involve various difficulties; in particular this method may not be adaptable to the economic conditions special to each particular case, and it may impose on States sacrifices for which there would not always be a compensating advantage.

Finally, it was pointed out that States which pursue the method of conventional tariffs have already, to a varying degree, reduced or consolidated their Customs duties.

On the other hand, the method of negotiations between the group of States pursuing an autonomous commercial policy and the group pursuing the policy of conventional tariffs would have a more limited effect than the method contemplated in the British proposal. It was maintained that it would lead to an agreement restricted to a certain number of countries, that it would only affect a limited number of Customs duties and, finally, that it might make it difficult to bring about a progressive reduction extending to European Customs tariffs as a whole.

In view of these various considerations, the Economic Committee was of opinion that both the proposed methods should be retained, and that both should be submitted to the forthcoming Conference of Governments, in the hope that the Conference might be able usefully to co-ordinate them with a view to the proposed negotiations.

¹ Note. — As the Economic Committee cannot indicate in detail the main proposals submitted on this subject, it strongly recommends careful consideration of the replies received from the Netherlands, Belgium, Austria, and in particular, the British Government.

In formulating this conclusion, the Economic Committee has kept in mind the provision in the Final Act of the Conference whereby the enquiries and negotiations contemplated in Articles 1 and 2 of the Protocol should proceed *pari passu*. It considers that the matters mentioned in Article 2 may accordingly be included in the tariff negotiations which will take place on the basis of the above proposals.

Finally the Committee, taking into account the present situation, as it was explicitly recommended to do in the Protocol, cannot disguise the fact that the economic depression which is being felt in all countries makes the success of the contemplated negotiations a matter of exceptional difficulty. Nevertheless, although the crisis creates serious obstacles, the evils it is causing everywhere in the world bring home more clearly the need for an improvement in the conditions of trade and the impossibility of effecting real progress in this direction by any means other than the concerted and joint action of States.

III.

NEGOTIATIONS REGARDING THE SYSTEM OF TRADE OF THE AGRICULTURAL COUNTRIES OF EASTERN EUROPE.

A third important consideration is raised in the identical replies from Hungary, Roumania and Yugoslavia, with which Poland has associated herself in the resolutions of the Warsaw Conference. The Governments of these countries regard an increase in the purchasing power of their populations as the most effective means of extending markets and improving international trade. With this object, their chief endeavour is to take effective steps to ensure the disposal of their surplus agricultural produce at prices which will secure the farmer a reasonable return.

The first means they propose of preferential Customs treatment in the European importing countries for the produce in question ; it was pointed out that this treatment should not lead to an increased production of cereals in the countries benefiting thereby.

The three countries named observe that while such preferential treatment would, of course, constitute an exception to the general most-favoured-nation clause, it could not prejudice the interests of oversea countries, as the latter must still remain the principal source of supply for Europe, whose production falls far short of its needs.

It is further pointed out that the Customs duties in the general tariff would remain applicable to exports from outside Europe and that, as prices would be fixed on the basis of those duties, the proposed system would in no way reduce the protection afforded to agricultural interests in the importing countries ; the only sacrifice the latter are asked to make is a certain reduction in Customs duties.

The three Danubian States further ask :

(a) That the European importing countries should consolidate all import duties on European agricultural produce at a reasonable level, so as to leave a margin of profit to agricultural producers in the exporting countries ;

(b) That there should be complete freedom of trade in cereals and agricultural produce on the European market ;

(c) That all impediments to trade and measures of every kind which have the effect of artificially limiting imports of cereals and other agricultural produce or of displacing centres of consumption should be entirely abolished.

While the replies from the Danubian States bring forward the question of agricultural produce in general, they lay chief stress on cereals—naturally enough, when it is remembered that the trade in cereals is a vital problem for those three countries.

These demands were brought to the knowledge of the last Assembly of the League, was at the same time informed of the results of the Conference of the agricultural countries held at Warsaw last August. The Conference drew up a programme for co-operation among the agricultural countries of Eastern Europe with a view to putting an end to the unbridled competition among them in organising their production and trade on a better-balanced system.

The Assembly displayed the keenest interest in this part of the programme. It took the view that the differences in economic conditions, especially the price of money, form a serious obstacle to the natural development of European prosperity. It was inevitable, however, that the demand for preferential treatment should raise a controversy in the Assembly, because it amounts to an attack on the principle of most-favoured-nation treatment. The Assembly nevertheless expressed the view that, having regard to the present depression, the States signatories of the Protocol should not, in their negotiations, reject *a priori* any solution that might improve their economic relations. It showed that it was anxious not to prevent the countries of Europe from devising a better economic organisation, but reminded them that the tenth Assembly, in its resolution regarding concerted economic action, had reserved to other countries the right to take steps to protect their own interests.

Subject to this reservation, the Assembly considered that the demand of the three agricultural countries—which also appears in the Warsaw resolutions—should be included in the negotiations which are to open on November 17th between the States signatories of the Protocol.

Reference had to be made to these facts, because the Economic Committee was bound to bear them in mind in examining the replies of Hungary, Roumania and Yugoslavia.

To form a just idea of the extent of the demand for preferential treatment put forward by the three Danubian States, it is necessary to state accurately the volume of the trade to which it applies.

Theoretically, as we have seen, it questions the important principle of most-favoured-nation treatment. The preferential treatment requested would obviously constitute an exception to the most-favoured-nation clause; it could therefore only be applied with the assent of the States receiving this treatment under the treaties in force.

In actual fact, however, the cereal exports of the three countries concerned are negligible in comparison with the aggregate imports of the other European countries. Seen in its true proportions, therefore, the problem is not attended by such difficulties as appearances would suggest.

Nor must it be forgotten that the range of distribution of surplus cereals is limited by transport costs. The normal markets for these surpluses of the Danubian States are restricted to a few contiguous or neighbouring countries—chiefly Austria, Czechoslovakia, Germany, Italy and Switzerland. The most important of these consuming markets have to import considerable quantities of cereals, and these are obtained almost entirely from overseas, the share of the Danubian States being relatively negligible.

It remains to consider the position of those European countries in which, owing to the distance, cereals from the Danubian countries cannot normally find a market. Whether they would consent to preferential treatment accorded the importing countries is not an immediate practical difficulty, but merely a question of principle.

The European countries which are asked to give preferential treatment to cereals from Eastern Europe would, of course, be justified in asking for a consideration in return. This consideration would naturally take the form of Customs facilities for their imports into the Eastern countries. It does not, of course, imply the granting of preferential treatment, because that would lead to new discriminations which would inevitably raise great difficulties. Moreover, it must not be forgotten that the countries which might grant preferential treatment to cereals from Eastern Europe are far and away the chief exporters of industrial products to the agricultural countries from which they desire compensation.

Having regard to the various factors in the question, the Economic Committee considers that the proposal for the grant of preferential treatment to cereals from Eastern Europe should be included in the programme of future negotiations.

It is understood that any agreement that might be reached on such a basis could not come into force until it had been endorsed by those States, whether signatories to the Protocol or not, which are guaranteed most-favoured-nation treatment by treaty.

The Economic Committee would add that in any case the granting of preferential treatment should be regarded as an exceptional measure, to meet abnormal circumstances.

While the agricultural countries of Eastern Europe attach special importance to their demand for preferential treatment, they do not refuse to consider any other measure which might directly or indirectly help to ensure the disposal of their surplus produce on satisfactory terms.

Such measures, might relate to the organisation of trade and in the establishment of selling organisations in exporting countries and buying organisations in importing countries.

Accordingly, consideration should be given to the possibility of setting up a Commission to continue investigations in connection with the improvement of the European trade in cereals, both from the point of view of markets and from those of internal organisation, the standardisation of products, storage, transport, and the development of credit.

CONCLUSIONS.

Having carefully analysed the replies from Governments, the Economic Committee is of opinion that if the following proposals formed the basis of the future negotiations, they might lead to positive results :

1. *Re-examination of the Convention on Import and Export Prohibitions, with the object of securing the accession of all the signatory States and doing away with the temporary exceptions as far as possible.*
2. *Conditions necessary for bringing the Commercial Convention of March 24th, 1930, into force between the largest possible number of States.*
3. *Endeavour to secure a preliminary understanding among European countries in order to ensure a satisfactory issue for the second session of the Conference on the Treatment of Foreigners.*
4. *Tariff negotiations with a view to a general improvement in trade on the basis of the proposals set forth in the second section of the present report.*
5. *Negotiations regarding the trade system of the agricultural countries of Eastern Europe.*

N° officiel: 2° Conf./A.E.C./5.

Genève, le 5 novembre 1930.

SOCIÉTÉ DES NATIONS

DEUXIÈME CONFÉRENCE

EN VUE D'UNE

ACTION ÉCONOMIQUE CONCERTÉE

(Genève, 17 novembre 1930)

DONNÉES STATISTIQUES

POUR LA

DISCUSSION DE LA PROPOSITION N° 4

DU COMITÉ ÉCONOMIQUE

(Document 2° Conf./A.E.C./2.)

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Série de Publications de la Société des Nations
II. QUESTIONS ÉCONOMIQUES
ET FINANCIÈRES
1930. II. 46.

A. PRINCIPAUX COURANTS D'EXPORTATION A L'INTÉRIEUR D'UN GROUPE¹ DE DOUZE PAYS EUROPÉENS².

RÉPARTITION DES EXPORTATIONS PRINCIPALES DE CHACUN DE CES PAYS SUR LES ONZE AUTRES MARCHÉS

Allemagne.

1. *Exportations de l'Allemagne vers l'Autriche en 1928 dépassant en valeur 10 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations	432,1
dont :	
1. Machines, pièces détachées et chaudières	45,2
2. Fourrures et ouvrages en fourrure	27,8
3. Ouvrages en fer : outils, coutellerie, etc.	25,1
4. Tissus de coton	19,9
5. Tissus de laine	17,7
6. Produits de l'industrie électro-technique	16,2
7. Coton brut	16,0
8. Laines brutes	12,2
9. Livres et impressions musicales	10,9
10. Coke	10,2

2. *Exportations de l'Allemagne vers la Belgique (Union économique belgo-luxembourgeoise) en 1928 dépassant en valeur 10 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	489,6
dont :	
1. Houille	81,5
2. Coke	55,6
3. Machines et pièces détachées	40,1
4. Ouvrages en fer	24,4
5. Laines brutes	18,3
6. Papiers et articles en papier	15,7
7. Fers ouvragés	14,3
8. Sulfate d'ammoniaque	11,5
9. Couleurs et vernis	11,2
10. Fer brut et déchets de fer	10,9
11. Fourrures et ouvrages en fourrure	10,7

3. *Exportations de l'Allemagne vers la France (Territoire douanier français, y compris la Sarre) en 1928 dépassant en valeur 20 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	809,4
dont :	
1. Houille	102,5
2. Coke	94,3
3. Machines et pièces détachées, chaudières	78,7
4. Fourrures et ouvrages en fourrure	54,3
5. Sulfate d'ammoniaque	35,5
6. Ouvrages et articles en fer	27,7
7. Papiers et articles en papier	23,5
8. Produits de l'industrie électro-technique	22,6
9. Sucre	22,3
10. Bois de construction et autres	20,9

¹ Ce groupe comprend les pays suivants : Allemagne, Autriche, Belgique, Grande-Bretagne, France, Hongrie, Italie, Pays-Bas, Pologne, Suisse, Tchécoslovaquie et Yougoslavie.

² Cette statistique a été établie par le Secrétariat sur la base des statistiques officielles des pays considérés.

4. *Exportations de l'Allemagne vers la Grande-Bretagne en 1928 dépassant en valeur 35 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	1.186
dont :	
1. Tissus en soie naturelle et artificielle	66,3
2. Tissus en coton	62,8
3. Ouvrages en fer	62,3
4. Papier et articles en papier	61,2
5. Fourrures et ouvrages en fourrure	60,1
6. Tissus en laine	59,5
7. Machines et pièces détachées, chaudières	58,9
8. Fers ouvragés	49,4
9. Cuirs	49,1
10. Fers mi-ouvragés	38,0
11. Jouets d'enfants	37,2

5. *Exportations de l'Allemagne vers la Hongrie en 1928 dépassant en valeur 4 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations	154,2
dont :	
1. Machines, pièces détachées et chaudières	18,6
2. Ouvrages en fer : outils, coutellerie, etc.	9,6
3. Tissus de laine	7,2
4. Tissus de coton	7,1
5. Produits de l'industrie électro-technique	6,5
6. Cuirs	5,6
7. Fourrures et ouvrages en fourrure	5,5
8. Coton brut	5,5
9. Papiers et articles en papier	4,9
10. Couleurs et vernis	4,4

6. *Exportations de l'Allemagne vers l'Italie en 1928 dépassant en valeur 10 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	552,6
dont :	
1. Houille	100,7
2. Machines, pièces détachées et chaudières	60,0
3. Ouvrages en fer	32,0
4. Cuirs	29,6
5. Produits de l'industrie électro-technique	24,4
6. Tissus de coton	23,4
7. Fourrures et ouvrages en fourrure	23,0
8. Couleurs et vernis	17,0
9. Laines brutes	16,0
10. Instruments, appareils, montres, etc.	14,8
11. Verres et verreries	10,1

7. *Exportations de l'Allemagne vers les Pays-Bas en 1928 dépassant en valeur 30 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations	1179,2
dont :	
1. Houille	111,3
2. Fers ouvragés : barres, tuyaux, tôles, fils, rails	105,0
3. Ouvrages en fer : outillage, coutellerie, etc.	85,9
4. Machines et pièces détachées, chaudières	82,0
5. Papiers et articles en papier	48,2
6. Vêtements et lingerie	43,6
7. Produits de l'industrie électro-technique	38,9
8. Tissus de laine	38,4
9. Huiles et graisses végétales pour tout usage	32,3
10. Sulfate d'ammoniaque	32,3
11. Ouvrages en cuivre	30,2

8. *Exportations de l'Allemagne vers la Pologne en 1928 dépassant en valeur 7,5 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	403,8
dont :	
1. Machines, pièces détachées et chaudières	64,0
2. Coton brut	51,1
3. Laines brutes	17,9
4. Produits de l'industrie électro-technique	16,0
5. Ouvrages en fer : outils, coutellerie etc.	15,5
6. Seigle	13,0
7. Froment	11,6
8. Papiers et articles en papier	7,9
9. Huiles et graisses végétales de toute sorte	7,9
10. Couleurs et vernis	7,9
11. Fourrures et ouvrages en fourrure	7,7
Total des exportations à Dantzig	96,4
dont :	
1. Machines, pièces détachées, chaudières.	12,7
2. Ouvrages en fer, outils, etc.	7,5
3. Huiles et graisses végétales de toute sorte	5,1
4. Froment	4,2
5. Cuivre brut	3,8

9. *Exportations de l'Allemagne vers la Suisse en 1928 dépassant en valeur 13,5 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations.	578,7
dont :	
1. Machines, pièces détachées, chaudières.	46,0
2. Ouvrages en fer : outils, coutellerie, etc.	34,6
3. Tissus de laine	26,1
4. Cuirs	19,6
5. Tissus de coton.	16,9
6. Fourrures et ouvrages en fourrure	16,4
7. Ouvrages en cuivre	15,3
8. Coke	14,6
9. Papiers et articles en papier	14,1
10. Tissus de soie et de soie artificielle	13,6
11. Produits de l'industrie électro-technique	13,6
12. Vêtements et lingerie	13,5

10. *Exportations de l'Allemagne vers la Yougoslavie en 1928 dépassant en valeur 2 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations.	117,7
dont :	
1. Machines, pièces détachées et chaudières	24,4
2. Ouvrages et articles en fer	15,8
3. Produits de l'industrie électro-technique	6,0
4. Tissus de laine	4,3
5. Tissus de coton	4,0
6. Ouvrages en cuivre	3,5
7. Fers ouvragés	3,1
8. Couleurs et vernis	3,1
9. Instruments et appareils, montres	2,8
10. Automobiles et motocyclettes	2,7
11. Meubles et autres ouvrages en bois	2,2

11. *Exportations de l'Allemagne vers la Tchécoslovaquie en 1928 dépassant en valeur 14 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations.	652,7
dont :	
1. Laines brutes	66,9
2. Machines, pièces détachées et chaudières	65,5
3. Coton brut	58,4
4. Houille	26,5
5. Couleurs et vernis	24,6
6. Ouvrages en fer : outils, coutellerie, etc.	23,8
7. Fourrures et ouvrages en fourrure	23,3
8. Cuirs	18,8
9. Cuivre brut	18,2
10. Produits de l'industrie électro-technique.	14,6

4. *Exportations de l'Allemagne vers la Grande-Bretagne en 1928 dépassant en valeur 35 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	1.186
dont :	
1. Tissus en soie naturelle et artificielle	66,3
2. Tissus en coton	62,8
3. Ouvrages en fer	62,3
4. Papier et articles en papier	61,2
5. Fourrures et ouvrages en fourrure	60,1
6. Tissus en laine	59,5
7. Machines et pièces détachées, chaudières	58,9
8. Fers ouvragés	49,4
9. Cuirs	49,1
10. Fers mi-ouvragés	38,0
11. Jouets d'enfants	37,2

5. *Exportations de l'Allemagne vers la Hongrie en 1928 dépassant en valeur 4 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations	154,2
dont :	
1. Machines, pièces détachées et chaudières	18,6
2. Ouvrages en fer : outils, coutellerie, etc.	9,6
3. Tissus de laine	7,2
4. Tissus de coton	7,1
5. Produits de l'industrie électro-technique	6,5
6. Cuirs	5,6
7. Fourrures et ouvrages en fourrure	5,5
8. Coton brut	5,5
9. Papiers et articles en papier	4,9
10. Couleurs et vernis	4,4

6. *Exportations de l'Allemagne vers l'Italie en 1928 dépassant en valeur 10 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	552,6
dont :	
1. Houille	100,7
2. Machines, pièces détachées et chaudières	60,0
3. Ouvrages en fer	32,0
4. Cuirs	29,6
5. Produits de l'industrie électro-technique	24,4
6. Tissus de coton	23,4
7. Fourrures et ouvrages en fourrure	23,0
8. Couleurs et vernis	17,0
9. Laines brutes	16,0
10. Instruments, appareils, montres, etc.	14,8
11. Verres et verreries	10,1

7. *Exportations de l'Allemagne vers les Pays-Bas en 1928 dépassant en valeur 30 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations	1179,2
dont :	
1. Houille	111,3
2. Fers ouvragés : barres, tuyaux, tôles, fils, rails	105,0
3. Ouvrages en fer : outillage, coutellerie, etc.	85,9
4. Machines et pièces détachées, chaudières	82,0
5. Papiers et articles en papier	48,2
6. Vêtements et lingerie	43,6
7. Produits de l'industrie électro-technique	38,9
8. Tissus de laine	38,4
9. Huiles et graisses végétales pour tout usage	32,3
10. Sulfate d'ammoniaque	32,3
11. Ouvrages en cuivre	30,2

8. *Exportations de l'Allemagne vers la Pologne en 1928 dépassant en valeur 7,5 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	403,8
dont :	
1. Machines, pièces détachées et chaudières	64,0
2. Coton brut	51,1
3. Laines brutes	17,9
4. Produits de l'industrie électro-technique	16,0
5. Ouvrages en fer : outils, coutellerie etc.	15,5
6. Seigle	13,0
7. Froment	11,6
8. Papiers et articles en papier	7,9
9. Huiles et graisses végétales de toute sorte	7,9
10. Couleurs et vernis	7,9
11. Fourrures et ouvrages en fourrure	7,7
Total des exportations à Dantzig	96,4
dont :	
1. Machines, pièces détachées, chaudières	12,7
2. Ouvrages en fer, outils, etc.	7,5
3. Huiles et graisses végétales de toute sorte	5,1
4. Froment	4,2
5. Cuivre brut	3,8

9. *Exportations de l'Allemagne vers la Suisse en 1928 dépassant en valeur 13,5 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations	578,7
dont :	
1. Machines, pièces détachées, chaudières	46,0
2. Ouvrages en fer : outils, coutellerie, etc.	34,6
3. Tissus de laine	26,1
4. Cuirs	19,6
5. Tissus de coton	16,9
6. Fourrures et ouvrages en fourrure	16,4
7. Ouvrages en cuivre	15,3
8. Coke	14,6
9. Papiers et articles en papier	14,1
10. Tissus de soie et de soie artificielle	13,6
11. Produits de l'industrie électro-technique	13,6
12. Vêtements et lingerie	13,5

10. *Exportations de l'Allemagne vers la Yougoslavie en 1928 dépassant en valeur 2 millions de R.M.*

	Valeur en millions de R.M. (y compris les Réparations)
Total des exportations	117,7
dont :	
1. Machines, pièces détachées et chaudières	24,4
2. Ouvrages et articles en fer	15,8
3. Produits de l'industrie électro-technique	6,0
4. Tissus de laine	4,3
5. Tissus de coton	4,0
6. Ouvrages en cuivre	3,5
7. Fers ouvragés	3,1
8. Couleurs et vernis	3,1
9. Instruments et appareils, montres	2,8
10. Automobiles et motocyclettes	2,7
11. Meubles et autres ouvrages en bois	2,2

11. *Exportations de l'Allemagne vers la Tchécoslovaquie en 1928 dépassant en valeur 14 millions de R.M.*

	Valeur en millions de R.M.
Total des exportations	652,7
dont :	
1. Laines brutes	66,9
2. Machines, pièces détachées et chaudières	65,5
3. Coton brut	58,4
4. Houille	26,5
5. Couleurs et vernis	24,6
6. Ouvrages en fer : outils, coutellerie, etc.	23,8
7. Fourrures et ouvrages en fourrure	23,3
8. Cuirs	18,8
9. Cuivre brut	18,2
10. Produits de l'industrie électro-technique	14,6

Autriche.

1. Exportations de l'Autriche vers l'Allemagne en 1928 dépassant en valeur 9 millions de Schillings autrichiens.

	Valeur en milliers de Schillings autrichiens
Total des exportations.	417.617
dont :	
1. Bois, brut ou mi-travaillé	95.286
2. Ouvrages en fer	23.463
3. Automobiles et moteurs pour automobiles	20.400
4. Bétail.	19.316
5. Cuir	13.899
6. Tissus de laine	13.112
7. Ouvrages en métaux, autres qu'en fer	12.356
8. Machines et appareils	11.793
9. Livres et journaux	11.509
10. Chaussures et autres articles en cuir	9.097

2. Exportations de l'Autriche vers la Belgique en 1928 dépassant en valeur 400.000 Schillings autrichiens.

	Valeur en milliers de Schillings autrichiens
Total des exportations.	12.406
dont :	
1. Briques réfractaires au feu	1.252
2. Machines et appareils	853
3. Métaux bruts et déchets, autres que le fer	852
4. Ouvrages en fer	752
5. Ouvrages en caoutchouc	651
6. Tissus de soie	634
7. Chapeaux et formes pour chapeaux	597
8. Tissus de coton.	591
9. Ouvrages en matière dure à tailler	472
10. Ouvrages en métaux, autres qu'en fer	411

3. Exportations de l'Autriche vers la France en 1928 dépassant en valeur 1 million de Schillings autrichiens.

	Valeur en milliers de Schillings autrichiens
Total des exportations	52.620
dont :	
1. Bois bruts et mi-ouvrages	23.429
2. Pâte de papier	5.130
3. Chapeaux et formes pour chapeaux	1.992
4. Briques réfractaires au feu.	1.842
5. Ouvrages en métaux, autres qu'en fer.	1.765
6. Tissus de soie	1.708
7. Chiffons.	1.481
8. Ouvrages en fer	1.236

4. Exportations de l'Autriche vers la Grande-Bretagne en 1928 dépassant en valeur 3 millions de Schillings autrichiens.

	Valeur en milliers de Schillings autrichiens
Total des exportations.	80.835
dont :	
1. Cuirs	8.228
2. Tissus de soie	7.369
3. Tissus de coton	5.642
4. Papiers et cartons	5.607
5. Chapeaux et formes de chapeaux	4.993
6. Machines et appareils	4.259
7. Lampes à incandescence.	4.068
8. Confection pour dames	4.052
9. Ouvrages en métaux, autres qu'en fer.	3.418

5. *Exportations de l'Autriche vers la Hongrie en 1928 dépassant en valeur 5 millions de Schillings autrichiens.*

	Valeur en milliers de Schillings autrichiens
Total des exportations.	191.235
dont :	
1. Papiers et cartons	24.318
2. Bois brut ou demi-travaillé.	16.992
3. Fils de coton	13.707
4. Tissus de coton	12.250
5. Tissus de soie	11.385
6. Ouvrages en fer	10.294
7. Machines et appareils	8.002
8. Fils de laine	7.047
9. Automobiles et moteurs pour automobiles	6.037
10. Tissus de laine	5.506

6. *Exportations de l'Autriche vers l'Italie en 1928 dépassant en valeur 2 millions de Schillings autrichiens.*

	Valeur en milliers de Schillings autrichiens
Total des exportations.	178.269
dont :	
1. Bois brut et demi-travaillé	69.069
2. Pâte à papier	24.339
3. Ouvrages en fer	8.937
4. Pommes de terre	8.674
5. Papiers et cartons	8.244
6. Cuirs	5.846
7. Machines et appareils	5.091
8. Ouvrages en métaux, autres qu'en fer.	3.620
9. Fonte et déchets de fer	2.399
10. Lampes à incandescence.	2.232
11. Tissus de laine	2.153
12. Tissus de soie	2.118

7. *Exportations de l'Autriche vers les Pays-Bas en 1928 dépassant en valeur 1 million de Schillings autrichiens.*

	Valeur en milliers de Schillings autrichiens
Total des exportations.	29.199
dont :	
1. Confection pour dames	2.611
2. Machines et appareils	1.950
3. Ouvrages en métaux, autres qu'en fer.	1.803
4. Tissus de coton	1.450
5. Chapeaux et formes pour chapeaux	1.447
6. Bois bruts et mi-ouvrages	1.402
7. Fils de coton	1.370
8. Tissus de laine	1.228
9. Ouvrages en caoutchouc.	1.126
10. Cuirs	1.016

8. *Exportations de l'Autriche vers la Pologne en 1928 dépassant en valeur 3,5 millions de Schillings autrichiens.*

	Valeur en milliers de Schillings autrichiens
Total des exportations.	123.200
dont :	
1. Machines et appareils	21.450
2. Ouvrages en fer	12.961
3. Fils de laine	7.706
4. Ouvrages en métaux, autres qu'en fer.	6.650
5. Automobiles et moteurs pour automobiles	5.559
6. Cuirs	5.559
7. Papiers et cartons	5.239
8. Laines	4.739
9. Pelleteries ouvragées	3.982
10. Huiles et graisses pour usages techniques ; acides gras.	3.528

9. *Exportations de l'Autriche vers la Suisse en 1928 dépassant en valeur 1,9 millions de Schillings autrichiens.*

	Valeur en milliers de Schillings autrichiens
Total des exportations.	138,259
dont :	
1. Tissus de coton.	48.205
2. Bois brut ou demi-travaillé	20.927
3. Fonte et déchets de fer	5.430
4. Fils de laine	4.931
5. Ouvrages en fer	4.686
6. Fils de coton	4.439
7. Tissus de soie	3.760
8. Ouvrages en métaux, autres qu'en fer.	3.039
9. Pâte à papier	2.760
10. Tissus de lin, chanvre et jute	1.997

10. *Exportations de l'Autriche vers la Tchécoslovaquie en 1928 dépassant en valeur 6 millions de Schillings autrichiens.*

	Valeur en milliers de Schillings autrichiens
Total des exportations.	280.165
dont :	
1. Fils de soie	39.378
2. Tissus de soie	28.405
3. Ouvrages en fer	17.467
4. Bois bruts et demi-ouvrages	15.889
5. Machines et appareils	13.999
6. Laines brutes	12.063
7. Ouvrages en métaux, autres qu'en fer.	7.788
8. Fils de coton	7.147
9. Minerai de fer	6.857
10. Tissus de coton	6.066

11. *Exportations de l'Autriche vers la Yougoslavie en 1928 dépassant en valeur 4 millions de Schillings autrichiens.*

	Valeur en milliers de Schillings autrichiens
Total des exportations	165.180
dont :	
1. Ouvrages en fer	25.758
2. Machines et appareils	15.429
3. Tissus de coton	15.042
4. Papiers et cartons	10.801
5. Fils de coton	10.727
6. Fils de laine	9.023
7. Ouvrages en métaux, autres qu'en fer.	6.404
8. Tissus de soie	5.879
9. Chaussures et autres articles en cuir	4.368
10. Ouvrages en caoutchouc.	4.025

Belgique.

1. *Exportations de la Belgique vers l'Allemagne en 1928 dépassant en valeur 80 millions de francs belges.*

	Valeur en millions de francs belges
Total des exportations	4.236
dont :	
1. Fils de laine peignés et cardés	316
2. Fers et aciers	288
3. Cuivre coulé brut.	262
4. Cuirs	249
5. Laines brutes peignées et déchets du peignage	249
6. Scories phosphatées	181
7. Œufs de volaille	174
8. Fils de soie artificielle, non teints.	145
9. Fils de lin, simples, écrus	94
10. Viandes de boucherie, fraîches et frigorifiées	90
11. Zinc brut en masse	85

2. *Exportations de la Belgique vers l'Autriche en 1927¹ dépassant en valeur 2 millions de francs belges.*

	Valeur en millions de francs belges
Total des exportations	124,2
dont :	
1. Fils de soie artificielle non teints	34,9
2. Pierres précieuses et demi-précieuses	14,3
3. Poils de lièvre et de lapin	14,3
4. Tissus de coton	10,5
5. Cuirs et peaux, ouvragés	8,6
6. Laines brutes et déchets du peignage	5,2
7. Tissus de laine	4,2
8. Motocycles, avec ou sans moteur	3,2
9. Nickel, tôles etc.	3,0
10. Machines et engins mécaniques	2,2

3. *Exportations de la Belgique vers la France en 1928 dépassant en valeur 60 millions de francs belges.*

	Valeur en millions de francs belges
Total des exportations	3.908
dont :	
1. Houille crue	542
2. Lin teillé et en étoupes	255
3. Laines brutes, déchets du peignage	206
4. Laines brutes en suint, lavées ou peignées	176
5. Machines, engins mécaniques	175
6. Pierres précieuses et demi-précieuses ouvrées.	152
7. Coke	127
8. Briquettes.	80
9. Cuirs et peaux travaillés	71
10. Cuirs et peaux bruts	60

4. *Exportations de la Belgique vers la Grande-Bretagne en 1928 dépassant en valeur 100 millions de francs belges.*

	Valeur en millions de francs belges
Total des exportations	5.185
dont :	
1. Tissus de coton	394
2. Fers à profils spéciaux et fers battus	362
3. Acier fondu dégrossi. — Billettes et largets.	286
4. Œufs de volaille	273
5. Zinc brut en masse, tôles	257
6. Verre à glaces et à vitres	197
7. Vêtements, lingerie et confection	171
8. Cuirs et peaux ouvragés	156
9. Fers et aciers : feuillards, pointes, crampons, etc.	131
10. Tôles de fer, brutes	124
11. Machines, engins mécaniques	109

¹ Les chiffres pour 1928 ne sont pas encore publiés.

5. *Exportations de la Belgique vers la Hongrie en 1927¹ dépassant en valeur 500.000 francs belges.*

	Valeur en milliers de francs belges
Total des exportations	13.426
dont :	
1. Cuirs et peaux ouvragés	2.171
2. Fers ouvragés	1.676
3. Automobiles	1.344
4. Fils de soie artificielle	1.283
5. Poils de lièvre et de lapin	693
6. Cigarettes	643

6. *Exportations de la Belgique vers l'Italie en 1928 dépassant en valeur 30 millions de francs belges.*

	Valeur en millions de francs belges
Total des exportations	739,7
dont :	
1. Fils de lin simples	97
2. Laines brutes, déchets du peignage	97
3. Poils de lièvre et de lapin	72
4. Laines lavées à fond	45
5. Vieux fer	39
6. Pierres précieuses et demi-précieuses ouvrées	35
7. Verres à glaces et à vitres	32
8. Cuirs et peaux ouvragés	32
9. Machines, engins mécaniques	31

7. *Exportations de la Belgique vers les Pays-Bas en 1928 dépassant en valeur 70 millions de francs belges.*

	Valeur en millions de francs belges
Total des exportations	3.479
dont :	
1. Machines, engins mécaniques	167
2. Fers en tôles brutes	121
3. Fers en profils spéciaux, fers battus	108
4. Automobiles	99
5. Verre à glaces et à vitres	95
6. Tissus de coton	92
7. Fils de laine cardée et peignée	89
8. Graines et graines de froment	87
9. Ciment de Portland	78
10. Cuirs et peaux ouvragés	77
11. Œufs de volaille, œufs en coque	77

8. *Exportations de la Belgique vers la Pologne et Dantzig en 1927¹ dépassant en valeur 1.500.000 francs belges.*

	Valeur en millions de francs belges
Total des exportations vers la Pologne	63,7
dont :	
1. Laines brutes lavées ou peignées	20,7
2. Cuirs et peaux ouvragés	7,1
3. Vieux fer	6,2
4. Armes de tir, fusils, pistolets	3,8
5. Scories phosphatées	3,5
6. Automobiles	2,6
7. Verre à glace, non brut	2,6
8. Soies de porc et de sanglier	2,6
9. Machines et engins mécaniques	2,5
10. Bicarbonate de soude	1,6
Total des exportations vers Dantzig	26,0
dont :	
1. Scories phosphatées	4,7
2. Nitrate de soude non purifié	2,1
3. Cuirs et peaux ouvragés	1,8
4. Fers ouvragés	1,8

¹ Les chiffres pour 1928 ne sont pas encore publiés.

9. *Exportations de la Belgique vers la Suisse en 1928 dépassant en valeur 20 millions de francs belges.*

	Valeur en millions de francs belges
Total des exportations	762
dont :	
1. Sucre raffiné de betterave et de canne	71
2. Automobiles.	51
3. Fers ouvragés	49
4. Cuirs et peaux ouvragés.	36
5. Machines et engins mécaniques	36
6. Houille crue	34
7. Laines brutes et déchets du peignage	31
8. Verre à glaces et à vitres	30
9. Fils de lin simples	25
10. Tissus en soie pure	23
11. Œufs de volaille	21

10. *Exportations de la Belgique vers la Tchécoslovaquie en 1927¹ dépassant en valeur 1 million de francs belges.*

	Valeur en millions de francs belges
Total des exportations	82,8
dont :	
1. Laines brutes, lavées et peignées	17,7
2. Poils de lièvre et de lapin	13,3
3. Fils de soie artificielle, non teints.	8,2
4. Vieux fer	8,0
5. Cuirs et peaux ouvragés.	5,2
6. Machines et engins mécaniques.	4,7
7. Automobiles.	4,5
8. Nickel, tôles, etc..	3,1
9. Fils de laine cardée ou peignée	2,3
10. Papiers et cartons sensibilisés pour photographies.	1,3

11. *Exportations de la Belgique vers la Yougoslavie en 1927¹ dépassant en valeur 500.000 francs belges.*

	Valeur en millions de francs belges
Total des exportations	29,4
dont :	
1. Armes de guerre (fusils, carabines, mousquetons)	14,6
3. Fers ouvragés	3,4
3. Pièces détachées d'armes	2,5
4. Tissus de laine	2,2
5. Fils de soie artificielle non teints	1,1
6. Verre à glaces et à vitres	0,7
7. Munitions, cartouches, etc.	0,6
8. Machines, engins mécaniques.	0,6

¹ Les chiffres pour 1928 ne sont pas encore publiés.

Grande-Bretagne.

Commerce spécial, c'est-à-dire produits originaires de la Grande-Bretagne.

1. *Exportations de la Grande-Bretagne vers l'Allemagne en 1928 dépassant en valeur 1000 milliers de £.*

	Valeur en milliers de £
Total des exportations	40.947
dont :	
1. Fils de coton	7.938
2. Charbon	3.550
3. Filés de laine	3.329
4. Tissus de laine	2.379
5. Poisson	2.145
6. Machines	1.755
7. Tissus de coton	1.748
8. Laines d'alpaca et mohair.	1.485
9. Laine peignée, en traits	1.339
10. Fer et acier, et ouvrages	1.063
11. Laine brute	1.026

2. *Exportations de la Grande-Bretagne vers l'Autriche en 1928 dépassant en valeur 50 milliers de £.*

	Valeur en milliers de £
Total des exportations	2.707
dont :	
1. Tissus de laine.	545
2. Tissus de coton	419
3. Fils de coton	259
4. Cuirs et ouvrages en cuir.	236
5. Vêtements.	205
6. Auros, motos et parties	201
7. Laine peignée et cardée	92
8. Machines	86
9. Articles en caoutchouc	59

3. *Exportations de la Grande-Bretagne vers la Belgique en 1928 dépassant en valeur 250 milliers de £.*

	Valeur en milliers de £
Total des exportations	17.002
dont :	
1. Peaux brutes	1.802
2. Charbon	1.461
3. Machines	1.386
4. Fer et acier, et ouvrages	1.234
5. Tissus de coton	847
6. Fils de coton	822
7. Tissus de laine	700
8. Laine peignée	680
9. Laine brute	356
10. Laine, déchets	247
11. Minerai de zinc	345
12. Cuirs et ouvrages en cuir	270
Total des exportations vers le Luxembourg	11

4. *Exportations de la Grande-Bretagne vers la France en 1928 dépassant en valeur 300 milliers de £.*

	Valeur en milliers de £
Total des exportations	25.157
dont :	
1. Charbon	6.975
2. Machines	2.180
3. Fer et acier et ouvrages en fer et en acier	972
4. Tissus de laine	936
5. Etain en blocs, saumons, larves	751
6. Cuirs et ouvrages en cuir	712
7. Tissus de coton	651
8. Fils de coton	568
9. Automobiles, motos et parties	512
10. Peaux et fourrures, préparées	487
11. Vieux métaux	355
12. Poisson	328

5. *Exportations de la Grande-Bretagne vers la Hongrie en 1928 dépassant en valeur 40 milliers de £.*

	Valeur en milliers de £
Total des exportations	1.000
dont :	
1. Tissus de laine	242
2. Coton, ouvrages et fils	164
3. Autos, motos et parties	82
4. Machines	64
5. Cuirs et ouvrages en cuir	41

6. *Exportations de la Grande-Bretagne vers l'Italie en 1928 dépassant en valeur 250 milliers de £.*

	Valeur en milliers de £
Total des exportations	14.353
dont :	
1. Charbon	5.307
2. Machines	1.111
3. Fer et acier et ouvrage en fer et en acier	927
4. Tissus de laine	858
5. Tissus de coton	459
6. Vêtements	436
7. Poisson	333
8. Appareillage électrique	356
9. Pétrole raffiné	319
10. Automobiles, motos et parties	308
11. Sulfate de cuivre	262

7. *Exportations de la Grande-Bretagne vers les Pays-Bas en 1928 dépassant en valeur 200 milliers de £.*

	Valeur en milliers de £
Total des exportations	21.802
dont :	
1. Machines	2.395
2. Fils de coton	2.317
3. Fer et acier, et ouvrages en fer et en acier	1.782
4. Tissus de coton	1.704
5. Charbon	1.684
6. Tissus de laine	701
7. Cuirs et articles en cuir	428
8. Fils et filés de laine	318
9. Bateaux	291
10. Huile d'arachides	280
11. Bicyclettes	200
12. Matériel électrique	241

8. *Exportations de la Grande-Bretagne vers la Pologne (y compris Dantzig) en 1928 dépassant en valeur 100 milliers de £.*

	Valeur en milliers de £
Total des exportations	5.253
dont : 1. Harengs	1.180
2. Machines	744
3. Fils de coton	453
4. Fer et acier, déchets.	434
5. Tissus de coton	367
6. Fils et filés de laine	241
7. Automobiles, motos et parties	234
8. Ouvrages en fer et en acier	148
9. Bateaux.	150
10. Laine en traits	129
11. Laine brute	110

9. *Exportations de la Grande-Bretagne vers la Suisse en 1928 dépassant en valeur 100 milliers de £.*

	Valeur en milliers de £
Total des exportations	7.921
dont : 1. Tissus de coton.	2.896
2. Fils et filés de coton	1.696
3. Tissus de laine	357
4. Autos, motos et parties	293
5. Machines	234
6. Fer et acier et ouvrages en fer et en acier	164
7. Cuir et ouvrages en cuir	147
8. Soie artificielle et ouvrage en soie artificielle.	132
9. Soie naturelle et ouvrages en soie naturelle	126
10. Vêtements.	106

10. *Exportations de la Grande-Bretagne vers la Tchécoslovaquie en 1928 dépassant en valeur 50 milliers de £.*

	Valeur en milliers de £
Total des exportations	2.168
dont : 1. Fils de coton	612
2. Machines	285
3. Tissus de laine	254
4. Autos, motos et parties	212
5. Laine peignée et cardée	83
6. Articles en coton	73
7. Cuirs et articles en cuir	50

11. *Exportations de la Grande-Bretagne vers la Yougoslavie en 1928 dépassant en valeur 25 milliers de £.*

	Valeur en milliers de £
Total des exportations	1.269
dont : 1. Bateaux	254
2. Tissus de coton	232
3. Fils de coton	179
4. Tissus de laine	112
5. Machines	101
6. Charbon	75
7. Coke et briquettes	45

France.

1. Exportations de la France vers l'Allemagne en 1928 dépassant en valeur 150 millions de francs français.

	Valeur en millions de francs français
Total des exportations	5.670
dont :	
1. Fers et aciers	695
2. Fils de laine	377
3. Laines et déchets de laine	372
4. Tissus de coton	289
5. Peaux et pelleteries brutes	252
6. Outils et ouvrages en métaux	219
7. Peaux préparées	189
8. Houille crue, carbonisée ou agglomérée	189
9. Fils de coton	183
10. Machines et pièces détachées	176
11. Tissus de soie et de bourre de soie	173

2. Exportations de la France vers l'Autriche en 1927¹ dépassant en valeur 5 millions de francs français.

	Valeur en millions de francs français
Total des exportations	266
dont :	
1. Soie et bourre de soie, brute	36
2. Tissus de soie et de bourre de soie	34
3. Tissus de laine	28
4. Peaux préparées	20
5. Tissus de coton	17
6. Fils de laine	15
7. Perles fines	12
8. Pierres gemmes de toute sorte	11
9. Ouvrages en caoutchouc et en gutta-percha	10
10. Fils de coton	5
11. Voitures automobiles	5

3. Exportations de la France vers la Belgique (Union économique belgo-luxembourgeoise) en 1928 dépassant en valeur 180 millions de francs français.

	Valeur en millions de francs français
Total des exportations	7.247
dont :	
1. Laines et déchets de laine	753
2. Fers et aciers	456
3. Peaux et pelleteries brutes	384
4. Fils de laine	380
5. Machines, chaudières et pièces détachées	361
6. Minerais de toute sorte	290
7. Chlorure de potassium	274
8. Outils et ouvrages en métaux	270
9. Tissus de laine	227
10. Lin	198
11. Tissus de soie et bourre de soie	197
12. Vins	184

¹ Les chiffres correspondants pour 1928 ne sont pas encore publiés.

4. *Exportations de la France vers la Grande-Bretagne en 1928 dépassant en valeur 180 millions de francs français.*

	Valeur en millions de francs français
Total des exportations	8.166
dont :	
1. Tissus de soie et bourre de soie	1.277
2. Lingerie, vêtements et articles confectionnés	733
3. Tissus de laine	631
4. Fers et aciers	399
5. Perles fines et pierres gemmes	373
6. Laine et déchets de laine	369
7. Fils de laine	307
8. Tissus de coton	220
9. Vins	215
10. Pelleteries préparées, ouvrées ou confectionnées	197
11. Peaux préparées	196
12. Eaux-de-vie et liqueurs	182

5. *Exportations de la France vers la Hongrie en 1927¹ dépassant en valeur 1 million de francs français.*

	Valeur en millions de francs français
Total des exportations	56
dont :	
1. Tissus de soie et bourre de soie	8,6
2. Tissus de laine	8,3
3. Automobiles	6,9
4. Fils de coton	4,9
5. Fils de laine	3,7
6. Tissus de coton	2,9
7. Perles fines	1,6
8. Verres et cristaux	1,6
9. Pierres gemmes de toute sorte	1,0

6. *Exportations de la France vers l'Italie en 1928 dépassant 45 millions de francs français.*

	Valeur en millions de francs français
Total des exportations	2.150
dont :	
1. Laines et déchets de laine	163
2. Fers et aciers	153
3. Machines et pièces détachées	114
4. Houille	111
5. Tissus de soie et bourre de soie	67
6. Huiles végétales fixes	63
7. Soie et bourre de soie	62
8. Perles fines	59
9. Outils et ouvrages en métaux	46
10. Tissus de laine	43

7. *Exportations de la France vers les Pays-Bas en 1928 dépassant en valeur 35 millions de francs français.*

	Valeur en millions de francs français
Total des exportations	1.302
dont :	
1. Lingerie, vêtements et articles confectionnés	85
2. Tissus de laine	82
3. Tissus de soie et bourre de soie	81
4. Fils de laine	72
5. Minerais de toute sorte	70
6. Peaux et pelleteries brutes	52
7. Fers et aciers	47
8. Vins	46
9. Tissus de coton	45
10. Fils de coton	38

¹ Les chiffres correspondants pour 1928 ne sont pas encore publiés.

8. *Exportations de la France vers la Pologne en 1928 dépassant en valeur 10 millions de francs français.*

	Valeur en millions de francs français
Total des exportations	496
dont :	
1. Laines et déchets de laine	164
2. Voitures automobiles.	34
3. Fils de coton	33
4. Machines et pièces détachées de machine	27
5. Tissus de soie et de bourre de soie	26
6. Vins	18
7. Fers et aciers	17
8. Fils de laine	14
9. Peaux préparées.	14
10. Armes, poudres et munitions	10

9. *Exportations de la France vers la Suisse en 1928 dépassant 80 millions de francs français.*

	Valeur en millions de francs français
Total des exportations	3.378
dont :	
1. Houille crue, carbonisée ou agglomérée	276
2. Tissus de soie et bourre de soie.	265
3. Tissus de coton	195
4. Fers et aciers	158
5. Fils de soie et bourre de soie.	149
6. Tissus de laine	147
7. Laines et déchets de laine	107
8. Machines, chaudières et pièces détachées	94
9. Fils de coton	89
10. Ouvrages en caoutchouc et en gutta-percha	82

10. *Exportations de la France vers la Tchécoslovaquie en 1928 dépassant en valeur 3 millions de francs français.*

	Valeur en millions de francs français
Total des exportations	218,7
dont :	
1. Laines et déchets de laine.	61,7
2. Ouvrages en caoutchouc et en gutta-percha	24,1
3. Fils de coton	17,0
4. Automobiles.	13,4
5. Machines et pièces détachées.	12,5
6. Tissus de soie et bourre de soie.	8,5
7. Fils de laine.	7,3
8. Peaux préparées	5,3
9. Parfumerie et savons	4,7
10. Vins	3,4
11. Outils et ouvrages en métaux	3,2

11. *Exportations de la France vers la Yougoslavie en 1928 dépassant 1 million et demi de francs français.*

	Valeur en millions de francs français
Total des exportations	75,9
dont :	
1. Aéronefs et pièces détachées.	17,7
2. Armes, poudres et munitions.	10,1
3. Fils de coton	6,5
4. Machines et pièces détachées.	6,1
5. Automobiles.	5,9
6. Tissus de laine.	4,5
7. Houille crue, carbonisée et agglomérée	3,6
8. Colis postaux contenant des tissus de soie et bourre de soie	3,0
9. Tissus de coton	1,9
10. Outils et ouvrages en métaux	1,8

Hongrie.

1. Exportations de Hongrie vers l'Allemagne en 1928 dépassant 2.000 milliers de pengö.

	Valeur en milliers de pengö
Total des exportations	95.435
dont :	14.072
1. Plume	9.434
2. Volaille morte	9.241
3. Œufs	7.062
4. Laine.	5.094
5. Graine de trèfle et de luzerne	3.689
6. Légumes frais	3.638
7. Fruits frais	3.312
8. Bauxite.	2.357
9. Lampes électriques à incandescence.	2.100
10. Volaille vivante	

2. Exportations de Hongrie vers l'Autriche en 1928 dépassant 4.000 milliers de pengö.

	Valeur en milliers de pengö
Total des exportations	278.391
dont :	59.764
1. Farine	47.391
2. Animaux de boucherie et de trait.	31.908
3. Froment	22.646
4. Seigle.	14.087
5. Volaille morte	8.902
6. Viande fraîche et préparée	6.962
7. Œufs	6.305
8. Vin.	5.086
9. Maïs	4.909
10. Fruits frais	4.708
11. Orge	4.172
12. Tabac brut	

3. Exportations de Hongrie vers la Belgique en 1928 dépassant 150 milliers de pengö.

	Valeur en milliers de pengö
Total des exportations	7.164
dont :	4.385
1. Tabac brut	710
2. Laine.	462
3. Appareils électriques	421
4. Tissus de coton	328
5. Lampes électriques à incandescence.	273
6. Peaux brutes	162
7. Dynamos	

4. Exportations de Hongrie vers la France en 1928 dépassant 200 milliers de pengö.

	Valeur en milliers de pengö
Total des exportations	7.120
dont :	1.260
1. Batteuses à vapeur ou à moteur	1.170
2. Foie d'oie, frais	787
3. Chanvre et étoupe de chanvre	634
4. Briques réfractaires.	429
5. Tabac brut	375
6. Machines et appareils électriques.	373
7. Laine.	361
8. Pois secs	348
9. Plumes	222
10. Patés de foie gras	

5. *Exportations de Hongrie vers le Royaume-Uni en 1928 dépassant 300 milliers de pengö.*

	Valeur en milliers de pengö
Total des exportations	23.812
dont :	
1. Volaille morte	7.408
2. Cuir préparés	3.706
3. Articles cousus	3.652
4. Pois non écosés	3.066
5. Tissus de coton	666
6. Vêtements pour dame	568
7. Produits mi-fabriqués en fer	480
8. Ficelles de lin, de chanvre, etc..	392
9. Jouets en caoutchouc	379
10. Laine	327
11. Farine	307

6. *Exportations de Hongrie vers l'Italie en 1928 dépassant 600 milliers de pengö.*

	Valeur en milliers de pengö
Total des exportations	28.957
dont :	
1. Animaux de boucherie et de trait	7.809
2. Pommes de terre	4.095
3. Froment	2.000
4. Machines et appareils électriques	1.800
5. Haricots secs	981
6. Graines de trèfle et de luzerne	725
7. Malt	621
8. Farine	610

7. *Exportations de Hongrie vers les Pays-Bas en 1928 dépassant 90 milliers de pengö.*

	Valeur en milliers de pengö
Total des exportations	4.352
dont :	
1. Tabac brut	1.329
2. Maïs	782
3. Seigle	417
4. Dynamos	290
5. Articles en caoutchouc	201
6. Pois secs	111
7. Ficelles de chanvre, de lin	107
8. Graines oléagineuses	103
9. Tissus de laine	99
10. Peaux brutes	98

8. *Exportations de Hongrie vers la Pologne en 1928 dépassant 500 milliers de pengö.*

	Valeur en milliers de pengö
Total des exportations	25.775
dont :	
1. Froment	10.585
2. Seigle	3.092
3. Tabac brut	1.523
4. Machines et appareils électriques	1.000
5. Poissons frais	882
6. Machines et appareils autres	877
7. Laine	682
8. Millet décortiqué	622
9. Vin	616
10. Fruits frais	612
11. Cuir préparés	551

9. *Exportations de Hongrie vers la Suisse en 1928 dépassant 1.000 milliers de pengö.*

	Valeur en milliers de pengö
Total des exportations	29.467
dont :	
1. Gazes, tissus de soie façon crêpe	7.803
2. Animaux de boucherie et de trait	4.055
3. Alcool raffiné	2.490
4. Farine	2.320
5. Sucre	1.835
6. Froment	1.573
7. Soie et fils de soie	1.563
8. Tissus de soie et de mi-soie	1.276
9. Paille	1.079

10. *Exportations de Hongrie vers la Tchécoslovaquie en 1928 dépassant 3.000 milliers de pengö.*

	Valeur en milliers de pengö
Total des exportations	145.220
dont :	
1. Froment	35.340
2. Farine	24.699
3. Animaux de boucherie et de trait	18.830
4. Saindoux et lard	7.663
5. Seigle	7.610
6. Mais	6.601
7. Laine	5.092
8. Peaux brutes	3.331
9. Graines oléagineuses	3.331

11. *Exportations de Hongrie vers la Yougoslavie en 1928 dépassant 2.000 milliers de pengö.*

	Valeur en milliers de pengö
Total des exportations	53.591
dont :	
1. Machines et appareils	8.338
2. Produits mi-fabriqués en fer	5.956
3. Ouvrages en fer	3.875
4. Tissus de coton	2.704
5. Voitures de chemin de fer	2.621
6. Machines et appareils électriques	2.485
7. Orge	2.241
8. Sucre	2.013

Italie.

1. Exportations de l'Italie vers l'Allemagne en 1928 dépassant 45 millions de liras.

	Valeur en millions de liras
Total des exportations	1.858
dont :	
1. Soie dévidée.	258
2. Oranges et citrons	145
3. Raisins et autres fruits frais	130
4. Fruits secs	116
5. Soie artificielle et déchets	116
6. Peaux brutes	115
7. Chanvre brut et peigné	75
8. Pommes de terre	73
9. Œufs	62
10. Légumes frais	58
11. Déchets de soie naturelle	51
12. Automobiles.	45

2. Exportations de l'Italie vers l'Autriche en 1928 dépassant 10 millions de liras.

	Valeur en millions de liras
Total des exportations	434,4
dont :	
1. Soie dévidée.	58,5
2. Oranges et citrons	38,3
3. Raisins et autres fruits frais	30,0
4. Légumes frais	23,2
5. Soie artificielle et déchets	23,0
6. Peaux brutes	22,4
7. Riz.	20,5
8. Tissus et ouvrages de coton	18,0
9. Vins et vermouth	16,5
10. Pommes de terre	17,3
11. Fruits secs	14,9
12. Tissus et ouvrages en laine	13,2
13. Tissus et ouvrages en soie	13,1
14. Chanvre et étoupe	12,0

3. Exportations de l'Italie vers la Belgique en 1924 dépassant 6 millions de liras.

	Valeur en millions de liras
Total des exportations	298
dont :	
1. Chanvre et étoupe de chanvre	35,6
2. Minerai de zinc	26,2
3. Œufs	20,6
4. Pneus	18,0
5. Tissus de soie	15,7
6. Autos.	15,5
7. Conserves de tomates	13,8
8. Riz.	13,7
9. Marbre	7,2
10. Pommes de terre	7,0
11. Chapeaux	6,5

4. *Exportations de l'Italie vers la France en 1928 dépassant 15 millions de lires.*

	Valeur en millions de lires
Total des exportations	1.361
dont :	
1. Soie dévidée	416
2. Pierres précieuses, ouvragées	103
3. Peaus brutes	90
4. Chanvre grège et peigné	90
5. Fromage	50
6. Déchets de soie	43
7. Automobiles	37
8. Tissus et autres articles en soie	36
9. Riz	30
10. Fruits secs	23
11. Raisins et fruits frais	16
12. Oranges et citrons	15

5. *Exportations de l'Italie vers le Royaume-Uni en 1928 dépassant 40 millions de lires.*

	Valeur en millions de lires
Total des exportations	1.399
dont :	
1. Tissus et autres ouvrages en soie	203
2. Tissus et autres ouvrages en laine	122
3. Oranges et citrons	76
4. Gants de peaux	71
5. Peaux brutes	70
6. Chapeaux	60
7. Fromage	60
8. Tissus et autres produits manufacturés en coton	60
9. Marbre et albâtre, ouvrés	48
10. Conserves de tomates	47

6. *Exportations de l'Italie vers la Hongrie en 1928 dépassant 2 millions de lires.*

	Valeur en millions de lires
Total des exportations	129
dont :	
1. Oranges, mandarines et citrons	26
2. Riz	14,5
3. Peaux brutes	10,0
4. Tissus et autres ouvrages en coton	7,8
5. Automobiles	8,4
6. Tissus et autres ouvrages en laine	7,7
7. Cartouches chargées	7,0
8. Produits chimiques phosphatés	5,0
9. Tourteaux	2,5
10. Chapeaux	2,2
11. Marrons	2,2
12. Légumes frais	2,1

7. *Exportations de l'Italie vers les Pays-Bas en 1924 dépassant 2 millions de lires.*

	Valeur en millions de lires
Total des exportations	124
dont :	
1. Amandes	20,2
2. Tissus de coton	7,2
3. Riz	6,1
4. Autos	6,1
5. Pneus	5,8
6. Noix et noisettes	5,5
7. Minerai de fer	4,7
8. Fruits candis	3,7
9. Chapeaux	3,6
10. Laine	3,5
11. Chanvre et étoupe	2,7
12. Fils de chanvre	2,3

8. *Exportations de l'Italie vers la Pologne en 1924 dépassant 1 million de liras.*

	Valeur en milliers de liras
Total des exportations	104
dont : 1. Wagons pour chemins de fer.	50,5
2. Oranges et citrons	10,8
3. Autos.	10,5
4. Peaux	5,5
5. Pneus et chambres à air.	4,0
6. Amandes	2,1
7. Aéroplanes	2,0
8. Tissus de soie	2,5
9. Soie artificielle.	1,4

9. *Exportations de l'Italie vers la Suisse en 1924 dépassant 15 millions de liras.*

	Valeur en millions de liras
Total des exportations	989
dont : 1. Soie filée	378
2. Vins et vermouth	76
3. Tissus et autres ouvrages en soie	41
4. Tourteaux.	31
5. Peaux brutes	28
6. Viandes préparées	25
7. Raisins et autres fruits frais	23
8. Soie artificielle et déchets	22
9. Riz.	22
10. Œufs	21
11. Déchets de soie naturelle	19
12. Automobiles	16
13. Fils de coton	16

10. *Exportations de l'Italie vers la Tchécoslovaquie en 1928 dépassant 2 millions et demi de liras.*

	Valeur en millions de liras
Total des exportations	170,2
dont : 1. Tourteaux.	28,7
2. Oranges et citrons	26,3
3. Pommes de terre	10,0
4. Peaux brutes	9,0
5. Automobiles.	8,1
6. Fruits secs	8,8
7. Riz.	6,5
8. Soie artificielle et déchets	6,3
9. Poisson frais ou préparé.	4,9
10. Vins et vermouth	4,0
11. Légumes frais	3,4
12. Pneus, chambres à air	2,8

11. *Exportations de l'Italie vers la Yougoslavie en 1928 dépassant 3 millions de liras.*

	Valeur en millions de liras
Total des exportations	305
dont : 1. Tissus et autres ouvrages en coton	64
2. Filés de coton	54
3. Riz.	25,6
4. Peaux brutes	21,9
5. Tissus et autres ouvrages en chanvre, lin et jute.	17,8
6. Sulfate de cuivre	15,3
7. Oranges et citrons	14,1
8. Minerai de zinc	10,5
9. Fils à coudre en coton.	9,7
10. Tissus et autres ouvrages en laine.	9,6
11. Automobiles.	4,7

Pays-Bas.

1. Exportations des Pays-Bas vers l'Allemagne en 1928 dépassant en valeur 10 millions de florins.

	Valeur en milliers de florins
Total des exportations	468.704
dont :	
1. Beurre	71.097
2. Légumes frais	42.632
3. Œufs et produits des œufs	40.600
4. Fromages	35.677
5. Viandes fraîches et frigorifiées	15.371
6. Charbon, coke et briquettes	14.763
7. Poissons et crustacés	13.376
8. Fils divers	12.983
9. Fruits frais et séchés	11.657
10. Oignons de fleurs, bulbes et plants	11.351
11. Peaux brutes	11.077
12. Outillages et appareils	10.028

2. Exportations des Pays-Bas vers l'Autriche en 1928 dépassant en valeur 350.000 florins.

	Valeur en milliers de florins
Total des exportations	13.285
dont :	
1. Huiles végétales	2.891
2. Tissus divers	1.044
3. Beurre	872
4. Outils et appareils	807
5. Graisses animales fondues	780
6. Fèves de cacao et déchets de fèves de cacao	707
7. Peaux brutes	658
8. Fils divers	527
9. Cuirs	435
10. Café	363

3. Exportations des Pays-Bas vers la Belgique en 1928 dépassant en valeur 4 millions de florins.

	Valeur en milliers de florins
Total des exportations	172.102
dont :	
1. Charbon, coke et briquettes	22.918
2. Huiles végétales	15.700
3. Fromages	13.088
4. Tissus divers	7.680
5. Peaux brutes	6.512
6. Chanvre, jute, manillas et autres fibres filamenteuses	5.696
7. Fers et aciers et ouvrages en fer et en acier	5.190
8. Pommes de terre	5.104
9. Zinc et ouvrages en zinc	4.802
10. Poissons et crustacés	4.799
11. Divers outils	4.690

Vers le Luxembourg.

	Total	2.355
dont :		
1. Charbon, coke et briquettes		1.069
2. Peaux		819
3. Poissons et crustacés		107
4. Graisses animales fondues		77
5. Fromages		45
6. Fers et aciers et ouvrages en fers et aciers		41

4. *Exportations des Pays-Bas vers la France en 1928 dépassant en valeur 3 millions de florins.*

	Valeur en milliers de florins
Total des exportations	122.520
dont :	
1. Charbon, coke et briquettes	19.893
2. Viandes fraîches (ou frigorifiées)	17.411
3. Fromages	8.633
4. Peaux brutes	5.907
5. Outillages et appareils	5.305
6. Pois, haricots, etc.	4.518
7. Lampes à incandescence.	4.377
8. Huiles végétales	4.314
9. Margarine comestible	3.057

5. *Exportations des Pays-Bas vers la Grande-Bretagne en 1928 dépassant en valeur 10 millions de florins.*

	Valeur en milliers de florins
Total des exportations	431.960
dont :	
1. Viandes salées	52.693
2. Margarine comestible	37.366
3. Lait, produits laitiers et caséine (fromages et beurre non compris)	35.003
4. Tissus divers.	24.460
5. Huiles végétales	23.608
6. Papiers et ouvrages en papier	21.576
7. Bulbes et plants	20.027
8. Œufs et produits des œufs.	19.941
9. Légumes frais	18.088
10. Sucres et mélasses	15.579
11. Beurre	12.412

6. *Exportations des Pays-Bas vers la Hongrie en 1928 dépassant en valeur 75.000 florins.*

	Valeur en milliers de florins
Total des exportations	3.668
dont :	
1. Huiles végétales	664
2. Outils et appareils	609
3. Tissus de toute sorte	456
4. Véhicules et avions	348
5. Café	197
6. Cuirs	193
7. Peaux brutes	186
8. Graines et semences de légumes et de fleurs.	94
9. Légumes frais	90
10. Bulbes, oignons et plants	77

7. *Exportations des Pays-Bas vers l'Italie en 1928 dépassant en valeur 900.000 florins.*

	Valeur en milliers de florins
Total des exportations	36.633
dont :	
1. Cochons.	5.251
2. Charbon, coke et briquettes	3.719
3. Viandes salées	3.300
4. Outils et appareils	3.201
5. Lampes à incandescence.	2.702
6. Farines et farineux	2.438
7. Huiles végétales	1.763
8. Viandes fraîches, frigorifiées ou gelées.	1.179
9. Stéarine, oléine et autres acides gras	981
10. Cuirs	930

8. *Exportations des Pays-Bas vers la Pologne en 1928 dépassant en valeur 400.000 florins.*

	Valeur en milliers de florins
Total des exportations	22.907
dont :	
1. Peaux brutes	3.194
2. Graisses animales fondues	3.101
3. Huiles végétales	3.026
4. Gruaux et farines	2.935
5. Fer et acier et ouvrages en fer et en acier	2.052
6. Outils et appareils	1.151
7. Café	887
8. Cacao.	517
9. Véhicules et avions	514
10. Chiffons et autres déchets pour la fabrication du papier	479

9. *Exportations des Pays-Bas vers la Suisse en 1928 dépassant en valeur 750.000 florins.*

	Valeur en milliers de florins
Total des exportations	25.221
dont :	
1. Huiles végétales	4.705
2. Charbon, coke et briquettes	2.845
3. Outils et appareils	1.253
4. Fils divers.	1.179
5. Farines et farineux	1.051
6. Graisses animales fondues	928
7. Légumes frais	857
8. Huiles minérales brutes et leurs dérivés	839
9. Boissons distillées et esprit de vin.	839
10. Sucres et mélasses	810
11. Pommes de terre	768

10. *Exportations des Pays-Bas vers la Tchécoslovaquie en 1928 dépassant en valeur 450.000 florins.*

	Valeur en milliers de florins
Total des exportations	15.360
dont :	
1. Huiles végétales	3.460
2. Graisses animales fondues	2.230
3. Outils et appareils	1.297
4. Tissus divers.	732
5. Bulbes et plants	728
6. Margarine comestible	633
7. Fils divers.	633
8. Légumes frais	595
9. Lampes à incandescence.	549
10. Semences et graines, divers	496

11. *Exportations des Pays-Bas vers la Yougoslavie en 1928 dépassant en valeur 50.000 florins.*

	Valeur en milliers de florins
Total des exportations	1.685
dont :	
1. Huiles végétales	319
2. Huiles minérales brutes et leurs dérivés	217
3. Charbon, coke et briquettes	155
4. Outils et appareils	133
5. Instrument divers et leurs parties	126
6. Peaux brutes	122
7. Couleurs et vernis	107
8. Fils divers.	60
9. Tissus divers.	59

Pologne.

1. *Exportations de la Pologne vers l'Allemagne en 1928 dépassant en valeur 10 millions de zloty.*

	Valeur en millions de zloty
Total des exportations	858,8
dont : 1. Bois brut	182,8
2. Bois mi-ouvré	151,7
3. Zinc	88,2
4. Œufs	71,6
5. Laitages	59,9
6. Céréales et légumes.	47,5
7. Fourrage pour le bétail	37,3
8. Sucre.	17,0
9. Semences et graines	22,7
10. Volaille et oiseaux	12,9
11. Goudron et dérivés.	12,0
12. Ouvrages en bois.	10,7

2. *Exportations de la Pologne vers l'Autriche en 1928 dépassant en valeur 3 millions de zloty.*

	Valeur en millions de zloty
Total des exportations	311,4
dont : 1. Porcs.	100,0
2. Houille, coke et briquettes.	90,6
3. Viande	49,0
4. Œufs	19,6
5. Fils de laine.	4,3
6. Zinc	4,3
7. Fourrage pour le bétail	3,7
8. Plomb	3,2
9. Huiles pour moteurs	3,0

3. *Exportations de la Pologne vers la Belgique en 1928 dépassant en valeur 1 million de zloty.*

	Valeur en millions de zloty
Total des exportations	57,4
dont : 1. Céréales et légumes à cosse	19,4
2. Bois mi-ouvré	18,0
3. Bois brut	4,0
4. Ouvrages en bois.	3,4
5. Houille, coke et briquettes	2,2
6. Légumes	1,5
7. Semences	1,2

4. *Exportations de la Pologne vers la France en 1928 dépassant en valeur 0,6 million de zloty.*

	Valeur en millions de zloty
Total des exportations	43,0
dont : 1. Bois brut et mi-ouvré.	12,2
2. Houille, briquettes et coke.	10,2
3. Paraffine et vaseline	4,8
4. Sucre.	4,0
5. Œufs	2,1
6. Huiles de pétrole.	1,6
7. Houblon	0,6
8. Zinc	0,6
9. Huiles lubrifiantes	0,8

5. *Exportations de la Pologne vers le Royaume-Uni en 1928 dépassant en valeur 5 millions de zloty.*

	Valeur en millions de zloty
Total des exportations	226,7
dont :	
1. Bois brut et mi-ouvré	88,6
2. Sucre	24,4
3. Œufs	22,8
4. Viande	14,9
5. Ouvrages en bois	13,6
6. Fils de laine	11,0
7. Laitages	7,9
8. Paraffine et vaseline	5,5

6. *Exportations de la Pologne vers la Hongrie en 1928 dépassant en valeur 0,7 million de zloty.*

	Valeur en millions de zloty
Total des exportations	43,4
dont :	
1. Houille, briquettes et coke	23,5
2. Bois brut et mi-ouvré	3,7
3. Zinc	3,3
4. Fer et acier mi-ouvré	1,1
5. Semences et graines	1,9
6. Paraffine et vaseline	0,9
7. Plomb	0,8
8. Fourrage pour bétail	0,7

7. *Exportations de la Pologne vers l'Italie en 1928 dépassant en valeur 0,7 million de zloty.*

	Valeur en millions de zloty
Total des exportations	48,7
dont :	
1. Houille, coke et briquettes	11,7
2. Œufs	10,6
3. Sucre	7,2
4. Céréales et légumes à cosse	6,0
5. Ouvrages en bois	1,8
6. Paraffine et vaseline	2,2
7. Ouvrages en zinc	1,3
8. Fer et acier	0,9
9. Ouvrages en fer et acier	1,3
10. Tissus de laine	0,7

8. *Exportations de la Pologne vers les Pays-Bas en 1928 dépassant en valeur 1,0 million de zloty.*

	Valeur en millions de zloty
Total des exportations	78,0
dont :	
1. Bois brut et mi-ouvré	31,7
2. Sucre	18,0
3. Céréales	4,7
4. Peaux brutes	4,4
5. Ouvrages en bois	4,3
6. Houille, coke et briquettes	2,4
7. Semences	2,3
8. Œufs	1,3
9. Ouvrages en zinc	1,0
10. Graines oléagineuses	1,0

9. *Exportations de la Pologne vers la Suisse en 1928 dépassant en valeur 0,6 million de zloty.*

	Valeur en millions de zloty
Total des exportations	17,3
dont :	
1. Houille, briquettes et coke	3,4
2. Œufs	2,1
3. Pommes de terre	2,0
4. Huiles de pétrole	2,0
5. Bois brut et mi-ouvré	1,4
6. Céréales et légumes à cosse	1,2
7. Tôle, fer et acier	0,9
8. Ouvrages en zinc	0,6

10. *Exportations de la Pologne vers la Tchécoslovaquie en 1928 dépassant en valeur 4 millions de zloty.*

	Valeur en millions de zloty
Total des exportations	295,6
dont : 1. Porcs	106,0
2. Houille, coke et briquettes	31,9
3. Bois brut et mi-ouvré	31,8
4. Gazoline et essence	20,0
5. Zinc	14,9
6. Œufs	12,3
7. Céréales et légumes à cosse	7,8
8. Pétrole raffiné	6,4
9. Lin et déchets	6,2
10. Laine et déchets	4,4

11. *Exportations de la Pologne vers la Yougoslavie en 1928 dépassant en valeur 0,2 million de zloty.*

	Valeur en millions de zloty
Total des exportations	25,4
dont : 1. Ouvrages en fer	12,7
2. Houille, coke et briquettes	8,3
3. Paraffine et vaseline	1,04
4. Graines et semences	0,64
5. Machines textiles	0,54
6. Tissus de laine	0,3
7. Tissus de coton	0,3
8. Tissus de jute, lin, chanvre	0,2

Suisse.

(Dans les totaux sont compris les métaux précieux.)

1. *Exportations de la Suisse vers l'Allemagne en 1928 dépassant en valeur 8 millions de francs.*

	Valeur en milliers de francs
Total des exportations	387.206
dont :	
1. Horloges et montres	39.009
2. Machines	31.579
3. Fils de coton	30.562
4. Tissus de coton	27.659
5. Produits laitiers	26.476
6. Couleurs d'aniline	13.411
7. Fils de laine	11.667
8. Articles en soie artificielle	10.269
9. Bourre de soie moulinée	10.165
10. Peaux et cuirs bruts	9.738
11. Soie artificielle	9.164
12. Aluminium pur	8.623
13. Broderies, garnitures, dentelles en coton	8.356

2. *Exportations de la Suisse vers l'Autriche en 1928 dépassant en valeur 0,8 million de francs.*

	Valeur en milliers de francs
Total des exportations	70.797
dont :	
1. Articles en soie à la pièce	10.490
2. Laine peignée	9.728
3. Tissus de coton	9.020
4. Fils de coton	5.516
5. Horloges et montres	5.152
6. Machines	4.875
7. Instruments et appareils	1.525
8. Fromages	1.247
9. Fils de laine	1.085
10. Soie brute artificielle	1.016
11. Couleurs d'aniline	954
12. Cuirs et peaux	857
13. Produits pour usages pharmaceutiques	807

3. *Exportations de la Suisse vers la Belgique en 1928 dépassant en valeur 0,5 million de francs.*

	Valeur en milliers de francs
Total des exportations	42.927
dont :	
1. Machines	8.827
2. Aluminium pur	3.762
3. Montres	3.704
4. Instruments et appareils	2.684
5. Couleurs d'aniline	2.501
6. Tissus de coton	2.285
7. Fromages	2.189
8. Articles en soie	1.227
9. Ouvrages en cuivre	1.000
10. Articles en fer	870
11. Matières pour produits pharmaceutiques	647
12. Articles en paille	510
13. Papiers	501

4. *Exportations de la Suisse vers la France en 1928 dépassant en valeur 2,1 millions de francs.*

	Valeur en milliers de francs
Total des exportations	156.578
dont :	
1. Machines	20.622
2. Horloges et montres	15.690
3. Couleurs d'aniline	8.214
4. Cuir et peaux bruts	7.056
5. Ouvrages en fer	6.761
6. Instruments et appareils	6.194
7. Articles en coton	6.040
8. Produits laitiers	5.722
9. Papiers et cartons	4.069
10. Articles en soie (à la pièce)	3.863
11. Ouvrages en cuivre	3.680
12. Matières brutes pour la fabrication du papier	3.541
13. Bourre de soie	3.237
14. Cuivre en barres	2.779
15. Soie peignée	2.483
16. Articles en laine	2.388
17. Souliers en cuir	2.210
18. Articles en paille	2.178

5. *Exportations de la Suisse vers la Grande-Bretagne en 1928 dépassant en valeur 6,6 millions de francs.*

	Valeur en milliers de francs
Total des exportations	305.997
dont :	
1. Articles en soie	87.728
2. Horloges et montres	28.751
3. Articles en coton	26.167
4. Chocolat	19.110
5. Machines	17.896
6. Souliers en cuir	14.445
7. Fromages et lait condensé	14.345
8. Articles en laine	9.124
9. Bonneterie de laine	6.939
10. Aluminium pur	6.632

6. *Exportations de la Suisse vers la Hongrie en 1928 dépassant en valeur 0,5 million de francs.*

	Valeur en milliers de francs
Total des exportations	19.400
dont :	
1. Tissus de coton	3.248
2. Montres	2.735
3. Articles en soie à la pièce	1.918
4. Machines	1.734
5. Fils de coton	1.124
6. Soie	1.105
7. Tissus de laine	806
8. Locomotives électriques	533
9. Fromages	530
10. Couleurs d'aniline	504

7. *Exportations de la Suisse vers l'Italie en 1928 dépassant en valeur 2,1 millions de francs.*

	Valeur en milliers de francs
Total des exportations	140.589
dont :	
1. Horloges et montres	18.072
2. Machines	15.929
3. Fromages	14.193
4. Déchets et débris de fer	6.496
5. Soie artificielle	6.075
6. Couleurs d'aniline	4.622
7. Bourre de soie	4.206
8. Tissus de coton	4.118
9. Fils de coton	3.562
10. Instruments et appareils	2.975
11. Taureaux et vaches	2.619
12. Cuivre en barres	2.165

8. *Exportations de la Suisse vers la Hollande en 1928 dépassant en valeur 1,1 million de francs.*

	Valeur en milliers de francs
Total des exportations	54.107
dont :	
1. Moteurs (excepté ceux pour véhicules)	6.556
2. Machines	5.380
3. Ouvrages en cuivre	5.002
4. Horloges et montres	4.355
5. Coton et articles en coton	4.173
6. Articles en soie	3.408
7. Instruments et appareils	2.925
8. Conserves et objets de la consommation de luxe	1.813
9. Couleurs d'aniline	1.583
10. Lampes à incandescence	1.516
11. Acide acétique	1.115
12. Souliers en cuir	1.114

9. *Exportations de la Suisse vers la Pologne en 1928 dépassant en valeur 1 million de francs.*

	Valeur en milliers de francs
Total des exportations	48.830
dont :	
1. Machines	9.073
2. Horloges et montres	6.531
3. Articles de soie à la pièce	3.642
4. Couleurs d'aniline	2.541
5. Instruments et appareils	2.405
6. Tissus de coton	2.338
7. Bourre de soie moulinée	2.229
8. Fils de laine	1.956
9. Produits chimiques pour usages pharmaceutiques	1.296
10. Soie teinte	1.289
11. Moteurs (excepté ceux pour véhicules)	1.224
12. Cuirs et peaux bruts	1.004
13. Produits laitiers	1.001

10. *Exportations de la Suisse vers la Tchécoslovaquie en 1928 dépassant en valeur 1 million de francs.*

	Valeur en milliers de francs
Total des exportations	53.007
dont :	
1. Horloges et montres	6.228
2. Machines	5.792
3. Couleurs d'aniline	3.934
4. Fromages	3.501
5. Articles en soie (à la pièce)	2.744
6. Tissus de coton	2.672
7. Tissus de laine	2.485
8. Instruments et appareils	2.371
9. Fils de coton	2.371
10. Produits pour usages pharmaceutiques	1.487
11. Soie teinte	1.157
12. Déchets de coton	1.017

11. *Exportations de la Suisse vers la Yougoslavie en 1928 dépassant en valeur 0,3 million de francs.*

	Valeur en milliers de francs
Total des exportations	10.514
dont :	
1. Tissus de coton	1.581
2. Articles en soie (à la pièce)	1.198
3. Machines	796
4. Montres	624
5. Chocolat	619
6. Moteurs (excepté ceux pour véhicules)	583
7. Instruments et appareils	455
8. Tissus de laine	454
9. Aluminium pur	380
10. Produits laitiers	328

Tchécoslovaquie.

1. Exportations de la Tchécoslovaquie vers l'Allemagne en 1928 dépassant en valeur 90 millions de couronnes tchécoslovaques.

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	4.695
dont :	
1. Bois de construction	508
2. Lignite	337
3. Chaussures	325
4. Sucre.	175
5. Tissus de coton	155
6. Fils de coton	152
7. Malt	131
8. Tissus de laine.	115
9. Houblon	114
10. Gants de peau	113
11. Plumes	94

2. Exportations de la Tchécoslovaquie vers l'Autriche en 1928 dépassant en valeur 100 millions de Couronnes tchécoslovaques.

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	3.125
dont :	
1. Tissus et autres articles en coton.	457
2. Tissus soie et mi-soie	402
3. Tissus laine	308
4. Houille et coke	267
5. Sucre.	217
6. Céréales.	178
7. Fer et ouvrages en fer	173
8. Fils de laine.	104

3. Exportations de la Tchécoslovaquie vers la Belgique en 1928 dépassant en valeur 2.300 milliers de couronnes tchécoslovaques.

	Valeur en milliers de couronnes tchécoslovaques
Total des exportations	160,606
dont :	
1. Tissus de coton	15.137
2. Houblon	13.973
3. Verre et articles en verre	12.663
4. Tissus de laine.	11.848
5. Malt	11.641
6. Velours de coton.	11.605
7. Matières brutes pour la fabrication du papier	9.559
8. Chaussures	5.805
9. Peaux brutes	3.583
10. Tapis.	2.350

4. Exportations de la Tchécoslovaquie vers la France en 1928 dépassant en valeur 6 millions de couronnes tchécoslovaques.

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	284
dont :	
1. Gobeletterie.	30
2. Houblon	19
3. Pâtes à papier	18
4. Cloches de chapeaux	12
5. Peaux brutes	11
6. Têtes de poupées en porcelaine.	10
7. Articles de fantaisie	9
8. Chaussures	8
9. Tissus de laine	8
10. Perles en verre	7
11. Pierres fausses non montées	6

5. *Exportations de la Tchécoslovaquie vers la Grande-Bretagne en 1928 dépassant en valeur 32 millions de couronnes tchécoslovaques.*

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	1.478
dont :	
1. Verrerie	211
2. Sucre raffiné.	162
3. Tissus de laine.	114
4. Articles en laine tricotée	93
5. Chaussures	61
6. Articles de fantaisie	41
7. Tapis.	37
8. Tuyaux en fer	36
9. Cuirs	34
10. Cloches de chapeaux	32

6. *Exportations de la Tchécoslovaquie vers les Pays-Bas en 1928 dépassant en valeur 6.500 milliers de couronnes tchécoslovaques.*

	Valeur en milliers de couronnes tchécoslovaques
Total des exportations	386.202
dont :	
1. Tissus de laine.	41.853
2. Chaussures	31.518
3. Articles en laine tricotée	29.641
4. Verre et articles en verre	26.809
5. Têtes de poupées en porcelaine.	19.843
6. Bas et chaussettes	13.801
7. Malt	13.003
8. Bois de construction	12.614
9. Lingerie en coton	10.564
10. Vêtements en laine.	6.777
11. Briques réfractaires.	6.568

7. *Exportations de la Tchécoslovaquie vers la Hongrie en 1928 dépassant en valeur 60 millions de couronnes tchécoslovaques.*

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	1.468
dont :	
1. Tissus et autres articles en coton.	280
2. Bois de construction	190
3. Houille et coke	126
4. Tissus de laine.	120
5. Bois de chauffage	77
6. Papier et articles en papier	75
7. Fils de coton	67
8. Verrerie.	60

8. *Exportations de la Tchécoslovaquie vers l'Italie en 1928 dépassant en valeur 11 millions de couronnes tchécoslovaques.*

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	545
dont :	
1. Tissus de laine.	47
2. Gobeletterie	40
3. Malt	34
4. Sucre raffiné.	28
5. Chaussures	24
6. Pâtes à papier	21
7. Tissus de coton	19
8. Articles en métaux	14
9. Tôles brutes.	12
10. Têtes de poupées en porcelaine.	11

9. *Exportations de la Tchécoslovaquie vers la Pologne en 1928 dépassant en valeur 12.700 milliers de couronnes tchécoslovaques.*

	Valeur en milliers de couronnes tchécoslovaques
Total des exportations	850.668
dont :	
1. Fils de laine	81.235
2. Tissus de coton	56.105
3. Chaussures	50.104
4. Cuirs	37.990
5. Coke	30.160
6. Chassis pour automobiles	24.385
7. Malt	18.764
8. Pâtes à papier	14.957
9. Fils de coton	14.302
10. Tissus de laine	13.713
11. Houblon	12.749

10. *Exportations de la Tchécoslovaquie vers la Suisse en 1928 dépassant en valeur 11 millions de couronnes tchécoslovaques.*

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	619
dont :	
1. Sucre raffiné	177
2. Malt	77
3. Tissus de laine	37
4. Tulles et tissus de soie	29
5. Chaussures	22
6. Avoine	17
7. Fers et aciers en barre	12
8. Articles en fer	11
9. Houblon	11

11. *Exportations de la Tchécoslovaquie vers la Yougoslavie en 1928 dépassant en valeur 25 millions de couronnes tchécoslovaques.*

	Valeur en millions de couronnes tchécoslovaques
Total des exportations	948
dont :	
1. Tissus de coton	255
2. Fer et ouvrages en fer	140
3. Tissus de laine	116
4. Fils de coton	75
5. Machines et parties de machines	48
6. Lin, chanvre, jute (fils et articles)	40
7. Chaussures	34
8. Verrerie	29

Yougoslavie.

1. Exportations de la Yougoslavie vers l'Allemagne en 1928 dépassant en valeur 6.000 milliers de dinars.

	Valeur en milliers de dinars
Total des exportations	779.447
dont :	
1. Plantes industrielles et médicinales	187.079
2. Cuivre et ses alliages	164.709
3. Lait et œufs	119.297
4. Produit de la sylviculture	95.058
5. Fruits	60.234
6. Laines, poils, plumes, peaux et cocons	42.333
7. Viandes fraîches ou préparées	17.868
8. Articles en bois	16.899
9. Matières inorganiques	10.711
10. Chanvre, lin, et autres fibres textiles	8.339
11. Huiles essentielles, parfumerie et cosmétiques	8.236
12. Combinaisons organiques	6.023

2. Exportations de la Yougoslavie vers l'Autriche en 1928 dépassant en valeur 16.000 milliers de dinars.

	Valeur en milliers de dinars
Total des exportations	1.153.515
dont :	
1. Animaux vivants	347.823
2. Céréales	149.207
3. Viande fraîche et préparée	127.306
4. Lait et œufs	84.926
5. Fruits	81.570
6. Produits de la sylviculture	52.023
7. Laines, poils, plumes, peaux et cocons	34.195
8. Engrais artificiels	31.461
9. Plomb et ses alliages	30.741
10. Boissons	19.367
11. Cuirs et articles en cuir	18.578
12. Articles en bois	16.811
13. Résidus provenant de la transformation des produits agricoles	16.189

3. Exportations de la Yougoslavie vers la Belgique en 1928 dépassant en valeur 100 milliers de dinars.

	Valeur en milliers de dinars
Total des exportations	37.410
dont :	
1. Produits de la sylviculture	23.419
2. Plantes industrielles et médicinales	7.065
3. Papier et articles en papier	3.131
4. Matières inorganiques	1.688
5. Articles en bois	905
6. Fruits	722
7. Légumes	135

4. Exportations de la Yougoslavie vers la France en 1928 dépassant en valeur 2.000 milliers de dinars.

	Valeur en milliers de dinars
Total des exportations	246.600
dont :	
1. Cuivre et ses alliages	147.241
2. Produits de la sylviculture	52.909
3. Huiles essentielles, parfumerie et cosmétiques	9.380
4. Plantes industrielles et médicinales	7.155
5. Fruits	6.101
6. Articles en papier	5.881
7. Laines, poils, plumes, peaux et cocons	3.821
8. Chanvre, lin et autres fibres textiles	3.437
9. Soie	2.862
10. Articles en bois	2.077

5. *Exportations de la Yougoslavie vers la Grande-Bretagne en 1928 dépassant en valeur 900 milliers de dinars.*

	Valeur en milliers de dinars
Total des exportations	102.214
dont :	
1. Produits de la sylviculture	38.175
2. Matières inorganiques.	18.389
3. Combinaisons organiques	13.092
4. Articles en asphalte, ciment, plâtre, etc.	11.097
5. Viande fraîche ou préparée	5.102
6. Huiles essentielles, parfumerie, cosmétiques	4.483
7. Terres et pierres	3.045
8. Chanvre, lin et autres fibres textiles végétales.	2.525
9. Laines, poils, plumes, peaux et cocons.	1.357
10. Animaux vivants.	995
11. Plantes industrielles ou médicinales.	970

6. *Exportations de la Yougoslavie vers la Hongrie en 1928 dépassant en valeur 15 millions de dinars.*

	Valeur en milliers de dinars
Total des exportations	566.738
dont :	
1. Produits de la sylviculture	198.461
2. Céréales.	60.441
3. Minerais, scories et cendres	42.823
4. Matières inorganiques.	42.657
5. Laines, poils, plumes, peaux et cocons.	26.265
6. Plomb et ses alliages	21.684
7. Résidus provenant de la transformation des produits agri- coles	20.465
8. Plantes industrielles et médicinales	18.222
9. Articles en bois	17.335
10. Engrais artificiels.	16.707
11. Fruits	15.475
12. Plantes fourragères	15.325

7. *Exportations de la Yougoslavie vers l'Italie en 1928 dépassant en valeur 19 millions de dinars.*

	Valeur en milliers de dinars
Total des exportations	1.679.590
dont :	
1. Produits de la sylviculture	855.609
2. Animaux vivants.	188.371
3. Lait et œufs	139.331
4. Viande fraîche ou préparée	63.931
5. Laines, poils, plumes, peaux et cocons.	54.176
6. Engrais artificiels.	43.225
7. Papier et articles en papier	40.745
8. Légumes	37.296
9. Fruits	35.002
10. Terres et pierres	31.219
11. Matières inorganiques.	24.087
12. Combinaisons organiques	19.127

8. *Exportations de la Yougoslavie vers les Pays-Bas en 1928 dépassant en valeur 500 milliers de dinars.*

	Valeur en milliers de dinars
Total des exportations	30.494
dont :	
1. Produits de la sylviculture	17.609
2. Combinaisons organiques	3.566
3. Terres et pierres	3.225
4. Plantes industrielles et médicinales.	2.043
5. Fruits	1.466
6. Papier et articles en papier	761
7. Articles en bois	540
8. Matières inorganiques.	519

9. *Exportations de la Yougoslavie vers la Pologne en 1928 dépassant en valeur 500 milliers de dinars.*

	Valeur en milliers de dinars
Total des exportations	88.632
dont :	
1. Plantes industrielles et médicinales	56.254
2. Engrais artificiels	17.646
3. Combinaisons organiques	4.972
4. Laines, poils, plumes, peaux et cocons	2.421
5. Fruits	1.976
6. Cuir et articles en cuir	1.927
7. Résidus provenant de la transformation des produits agricoles	728
8. Poissons et produits de poissons	679
9. Comestibles et autres aliments	511

10. *Exportations de la Yougoslavie vers la Suisse en 1928 dépassant en valeur 1.400 milliers de dinars.*

	Valeur en milliers de dinars
Total des exportations	199.866
dont :	
1. Œufs	114.943
2. Produits de la sylviculture	20.437
3. Volailles mortes	14.178
4. Soie	13.042
5. Baguettes de bois	7.196
6. Peaux brutes salées	4.556
7. Fruits	3.766
8. Légumes	2.088
9. Orge	1.717
10. Plantes fourragères	1.497

11. *Exportations de la Yougoslavie vers la Tchécoslovaquie en 1928 dépassant en valeur 5 millions de dinars.*

	Valeur en milliers de dinars
Total des exportations	579.608
dont :	
1. Froment	156.700
2. Porcs pesant plus de 70 kg.	100.433
3. Fruits	39.335
4. Houblon	38.603
5. Minerai de fer	28.733
6. Extrait pour le tannage du cuir	20.543
7. Tabac en feuilles	15.095
8. Cyanamide de calcium	13.777
9. Produits de la sylviculture	9.541
10. Peaux séchées de brebis et d'agneau	9.934
11. Résidus provenant de la transformation des produits agricoles	8.847
12. Fibres de chanvre	7.655

B. LES QUATRE PRINCIPALES EXPORTATIONS DE QUATORZE PAYS D'EUROPE.

LEUR RÉPARTITION SUR LES QUATRE PRINCIPAUX MARCHÉS EUROPÉENS DE DESTINATION².

N. B. — Si l'on désire voir comment se répartissent les mêmes articles sur un certain nombre d'autres marchés européens, on peut, dans presque tous les cas, se référer au présent document (*a*) Principaux courants d'exportation à l'intérieur d'un groupe de douze pays européens en 1928).

Allemagne.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1^o *Machines, chaudières et parties de machines.*

	R. M.
a) Valeur de l'exportation	1.134.000.000
Pourcentage de la valeur totale des exportations : 9,5.	
b) Principaux marchés européens de destination :	R. M.
Pays-Bas	82.000.000
France	78.700.000
Tchécoslovaquie	65.500.000
Italie	60.000.000
Grande-Bretagne	58.900.000
(Tous autres pays de destination)	768.900.000)

2^o *Ouvrages et articles en fer³.*

a) Valeur de l'exportation	862.345.000
Pourcentage de la valeur totale des exportations : 7.	
b) Principaux marchés européens de destination :	R. M.
Pays-Bas	85.900.000
Grande-Bretagne	62.300.000
Suisse	34.600.000
Italie	32.000.000
(Tous autres pays de destination)	647.545.000)

3^o *Produits chimiques et pharmaceutiques fabriqués.*

a) Valeur de l'exportation	560.878.000
Pourcentage de la valeur totale des exportations : 4,7.	
b) Principaux marchés européens de destination :	R. M.
Grande-Bretagne	42.800.000
Suisse	34.600.000
Pays-Bas	32.300.000
Italie	29.000.000
(Tous autres pays de destination)	422.178.000)

¹ Ces pays sont : l'Allemagne, l'Autriche, la Belgique, la Grande-Bretagne, le Danemark, la Finlande, la France, la Hongrie, l'Italie, les Pays-Bas, la Pologne, la Suède, la Suisse et la Tchécoslovaquie.

² Cette statistique a été établie par le Secrétariat sur la base des statistiques officielles des pays considérés.

³ Excepté le matériel pour chemins de fer, les chaudières et les parties des machines.

4° Produits électro-techniques.

	R. M.
a) Valeur de l'exportation	488.700.000
Pourcentage de la valeur totale des exportations : 4.	
b) Principaux marchés européens de destination :	R. M.
Pays-Bas	38.900.000
Italie.	24.600.000
France	22.600.000
Autriche	16.200.000
(Tous autres pays de destination)	386.400.000)

Autriche.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1° Bois

	Schillings autrichiens
a) Valeur de l'exportation	248.335.000
Pourcentage de la valeur totale de l'exportation : 11,0.	
b) Principaux marchés européens de destination :	Schillings autrichiens
Allemagne.	95.286.000
Italie.	69.069.000
France	23.429.000
Suisse	20.927.000
(Tous autres pays de destination)	39.624.000)

2° Papier et articles en papier.

a) Valeur de l'exportation	170.697.000
Pourcentage de la valeur totale de l'exportation : 7,8.	
b) Principaux marchés européens de destination :	Schillings autrichiens
Italie.	33.602.000
Hongrie.	26.817.000
Yougoslavie	15.919.000
Grande-Bretagne.	6.706.000
(Tous autres pays de destination)	87.653.000)

3° Ouvrages en fer.

a) Valeur de l'exportation	167.783.000
Pourcentage de la valeur totale de l'exportation : 7,4.	
b) Principaux marchés européens de destination :	Schillings autrichiens
Yougoslavie	25.758.000
Allemagne.	23.463.000
Tchécoslovaquie	17.467.000
Pologne.	12.961.000
(Tous autres pays de destination)	88.134.000)

4° Articles en laine.

a) Valeur de l'exportation	110.452.000
Pourcentage de la valeur totale de l'exportation : 5,0.	
b) Principaux marchés européens de destination :	Schillinge autrichiens
Allemagne.	20.779.000
Yougoslavie	13.018.000
Hongrie.	12.553.000
Pologne.	11.085.000
(Tous autres pays de destination)	53.017.000)

Belgique.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1^o *Fer et acier, battus ou laminés.*

	Fr.
a) Valeur de l'exportation	3.349.000.000
Pourcentage de la valeur totale de l'exportation : 11,1.	
b) Principaux marchés européens de destination :	
	Fr.
Grande-Bretagne.	592.000.000
Pays-Bas	281.000.000
Allemagne.	233.000.000
Suède.	67.000.000
(Tous autres pays de destination)	2.176.000.000)

2^o *Pierres précieuses ouvrées.*

a) Valeur de l'exportation	2.252.000.000
Pourcentage de la valeur totale de l'exportation : 7,2.	
b) Principaux marchés européens de destination :	
	Fr.
Pays-Bas	621.000.000
France	182.000.000
Grande-Bretagne.	52.000.000
Italie.	36.000.000
(Tous autres pays de destination)	1.361.000.000)

3^o *Tissus de coton.*

a) Valeur de l'exportation	1.720.000.000
Pourcentage de la valeur totale de l'exportation : 5,7.	
b) Principaux marchés européens de destination :	
	Fr.
Grande-Bretagne.	468.000.000
Pays-Bas	123.000.000
Danemark.	44.000.000
Autriche	10.000.000
(Tous autres pays de destination)	1.075.000.000)

4^o *Machines et engins mécaniques.*

a) Valeur de l'exportation	1.307.000.000
Pourcentage de la valeur totale de l'exportation : 4,3.	
b) Principaux marchés européens de destination :	
	Fr.
France	176.000.000
Pays-Bas	169.000.000
Grande-Bretagne.	112.000.000
Allemagne.	75.000.000
(Tous autres pays de destination)	775.000.000)

Grande-Bretagne.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1^o Tissus de coton.

	£	
a) Valeur de l'exportation		107.298.000
Pourcentage de la valeur totale des exportations : 14,8.		
b) Principaux marchés européens de destination :		
	£	
Suisse	2.896.000	
Allemagne.	1.748.000	
Pays-Bas	1.704.000	
Danemark.	1.212.000	
(Tous autres pays de destination)		99.738.000)

2^o Machines.

a) Valeur de l'exportation		53.722.000
Pourcentage de la valeur totale des exportations : 7,4.		
b) Principaux marchés européens de destination :		
	£	
Pays-Bas	2.395.000	
France	2.180.000	
Allemagne.	1.756.000	
Belgique	1.386.000	
(Tous autres pays de destination)		46.005.000)

3^o Charbon.

a) Valeur de l'exportation		39.059.000
Pourcentage de la valeur totale des exportations : 5,4.		
b) Principaux marchés européens de destination :		
	£	
France	6.975.000	
Italie.	5.307.000	
Allemagne.	3.550.000	
Pays-Bas	1.684.000	
(Tous autres pays de destination)		21.543.000)

4^o Fer, acier et ouvrages en fer et en acier ¹.

a) Valeur de l'exportation		38.182.000
Pourcentage de la valeur totale des exportations : 5,3.		
b) Principaux marchés européens de destination :		
	£	
Pays-Bas	1.782.000	
Belgique	1.234.000	
Allemagne.	1.063.000	
France	972.000	
(Tous autres pays de destination)		33.131.000)

¹ Excepté les tôles et le matériel pour chemins de fer.

Danemark.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1° *Beurre.*

	Couronnes
a) Valeur de l'exportation	482.314.000
Pourcentage de la valeur totale de l'exportation : 31,2.	
b) Principaux marchés européens de destination :	
	Couronnes
Grande-Bretagne	326.146.000
Allemagne	132.298.000
Suisse	14.611.000
France	1.055.000
(Tous autres pays de destination)	8.204.000)

2° *Lard.*

a) Valeur de l'exportation	460.768.000
Pourcentage de la valeur totale de l'exportation : 29,8.	
b) Principal marché européen de destination :	
	Couronnes
Grande-Bretagne	460.768.000

3° *Œufs.*

a) Valeur de l'exportation	84.361.000
Pourcentage de la valeur totale de l'exportation : 5,5.	
b) Principaux marchés européens de destination :	
	Couronnes
Grande-Bretagne	62.284.000
Allemagne	21.518.000
Suède	478.000
Islande	49.000
(Tous autres pays de destination)	32.000)

4° *Bêtes à cornes.*

a) Valeur de l'exportation	75.683.000
Pourcentage de la valeur totale de l'exportation : 4,9.	
b) Principaux marchés européens de destination :	
	Couronnes
Allemagne	75.388.000
Tchécoslovaquie	184.000
Lithuanie et Memel	2.000
(Tous autres pays de destination)	109.000)

Finlande.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1^o Planches.

	Markka
a) Valeur de l'exportation	1.154.000.000
Pourcentage de la valeur totale de l'exportation : 18,5.	
b) Principaux marchés européens de destination :	
	Markka
Grande-Bretagne.	283.000.000
Pays-Bas	242.000.000
Allemagne.	195.000.000
Belgique	152.000.000
(Tous autres pays de destination	282.000.000)

2^o Cellulose.

a) Valeur de l'exportation	940.922.000
Pourcentage de la valeur totale de l'exportation : 15,1.	
b) Principaux marchés européens de destination :	
	Markka
Grande-Bretagne.	251.715.000
France	84.329.000
Allemagne.	78.174.000
Belgique	67.932.000
(Tous autres pays de destination	458.772.000)

3^o Bastins.

a) Valeur de l'exportation	909.150.000
Pourcentage de la valeur totale de l'exportation : 14,6.	
b) Principaux marchés européens de destination :	
	Markka
Grande-Bretagne.	449.486.000
Pays-Bas	119.330.000
Belgique	109.558.000
France	85.284.000
(Tous autres pays de destination	145.492.000)

4^o Beurre.

a) Valeur de l'exportation	457.615.000
Pourcentage de la valeur totale de l'exportation : 7,3.	
b) Principaux marchés européens de destination :	
	Markka
Grande-Bretagne.	349.664.000
Allemagne.	105.626.000
Danemark.	1.387.000
Suède.	673.000
(Tous autres pays de destination	265.000)

France.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1° *Tissus de soie.*

	Fr.
a) Valeur de l'exportation	3.436.000.000
Pourcentage de la valeur totale de l'exportation : 6,7.	
b) Principaux marchés européens de destination :	
	Fr.
Grande-Bretagne.	1.277.000.000
Suisse	265.000.000
Belgique	197.000.000
Allemagne.	173.000.000
(Tous autres pays de destination)	1.524.000.000)

2° *Tissus de coton.*

a) Valeur de l'exportation	2.907.000.000
Pourcentage de la valeur totale de l'exportation : 5,7.	
b) Principaux marchés européens de destination :	
	Fr.
Allemagne.	289.000.000
Grande-Bretagne.	220.000.000
Suisse	195.000.000
Pays-Bas	45.000.000
(Tous autres pays de destination)	2.158.000.000

3° *Fers et aciers.*

a) Valeur de l'exportation	2.617.384.000
Pourcentage de la valeur totale de l'exportation : 5,1.	
b) Principaux marchés européens de destination :	
	Fr.
Allemagne.	695.000.000
Belgique	456.000.000
Grande-Bretagne.	399.000.000
Suisse	158.000.000
(Tous autres pays de destination)	909.384.000)

4° *Tissus de laine.*

a) Valeur de l'exportation	2.235.022.000
Pourcentage de la valeur totale de l'exportation : 4,4.	
b) Principaux marchés européens de destination :	
	Fr.
Grande-Bretagne.	631.000.000
Allemagne.	289.000.000
Belgique	227.000.000
Suisse	147.000.000
(Tous autres pays de destination)	941.022.000)

Hongrie.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

<i>1° Farines.</i>		Pengö
a) Valeur de l'exportation		89.626.000
Pourcentage de la valeur totale de l'exportation : 10,9.		
b) Principaux marchés européens de destination :		
	Pengö	
Autriche	59.764.000	
Tchécoslovaquie	24.699.000	
Suisse	2.320.000	
Yougoslavie	1.179.000	
(Tous autres pays de destination)	1.664.000)	
<i>2° Froment.</i>		
a) Valeur de l'exportation		88.219.000
Pourcentage de la valeur totale de l'exportation : 10,8.		
b) Principaux marchés européens de destination :		
	Pengö	
Tchécoslovaquie	35.285.000	
Autriche	32.915.000	
Pologne.	11.772.000	
Turquie.	4.162.000	
(Tous autres pays de destination)	4.085.000)	
<i>3° Animaux de boucherie et de trait (chevaux, bêtes à cornes, porcs).</i>		
a) Valeur de l'exportation		86.058.000
Pourcentage de la valeur totale de l'exportation : 10,5.		
b) Principaux marchés européens de destination :		
	Pengö	
Autriche	50.738.000	
Tchécoslovaquie	18.828.000	
Italie.	8.741.000	
Suisse	4.393.000	
(Tous autres pays de destination)	3.358.000)	
<i>4° Volaille morte.</i>		
a) Valeur de l'exportation		31.155.000
Pourcentage de la valeur totale de l'exportation : 3,8.		
b) Principaux marchés européens de destination :		
	Pengö	
Autriche	13.918.000	
Allemagne.	9.410.000	
Grande-Bretagne.	7.497.000	
Suisse	148.000	
(Tous autres pays de destination)	182.000)	

Italie.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1° *Tissus de coton.*

	Lires
a) Valeur de l'exportation	1.507.000.000
Pourcentage de la valeur totale des exportations : 10,4.	
b) Principaux marchés européens de destination :	
	Lires
Grèce	68.000.000
Yougoslavie	64.000.000
Grande-Bretagne	60.000.000
Roumanie	54.000.000
(Tous autres pays de destination)	1.261.000)

2° *Soie moulinée.*

a) Valeur de l'exportation	1.271.000.000
Pourcentage de la valeur totale des exportations : 8,7.	
b) Principaux marchés européens de destination :	
	Lires
France	416.000.000
Suisse	378.000.000
Allemagne	258.000.000
Autriche	58.500.000
(Tous autres pays de destination)	160.500.000)

3° *Tissus de soie.*

a) Valeur de l'exportation	977.000.000
Pourcentage de la valeur totale des exportations : 6,7.	
b) Principaux marchés européens de destination :	
	Lires
Grande-Bretagne	203.000.000
France	36.000.000
Belgique	16.000.000
(Tous autres pays de destination)	722.000.000)

4° *Soie artificielle.*

a) Valeur de l'exportation	555.000.000
Pourcentage de la valeur totale des exportations : 3,8.	
b) Principaux marchés européens de destination :	
	Lires
Allemagne	116.000.000
Autriche	23.000.000
Suisse	22.000.000
(Tous autres pays de destination)	394.000.000)

5° *Automobiles.*

a) Valeur de l'exportation	410.000.000
Pourcentage de la valeur totale des exportations : 2,8.	
b) Principaux marchés européens de destination :	
	Lires
Allemagne	45.000.000
France	37.000.000
Espagne	25.000.000
Suisse	16.000.000
Belgique	15.500.000
(Tous autres pays de destination)	271.500.000)

Pays-Bas.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

<i>1° Etoffes et tissus.</i>		Florins hollandais
a) Valeur de l'exportation		177.996.000
Pourcentage de la valeur totale de l'exportation : 9,0.		
b) Principaux marchés européens de destination :		
	Florins hollandais	
Grande-Bretagne.	24.460.000	
Allemagne.	9.085.000	
Belgique	7.680.000	
Danemark.	3.778.000	
(Tous autres pays de destination)		132.993.000)
<i>2° Huiles végétales.</i>		
a) Valeur de l'exportation		177.996.000
Pourcentage de la valeur totale de l'exportation : 6,2.		
b) Principaux marchés européens de destination :		
	Florins hollandais	
Grande-Bretagne.	23.608.000	
Belgique	15.700.000	
Allemagne.	9.415.000	
Suède.	6.212.000	
(Tous autres pays de destination)		68.736.000)
<i>3° Beurre.</i>		
a) Valeur de l'exportation		88.015.000
Pourcentage de la valeur totale de l'exportation : 4,4.		
b) Principaux marchés européens de destination :		
	Florins hollandais	
Allemagne.	71.097.000	
Grande-Bretagne.	12.412.000	
France	1.095.000	
Autriche	872.000	
(Tous autres pays de destination)		2.539.000)
<i>4° Charbon, coke, briquettes.</i>		
a) Valeur de l'exportation		80.552.000
Pourcentage de la valeur totale de l'exportation : 4,1.		
b) Principaux marchés européens de destination :		
	Florins hollandais	
Belgique	22.918.000	
France	19.893.000	
Allemagne.	14.763.000	
Grande-Bretagne.	4.784.000	
(Tous autres pays de destination)		18.194.000)

Pologne.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1° *Bois brut et mi-ouvré.*

	Zloty
a) Valeur de l'exportation	543.570.000
Pourcentage de la valeur totale de l'exportation : 21,7.	
b) Principaux marchés européens de destination :	
	Zloty
Allemagne	334.500.000
Grande-Bretagne	88.600.000
Tchécoslovaquie	31.800.000
Pays-Bas	31.700.000
(Tous autres pays de destination)	56.970.000

2° *Howille, coke et briquettes.*

	Zloty
a) Valeur de l'exportation	351.960.000
Pourcentage de la valeur totale de l'exportation : 14,7.	
b) Principaux marchés européens de destination :	
	Zloty
Autriche	88.100.000
Suède	76.100.000
Danemark	42.000.000
Tchécoslovaquie	32.000.000
(Tous autres pays de destination)	113.760.000

3° *Porcs.*

	Zloty
a) Valeur de l'exportation	208.107.000
Pourcentage de la valeur totale de l'exportation : 8,3.	
b) Principaux marchés européens de destination :	
	Zloty
Tchécoslovaquie	106.000.000
Autriche	100.000.000
(Tous autres pays de destination)	2.107.000

4° *Œufs.*

	Zloty
a) Valeur de l'exportation	144.967.000
Pourcentage de la valeur totale de l'exportation : 5,8.	
b) Principaux marchés européens de destination :	
	Zloty
Allemagne	71.600.000
Grande-Bretagne	22.800.000
Autriche	19.600.000
Tchécoslovaquie	12.300.000
(Tous autres pays de destination)	1.8667.000

Suède.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1^o Bois (*scié, non raboté, raboté et articles en bois*).

	Kr.
a) Valeur de l'exportation	313.347.000
Pourcentage de la valeur totale de l'exportation : 19,9.	
b) Principaux marchés européens de destination :	
	Kr.
Grande-Bretagne	122.136.000
France	33.357.000
Danemark	32.612.000
Espagne	26.058.000
(Tous autres pays de destination)	99.184.000)

2^o Pâte à papier.

	Kr.
a) Valeur de l'exportation	234.261.000
Pourcentage de la valeur totale de l'exportation : 14,9.	
b) Principaux marchés européens de destination :	
	Kr.
Grande-Bretagne	52.302.000
France	22.429.000
Italie	9.318.000
Espagne	7.848.000
(Tous autres pays de destination)	142.364.000)

3^o Papier et carton.

a) Valeur de l'exportation	127.450.000
Pourcentage de la valeur totale de l'exportation : 8,1.	
b) Principaux marchés européens de destination :	
	Kr.
Grande-Bretagne	52.219.000
France	6.028.000
Danemark	5.286.000
Allemagne	4.169.000
(Tous autres pays de destination)	59.748.000)

4^o Minerai de fer.

a) Valeur de l'exportation	71.208.000
Pourcentage de la valeur totale de l'exportation : 4,5.	
b) Principaux marchés européens de destination :	
Allemagne	48.989.000
Grande-Bretagne	8.193.000
Tchécoslovaquie	6.263.000
Belgique	3.014.000
(Tous autres pays de destination)	4.749.000)

Suisse.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1° *Montres et horlogerie.*

	Frs.
a) Valeur de l'exportation	300.437.000
Pourcentage de la valeur totale de l'exportation : 14,1.	
b) Principaux marchés européens de destination :	
	Frs.
Allemagne.	39.009.000
Grande-Bretagne.	28.751.000
Italie.	18.073.000
France	15.690.000
(Tous autres pays de destination)	198.914.000)

2° *Tissus de soie.*

a) Valeur de l'exportation.	190.030.000
Pourcentage de la valeur totale de l'exportation : 8,9.	
b) Principaux marchés européens de destination :	
	Frs.
Angleterre.	76.013.000
Autriche	10.510.000
Allemagne.	9.011.000
France	3.884.000
(Tous autres pays de destination :)	90.612.000)

3° *Fromages.*

a) Valeur de l'exportation	98.480.000
Pourcentage de la valeur totale de l'exportation : 4,6.	
b) Principaux marchés européens de destination :	
	Frs.
Allemagne.	22.124.000
Italie.	14.196.000
Grande-Bretagne.	6.781.000
France	3.195.000
(Tous autres pays de destination)	52.184.000)

4° *Couleurs et teintures.*

a) Valeur de l'exportation	82.401.000
Pourcentage de la valeur totale de l'exportation : 3,9.	
b) Principaux marchés européens de destination :	
	Frs.
Allemagne.	14.273.000
Tchécoslovaquie	13.249.000
France	8.668.000
Grande-Bretagne.	6.776.000
(Tous autres pays de destination)	39.435.000)

Tchécoslovaquie.

PRINCIPAUX ARTICLES D'EXPORTATION EN 1928.

1^o Tissus de coton.

	Cour.
a) Valeur de l'exportation	1.875.000.000
Pourcentage de la valeur totale de l'exportation : 8,8.	
b) Principaux marchés européens de destination :	
	Cour.
Autriche	457.000.000
Hongrie.	280.000.000
Yougoslavie	255.000.000
Roumanie.	225.000.000
(Tous autres pays de destination	658.000.000)

2^o Sucre raffiné.

a) Valeur de l'exportation	1.533.000.000
Pourcentage de la valeur totale de l'exportation : 7,2.	
b) Principaux marchés européens de destination :	
	Cour.
Suisse	177.000.000
Autriche	166.000.000
Grande-Bretagne.	162.000.000
Allemagne.	148.000.000
(Tous autres pays de destination	880.000.000)

3^o Cuir et articles en cuir.

a) Valeur de l'exportation	1.433.000.000
Pourcentage de la valeur totale de l'exportation : 6,7.	
b) Principaux marchés européens de destination :	
	Cour.
Allemagne.	520.000.000
Grande-Bretagne.	126.000.000
Pologne.	97.000.000
Autriche	93.000.000
(Tous autres pays de destination	597.000.000)

4^o Tissus de laine.

a) Valeur de l'exportation	1.205.000.000
Pourcentage de la valeur totale de l'exportation : 5,7.	
b) Principaux marchés européens de destination :	
	Cour.
Autriche	305.000.000
Hongrie.	120.000.000
Allemagne.	115.000.000
Yougoslavie	115.000.000
(Tous autres pays de destination	550.000.000)

Allemagne.

A. IMPORTATIONS EN 1929.

	Total		De : — (en 1.000 Marks)							
	1.000 Mks.	1.000 £	Royaume Uni	France	Tchéco-slovaquie	Pays-Bas	Belgique ¹	Suisse	Italie	Autres pays
<i>Tissus excepté la confection :</i>										
Soie et soie artificielle ...	75.205	3.681	4.345	33.452	3.286	420	177	15.138	2.457	Australie 3.592.
Laines et soies	101.300	4.958	47.286	16.757	8.841	1.348	4.757	3.062	344	Australie 3.587.
Coton	112.517	5.507	33.153	19.845	20.114	792	1.021	29.677	880	Australie 3.705.
Lin, chanvre et jute	8.929	437	1.199	413	3.374	1.382	261	303	11	Australie 532.
Linoléum, toile pour la reliure, toiles, etc.....	5.449	267	1.597	318	112	1.872	426	214	44	Danemark 23.
	303.400	14.850	87.580	70.785	35.727	5.814	6.642	48.394	3.736	
<i>Machines et parties de machines :</i>										
Electriques	11.599	568	616	228	392	2.017	214	1.598	498	Sarre 2.882.
Textiles	27.981	1.370	12.359	2.080	830	232	246	8.110	186	
Locomotives à vapeur...	36	2	—	—	—	—	—	14	—	
Machines-outils.....	14.794	724	1.144	559	314	1.799	451	2.551	148	
Agricoles	8.482	415	487	547	1.138	82	128	101	44	Suède 2.784.
Autres	74.480	3.645	12.177	4.540	1.671	3.133	2.130	6.908	950	Danemark 1.770.
Chaudières, parties de machines et accessoires	28.742	1.407	4.029	2.208	2.215	1.413	1.007	5.823	177	Sarre 3.071. Suède 1.901. Australie 2.883.
	166.114	8.131	30.812	10.162	6.560	8.676	4.176	25.105	2.003	

* Il s'agit des pays suivants : Allemagne, Autriche, Union économique belgo-luxembourgeoise, Grande-Bretagne et Irlande du Nord, Espagne, France, Hongrie, Italie, Pays-Bas, Pologne, Suisse et Tchécoslovaquie.

¹ Union économique belgo-luxembourgeoise.

² Les détails concernant la répartition par pays sont incomplets.

C. IMPORTATION ET EXPORTATION DE TEXTILES
ET DE MACHINES DES PRINCIPAUX PAYS EUROPÉENS. *

(Chiffres communiqués par le Board of Trade)

	Total		Vers : — (en 1.000 marks)								
	1.000 Mks.	1.000 £	Royaume-Uni	Belgique ¹	Danemark	France	Italie	Pays-Bas	U.R.S.S.		
<i>Tissus et autres produits non cousus :</i>											
Soie et soie artificielle	254.712	12.468	68.497	6.307	12.765	8.663	5.061	20.642	105	Suède 10.656, Suisse 15.642.	
Laine et soie	352.536	17.256	60.585	7.835	25.916	3.306	10.616	39.812	346	Bulgarie 2.594, Suède 22.157, Finlande ² 10.921, Norvège 11.063.	
Coton	425.310	20.818	76.109	6.675	21.667	6.457	19.037	29.256	1.153	Suède 18.824, Australie 16.926, Suisse 16.452.	
Lin, chanvre, jute etc.....	51.096	2.501	2.355	978	4.645	3.862	517	4.931	878	Norvège 3.941, Suisse 3.193.	
Linoléum, toile pour la reliure, toiles ²	40.640	1.989	2.376	1.000	2.660	1.974	1.356	3.177	118	Suède 4.530, Australie, 2.523, Suisse 3.048.	
	1.124.294	55.032	209.922	22.795	67.653	24.262	36.587	97.818	2.600		
<i>Machines et parties de machines :</i>											
Electriques.....	97.751	4.785	2.211	3.771	921	6.245	4.867	6.710	6.617	Etat Libre d'Irlande 3.523, Australie 4.711.	
Textiles	253.772	12.422	14.757	11.441	2.658	30.465	19.264	9.936	8.176	Bulgarie 2.666, Tchécoslovaquie 17.535.	
Locomotives à vapeur	25.315	1.239	6	22	258	1.125	209	3.810	87	Tchécoslovaquie 14.108, Suisse 11.712.	
Machines-outils	210.133	10.286	16.799	9.280	3.005	25.601	11.533	11.219	22.208	Bulgarie 1.074, Suisse 20.661	
Agricoles	46.652	2.283	516	1.299	1.919	2.515	2.954	2.740	11.723	Tchécoslovaquie 24.721, Suède ⁴ 14.741.	
Autres.....	616.621	30.182	34.054	24.934	7.602	64.286	26.067	41.537	47.652		
Chaudières, parties et accessoires des machines.....	241.963	11.843	14.678	9.317	5.384	16.440	11.702	23.949	22.196	Tchécoslovaquie 10.559, Suisse 12.876.	
	1.492.207	73.040	83.021	60.064	21.747	146.677	76.396	100.001	118.659		

¹ Union économique belgo-luxembourgeoise.

² Les détails concernant la répartition par pays sont incomplets.

³ Autriche 15.844 ; Suisse 25.050.

⁴ Roumanie 13.891 ; Pologne 24.359 ; Autriche 18.284.

Autriche.

A. IMPORTATIONS EN 1929.

	Importation totale		Allemagne	Suisse	Tchécoslo- vaquie	France	Hongrie	Royaume- Uni
	1000 schillings	£ 1000	1000 schillings	1000 schillings	1000 schillings	1000 schillings	1000 schillings	1000 schillings
Tissus de coton	164.326	4.752	27.886	37.489	78.737	4.472	508	11.159
Tissus de lin.....	6.459	187	387	43	5.549	161	3	138
Tissus de laine.....	104.980	3.036	26.750	3.014	49.562	3.631	838	12.058
Tissus de soie (y compris les tissus de soie arti- cielle).	144.421	4.176	17.652	16.343	70.958	21.964	10.149	1.607
	420.186	12.151	72.675	56.889	204.806	30.228	11.498	24.962
Machines et appareils (y compris électriques) ... }	151.739	4.388	107.862	9.222	9.730	2.123	1.817	4.508

Autriche (Suite).

B. EXPORTATIONS EN 1929.

	Exportation totale		Allemagne	Italie	Pologne	Roumanie	Suisse	Yougoslavie	Tchéco-slovaquie	Hongrie	Royaume-Uni
	1000 schillings	£ 1000	1000 schillings	1000 schillings	1000 schillings						
Tissus de coton	125.956	3.642	6.302	1.622	1.779	9.304	35.749	14.864	5.268	9.717	4.571
Tissus de lin, chanvre et jute	23.244	672	501	162	133	1.695	1.561	2.007	239	127	1.460
Tissus de laine	62.444	1.806	15.280	2.888	2.724	1.902	2.130	4.279	4.226	4.407	5.220
Tissus de soie y compris de soie artificielle	112.482	3.253	6.786	2.036	3.378	1.196	5.082	5.399	31.215	16.136	11.014
	324.126	9.373	28.869	6.708	8.014	14.097	44.522	26.549	40.948	30.387	22.265
Machines électriques	19.912	576	1.609	563	4.345	2.029	185	1.775	2.068	714	220
Autres machines et appareils	87.601	2.533	7.660	3.723	12.780	8.187	981	10.366	7.266	3.458	710
	107.513	3.109	9.269	4.286	17.125	10.216	1.166	12.141	9.334	4.172	930

Union Economique belgo-luxembourgeoise.

1928.

	Importation		Exportation	
	1.000 Fr.	1.000 £	1.000 Fr.	1.000 £
<i>Tissus :</i>				
Laine	328.364	188	361.281	207
Soie et soie artificielle	241.408	138	65.304	37
Coton	286.904	164	1.743.752	998
Jute	5.062	3	81.415	47
Chanvre, lin et ramie.....	4.395	3	207.566	119
Broderies, dentelles etc	40.247	23	39.165	22
	906.380	519	2.498.483	1.430
<i>Machines :</i>				
Locomotives et tenders	4.974	3	32.400	19
Locomobiles.....	11.222	6	6.262	4
Machines et appareils électriques.....	416.402	238	338.491	194
Machines motrices.....	112.559	65	72.471	41
Machines-outils	95.869	55	49.473	28
Textiles	196.830	113	29.708	17
Machines à coudre et à tricoter	66.507	38	1.039	1
Machines pour l'industrie du sucre.....	9.299	5	12.887	7
Machines agricoles.....	34.605	20	41.431	24
Autres machines, parties et accessoires	668.608	383	461.259	264
	1.616.875	926	1.045.421	599

Note : Il n'y a pas de données disponibles pour l'année 1929. Il n'existe non plus de données en ce qui concerne les pays de destination et de provenance.

Grande-Bretagne et Irlande du Nord.

A. IMPORTATIONS.

	1928	1929
	£	£
<i>Tissus de coton :</i>		
Gris, non blanchi.....	329.000	283.000
Blanc, blanchi	108.000	164.000
Imprimé	663.000	486.000
Teint en pièce.....	3.404.000	3.868.000
Produits manufacturés entièrement ou partiellement en fil teint.....	539.000	332.000
Importation totale	5.043.000	5.133.000
dont importés de :		
Pays-Bas.....	623.000	508.000
France.....	865.000	770.000
Suisse.....	202.000	240.000

Grande-Bretagne et Irlande du Nord (suite).

A. IMPORTATIONS (suite).

	1928	1929
	£	£
<i>Produits manufacturés en laine et laine peignée :</i>		
Tissus de laine et de laine peignée, damas, tapisserie et autres tissus d'ameublement, peluches de laine et de mohair et autres tissus en velour, flanelles et de laines	8.026.000	6.991.000
Importation totale		
dont		
<i>Tissus de laine</i>		
importés de :		
Allemagne	2.080.000	1.733.000
France	2.049.000	1.606.000
Autres pays	1.943.000	2.024.000
Total	6.072.000	5.363.000
Tissus de laine peignée		
importés de :		
Allemagne	14.000	39.000
France	1.555.000	1.138.000
Autres pays	46.000	66.000
Total	1.615.000	1.243.000
Tapis, étoffe pour tapis et bures en laine (y compris les tapis et les bures à base de laine ou de jute) :		
Importation totale	4.142.000	4.030.000
dont importés de :		
Belgique	581.000	762.000
France	598.000	799.000
<i>Tissus de soie :</i>		
Importation totale	12.375.000	11.287.000
dont : entièrement en soie importés de :		
France	3.855.000	3.904.000
Suisse	1.933.000	1.681.000
Italie	977.000	589.000
Autres pays	1.275.000	1.091.000
Total	8.040.000	7.265.000
en soie mélangée à d'autres matières reconnus comme soieries, importés de :		
Allemagne	579.000	484.000
France	1.808.000	1.660.000
Suisse	1.130.000	1.074.000
Italie	661.000	530.000
Autres pays	157.000	274.000
Total	4.335.000	4.022.000
<i>Rubans en soie :</i>		
Entièrement en soie. Importation totale	168.000	147.000
dont importés de :		
France	94.000	75.000
Suisse	56.000	54.000
en soie mélangée à d'autres matières . Importation totale	536.000	414.000
dont importés de :		
Allemagne	104.000	103.000
France	279.000	190.000
Suisse	122.000	88.000
<i>Tissus de soie artificielle :</i>		
Entièrement de soie artificielle. Importation totale	2.327.000	3.040.000
Allemagne	640.000	600.000
France	783.000	1.270.000
Suisse	614.000	644.000
Italie	179.000	349.000
De soie artificielle mélangée à d'autres matières.		
Importation totale	3.904.000	4.008.000
dont importés de :		
Allemagne	1.106.000	1.012.000
France	1.182.000	1.055.000
Suisse	802.000	715.000
Italie	271.000	467.000
Belgique	259.000	330.000

Grande-Bretagne et Irlande du Nord (suite).

A. IMPORTATIONS (suite).

	1928	1929
	£	£
<i>Machines et parties de machines :</i>		
Importation totale.....	16.738.000	19.153.000
dont		
Agricultures : Tracteurs complets	201.000	234.000
Autres	384.000	347.000
Electriques : Aspirateurs	656.000	579.000
Autres	1.075.000	1.322.000
Machines-outils (travaillant les métaux)	1.404.000	1.951.000
Machines motrices (non électriques) Machines à construction interne navales	260.000	274.000
à huile (y compris les moteurs Diesel)	211.000	425.000
Autres	164.000	199.000
Machines pour l'imprimerie, pour la reliure, pour les journaux, l'impression et la lithographie.....	715.000	882.000
Autres	548.000	577.000
Pompes	595.000	577.000
Machines réfrigérantes	409.000	450.000
Machines à coudre : Complètes	193.000	186.000
Parties.....	479.000	520.000
Machines textiles :		
Pour filer et tresser	383.000	494.000
Pour la bonneterie et le tricotage.....	961.000	720.000
Autres	460.000	491.000
Machines à écrire : Complètes	713.000	742.000
Parties.....	94.000	116.000

B. EXPORTATIONS.

	1928	1929
	£	£
<i>Tissus de coton :</i>		
Gris, non blanchi.....	21.050.000	19.637.000
Blanc blanchi.....	31.033.000	29.961.000
Imprimé	18.265.000	15.752.000
Teint en pièce.....	31.294.000	29.027.000
Produits manufacturés entièrement ou partiellement en fil teint	5.656.000	4.887.000
	107.298.000	99.264.000
dont exporté vers		
Suède.....	787.000	636.000
Norvège.....	580.000	598.000
Danemark.....	838.000	942.000
Allemagne.....	1.748.000	1.530.000
Pays-Bas.....	1.704.000	1.657.000
Belgique	847.000	852.000
France.....	651.000	516.000
Suisse.....	2.890.000	1.985.000
Espagne.....	724.000	514.000
Grèce	928.000	1.065.000
Turquie d'Europe	890.000	839.000

Grande-Bretagne et Irlande du Nord (suite).

B. EXPORTATIONS (suite).

	1928	1929
	£	£
<i>Tissus de laine et de laine peignée, damas, tapisserie et autres tissus d'ameublement, peluches de laine et de mohair et autres tissus en velour flanelles et de laines.....</i>	34.863.000	32.500.000
Tissus de laine :		
exportés vers		
Allemagne.....	2.274.000	2.205.000
Pays-Bas.....	669.000	692.000
Belgique.....	668.000	839.000
France.....	887.000	1.042.000
Italie.....	753.000	829.000
Autriche.....	486.000	520.000
Autres pays.....	19.791.000	16.080.000
Total.....	25.528.000	22.207.000
Tissus de laine peignée :		
exportés vers :		
Finlande.....	95.000	103.000
Norvège.....	79.000	132.000
Danemark.....	221.000	262.000
Allemagne.....	105.000	128.000
Italie.....	105.000	132.000
Grèce.....	211.000	251.000
Turquie d'Europe.....	66.000	108.000
Autres pays.....	7.546.000	8.308.000
Total.....	8.428.000	9.424.000
Produits manufacturés en laine et en laine peignée (suite)		
Tapis étoffe pour tapis et bures en laine (y compris les tapis et les bures à base de laine ou de jute) :		
Exportation totale.....	2.888.000	2.905.000
sont exportés vers		
Pays-Bas.....	128.000	120.000
Tissus de soie :		
Exportation totale.....	1.412.000	1.225.000
dont entièrement de soie exportés vers :		
Allemagne.....	72.000	64.000
France.....	162.000	160.000
Italie.....	14.000	9.000
Autres pays.....	640.000	563.000
Total.....	888.000	796.000
de soie mélangée à d'autres matières, reconnus comme soieries exportés vers :		
France.....	29.000	26.000
Autres pays.....	495.000	402.000
Total.....	524.000	428.000
Tissus de soie artificielle :		
Entièrement en soie artificielle :		
Exportation totale.....	593.000	925.000
dont exportés vers :		
Pays-Bas.....	7.000	26.000
Suisse.....	19.000	13.000
Total.....	26.000	39.000
de soie artificielle mélangée à d'autres matières :	6.630.000	5.106.000
dont exportés vers :		
Norvège.....	35.000	43.000
Danemark.....	38.000	44.000
Pays-Bas.....	92.000	104.000
Belgique.....	49.000	79.000
France.....	20.000	34.000
Suisse.....	35.000	33.000

Grande-Bretagne et Irlande du Nord (suite).

B. EXPORTATIONS (suite).

	1928	1929
	£	£
<i>Machines et parties de machines :</i>		
Exportation totale.....	53.722.000	54.351.000
dont exportés vers :		
U.R.S.S.	1.701.000	1.737.000
Allemagne.....	1.755.000	1.297.000
Pays-Bas.....	2.395.000	1.976.000
Belgique	1.386.000	1.677.000
France.....	2.180.000	2.799.000
Espagne.....	1.186.000	1.360.000
Italie	1.111.000	1.403.000
Grèce	695.000	446.000
dont		
Agricoles : Charrues (traction mécanique et traction animale)	386.000	431.000
Tondeuses et ciseaux à laine	148.000	202.000
Batteuses.....	302.000	286.000
Autres	890.000	953.000
Chaudières et chaudières pour les installations domestiques : Chaudières tubulaires.....	1.711.000	1.621.000
Autres chaudières	637.000	459.000
Economiseurs etc.	420.000	414.000
Autres chaudières pour les installations domestiques	332.000	321.000
Elévateurs etc.	2.017.000	2.311.000
Machines électriques : générateurs (A.C. et D.C.)	1.278.000	1.115.000
Moteurs.....	1.630.000	1.469.000
Convertisseurs et transformateurs	886.000	766.000
Appareils de contrôle et commutateurs d'installation.....	1.706.000	1.775.000
Autres	1.192.000	1.223.000
Machines pour la minoterie.....	337.000	366.000
Machines outils (Travaillant les métaux) : Tours.....	644.000	771.000
Autres	1.126.000	1.382.000
Machines pour l'industrie sucrière	611.000	623.000
Machines motrices (non électriques).....		
Machines à combustion interne :		
Navales	321.000	461.000
Autres : Gas oil.....	459.000	326.000
(y compris les moteurs Diesel)	2.693.000	2.826.000
à pétrole.....	236.000	2.267.000
Machines à vapeur à double effet	660.000	575.000
Turbines à vapeur et autres machines rotatives.....	710.000	904.000
Autres	54.000	52.000
Machines pour l'industrie du papier	434.000	424.000
Machines pour l'imprimerie et la reliure :		
à composer.....	343.000	312.000
pour les journaux, pour l'impression et lithographie...	710.000	672.000
Autres	182.000	224.000
Pompes : mécaniques	1.254.000	1.081.000
Autres	110.000	205.000
Machines à coudre : Complètes	188.000	191.000
Parties.....	3.014.000	3.229.000
Machines textiles :		
Pour filer et tresser	8.700.000	8.969.000
Pour tisser et opérations annexes au filage et au tissage .	2.076.000	1.703.000
Autres	847.000	971.000

Grande-Bretagne et Irlande du Nord (suite).

EXPORTATION DE MACHINES ¹ DE GRANDE-BRETAGNE ².

Pays de destination	1927		1928		1929	
	en milliers de £	%	en milliers de £	%	en milliers de £	%
Allemagne	1.598,6	3,20	1.755,4	3,27	1.297	2,39
Autriche	76,9	0,15	85,7	0,16		
Belgique	1.129,3	2,26	1.386,0	2,58	1.677	3,09
Danemark	282,7	0,57	321,4	0,60		
Espagne	1.144,4	2,29	1.185,6	2,21	1.360	2,50
Finlande.....	229,1	0,46	331,3	0,62		
France	1.853,9	3,71	2.180,0	4,06	2.799	5,15
Grèce.....	364,7	0,73	694,7	1,29	446	0,82
Hongrie	88,1	0,18	64,0	0,12		
Italie.....	808,5	1,62	1.110,7	2,07	1.403	2,58
Norvège	224,9	0,45	250,2	0,46		
Pays-Bas.....	2.061,8	4,13	2.395,2	4,46	1.976	3,64
Pologne.....	799,0	1,60	744,4	1,38		
Portugal	311,8	0,63	292,8	0,54		
Roumanie.....	370,3	0,74	367,7	0,68		
Suède	469,7	0,94	478,8	0,89		
Suisse	184,9	0,37	234,5	0,44		
U.R.S.S.	1.850,5	3,71	1.701,4	3,17	1.737	3,19
Exportation vers les principaux pays d'Europe.....	13.849,1	27,74	15.579,8	29,00	12.695	23,36
Exportation vers l'Empire britannique	24.427,2	48,93	25.687,6	47,82		
Exportation vers le reste du monde.....	11.644,5	23,33	12.454,1	23,18		
Exportation vers le monde entier.....	49.920,8	100,00	53.721,5	100,00	54.351	100

¹ Sont comprises : Les machines agricoles, électriques, motrices (y compris les machines à combustion interne, les machines et turbines à vapeur, les turbines hydrauliques etc.), les machines textiles, machines-outils ainsi que machines pour l'industrie minière, à convoyer, élévatrices, balances et bascules, machines pour l'imprimerie, pour la reliure, à écrire, à coudre, machines pour l'industrie des chaussures, pour l'industrie laitière etc.

² Ce tableau a été établi par le Secrétariat sur la base des statistiques commerciales de la Grande-Bretagne.

Grande-Bretagne et Irlande du Nord (suite).

EXPORTATION DE TEXTILES ¹ DE GRANDE-BRETAGNE.

	1927		1928	
	en milliers de £	%	en milliers de £	%
Allemagne	4.414,4	2,43	4.330,8	2,38
Autriche	911,3	0,50	967,5	0,53
Belgique	1.694,3	0,93	1.757,3	0,97
Bulgarie	269,6	0,15	270,7	0,15
Danemark	1.825,3	1,00	1.756,1	0,97
Espagne	830,0	0,46	966,2	0,53
Estonie	30,3	0,02	48,0	0,03
Finlande.....	518,6	0,29	638,7	0,36
France.....	1.464,6	0,80	1.998,5	1,10
Grèce.....	1.835,2	1,01	1.683,2	0,93
Hongrie.....	410,5	0,23	337,7	0,19
Italie.....	925,1	0,51	1.411,3	0,78
Norvège	1.029,8	0,57	968,1	0,53
Pays-Bas.....	3.071,1	1,69	3.033,5	1,67
Pologne.....	525,2	0,29	459,9	0,25
Portugal	516,5	0,28	430,8	0,24
Roumanie.....	874,8	0,48	957,2	0,53
Suède	1.650,8	0,91	1.551,9	0,85
Suisse	3.667,5	2,02	3.548,5	1,95
Tchécoslovaquie	226,1	0,12	249,7	0,14
Yougoslavie	391,8	0,22	344,2	0,19
Exportation vers les principaux pays d'Europe.....	27.072,8	14,91	27.709,8	15,26
Exportation vers l'Empire britannique	87.992,2	48,46	84.050,6	46,30
Exportation vers le reste du monde.....	66.508,8	36,63	69.795,5	38,44
Exportation vers le monde entier	181.573,8	100,00	181.555,9	100,00

¹ Sont compris : Les tissus de coton (excepté les vêtements et les broderies), les tissus de laine et de laine peignée (excepté les vêtements), les produits manufacturés de la soie naturelle (excepté les vêtements et les broderies), les soieries (excepté les vêtements et les broderies), ainsi que les produits manufacturés de la soie artificielle (excepté les vêtements et les broderies), le lin et lingerie.

En outre, les chiffres du présent tableau ne sont pas exactement comparables avec ceux fournis par le Board of Trade vu que les données ci-dessus comprennent en plus les articles confectionnés (à l'exception des vêtements), le lin et la lingerie.

Espagne.

1929.

	Importation		Exportation	
	Milliers de pesetas	£ 1.000	Milliers de pesetas	£ 1.000
<i>Tissus :</i>				
Coton	23.507	932	71.877	2.850
Chanvre, lin et jute	15.692	622	14.141	561
Laine.....	6.407	254	15.747	624
Soie	15.360	609	9.577	380
	60.966	2.417	111.342	4.415
<i>Machines :</i>				
Matériel électrique (Dynamos, générateurs).....	188.744	7.484	3.319	132
	66.652	2.643	1.901	75
	255.396	10.127	5.220	207

France.

A. IMPORTATIONS EN 1929.

	Total		De : — (en 1.000 Francs).					
	1.000 fr.	1.000 £	Royaume-Uni	Allemagne	Italie	Suisse	Union économique Belgo-Luxembourg.	
<i>Tissus:</i> ¹								
Lin, chanvre et ramie.....	37.796	304	13.515	25.936	14.420	1.468	—	Pays-Bas 6.389 Tchécoslovaquie 5.936
Jute, Phormium, Tenax etc.	168.196	1.354	10.006	—	—	1.501	23.540	
Coton.....	162.020	1.305	60.308	54.725	8.566	11.944	6.233	
Laine	228.763	1.842	142.586	36.749	—	5.506	6.366	
Alpaca, Hair etc.	12.066	97	6.775	—	—	—	—	
Soie et soie artificielle.....	187.277	1.508	25.692	53.949	28.346	27.292	—	
Broderies.....	12.116	98	—	—	—	—	—	
	808.234	6.508	—	—	—	—	—	
<i>Machines et parties de machines:</i>								
Machines motrices.....	2.233.194	17.981	315.873	1.013.777	18.007	154.422	98.461	Suède 44.103 Pays-Bas 42.434 Suède 22.942.
Chaudières.....	77.924	627	5.042	42.155	—	6.538	6.315	
Parties de machines et accessoires	539.387	4.343	87.634	284.158	9.803	34.030	32.509	
	2.850.505	22.951	408.549	1.340.090	—	194.990	137.285	

¹ Y compris la bonneterie, les dentelles et les tapis.

B. EXPORTATIONS EN 1929.

France (suite).

	Total		Vers : — (en 1.000 Francs)							
	1.000 Fr.	1.000 £	Royaume-Uni	Allemagne	Espagne	Italie	Pays-Bas	Suisse	Union économique Belgo-Luxembourg.	
<i>Tissus</i> ¹ :										
Lin, chanvre et ramie.....	96.735	779	9.890	—	—	—	—	—	8.785	
Jute, Phormium, Tenax etc.	143.750	1.157	—	—	—	—	—	—	7.685	
Coton.....	2.701.982	21.755	186.929	118.073	27.196	24.681	39.801	127.763	166.848	
Laine.....	2.033.846	16.376	520.989	93.439	6.222	35.441	73.871	141.422	248.332	
Alpaca.....	5.604	45	—	—	—	—	—	—	—	
Soie et soie artificielle.....	3.028.367	24.383	1.151.110	137.495	14.744	63.844	75.926	227.297	178.047	
Broderies.....	12.176	98	—	—	—	—	—	—	—	
	8.022.480	64.593	—	—	—	—	—	—	—	
<i>Machines et parties de machines :</i>										
Machines motrices	1.185.299	9.544	64.749	72.839	88.799	63.098	20.163	53.427	210.648	U.R.S.S. 17.782.
Chaudières	104.998	845	—	—	3.501	—	—	11.420	25.122	
Parties de machines et accessoires.	902.216	7.264	46.561	45.434	56.958	47.752	13.496	46.594	205.875	
	2.192.513	17.653	—	—	149.258	—	—	113.441	441.645	

¹ Y compris la bonneterie, les dentelles et les tapis.

Hongrie.

A. IMPORTATIONS EN 1929.

	Total		de :						
	1000 Pengös	1000 £	Royaume Uni (b)	Tchéco-slovaquie	Autriche	Suisse	Allemagne	Italie	
<i>Textiles :</i>			1000 Pengös	1000 Pengös	1000 Pengös	1000 Pengös	1000 Pengös		
Tapis en laine	3.774	136	(a)	931	1.620	(a)	(a)	(a)	Turquie 288
Tissus de coton	57.102	2.053	2.750	30.800	8.060	8.276	3.517	1.703	France 1.501
Tissus de laine	36.152	1.299	4.626	13.514	5.979	1.190	6.340	1.586	Pologne 1.377
Tissus de soie	10.712	385	(a)	(a)	3.843	2.159	1.627	(a)	France 2.122
Tissus de lin et chanvre	(a)	(a)	(a)	1.678	(a)	(a)	(a)	(a)	
Total de textiles	131.225	4.717							
<i>Machines :</i>									
Machines et appareils	44.196	1.589	2.450	4.629	4.640	1.473	21.758	336	
Machines et appareils électriques	25.697	924	(a)	(a)	2.455	415	12.705	(a)	Pays-Bas 8219

B. EXPORTATIONS EN 1929.

	Total		vers :						
	1000 Pengös	1000 £	Royaume Uni (b)	Yougoslavie	Roumanie	Autriche	Tchéco-slovaquie	Italie	
<i>Textiles (Total)</i>	29.206	1.050		1000 Pengös	1000 Pengös				
dont Tissus de jute	2.738	98	(a)	859	379				
Sacs de jute	2.839	102	(a)	756	2.056				Allemagne 788
Tissus de coton	11.085	398	514	1.988	1.484			439	Grèce 1013
Tissus de laine			268						
<i>Machines :</i>									
Machines et appareils	31.165	1.120	(a)	10.446	6.511	(a)	808	174	Belgique 1089
Machines et appareils électriques	22.769	818	(a)	2.006	3.422	2.092	1.007	1.951	Pologne 1636
Locomotives	(a)	(a)	(a)	5.855	(a)	(a)	(a)	(a)	

(a) Pas de données disponibles.

(b) Y compris toute l'Irlande.

Italie.

A. IMPORTATIONS EN 1929.

	Total		de :					
	1000 Lires	1000 £	Royaume Uni	Autriche	Tchéco-slovaquie	France	Allemagne	Suisse
			1000 Lires	1000 Lires	1000 Lires	1000 Lires	1000 Lires	1000 Lires
<i>Textiles :</i>								
Tissus et autres produits manufacturés de :								
Lin et jute etc.....	38.379	415	8.039	662	3.042	7.588	2.752	879
Coton.....	228.703	2.474	49.765	4.113	0.696	37.087	84.347	24.527
Laine.....	351.350	3.800	127.844	9.548	17.353	68.446	78.507	25.175
Soie et soie artificielle	173.481	1.876	8.536	6.444	2.057	102.531	29.526	11.748
	791.913	8.565	194.184	20.767	32.148	215.652	195.132	62.329
<i>Machines :</i>								
Machines et appareils .	805.791	8.715	150.009	12.874	13.135	97.696	420.617	68.574

B. EXPORTATIONS EN 1929.

	Total		vers : —					
	1000 Lires	1000 £	Royaume-Uni	Autriche	Tchéco-slovaquie	France	Allemagne	Yoûgoslavie
			1000 Lires	1000 Lires	1000 Lires	1000 Lires	1000 Lires	1000 Lires
<i>Textiles :</i>								
Tissus et autres produits manufacturés de :								
Jute, lin etc.....	193.728	2.095	4.439	1.559	2.481	13.042	3.090	14.919
Coton.....	1.518.465	16.423	69.300	14.132	1.022	10.766	10.653	67.239
Laine.....	638.686	6.908	136.056	9.288	203	19.151	4.427	9.405
Soie et soie artificielle	1.099.434	11.891	262.298	10.146	318	35.244	16.914	1.973
	3.450.313	37.317	472.093	35.125	4.024	78.203	35.084	93.536
<i>Machines :</i>								
Machines et appareils .	209.847	2.270	11.000	1.825	1.445	24.975	15.923	3.529

Pays-Bas.

A. IMPORTATIONS EN 1929.

	1.000 Fl.	1.000 £
<i>Produits textiles manufacturés :</i>		
Total	136.456	11.268
dont importés de :		
Allemagne	45.336	3.744
Belgique	15.240	1.258
Grande-Bretagne	39.652	3.274
France	18.643	1.539
<i>Machines et appareils :</i>		
Total	164.997	13.625
dont importés de :		
Allemagne	108.365	8.948
Belgique	10.620	877
Grande-Bretagne	26.584	2.195
France	6.384	527

B. EXPORTATIONS EN 1929.

	1.000 Fl.	1.000 £
<i>Produits textiles manufacturés :</i>		
Total	164.395	13.575
dont exportés vers :		
Allemagne	7.648	632
Belgique	8.090	668
Grande-Bretagne	23.390	1.931
France	2.167	179
<i>Machines et appareils :</i>		
Total	57.717	4.766
dont exportés vers :		
Allemagne	13.766	1.137
Belgique	9.100	751
Grande-Bretagne	19.511	1.611
France	12.305	1.016

Pologne.

A. IMPORTATIONS EN 1929.

	Total		De :— (en 1.000 Zlotys).					
	1.000 Zlotys	1.000 £	Royaume Uni ¹	Allemagne	France	Suisse	Tchéco-slovaquie	Suède
<i>Tissus :</i>								
Lin, chanvre, jute etc.....	4.694	108	164	2.166	112	22	1.582	2
Coton	41.064	947	9.588	3.749	4.053	4.439	13.358	5
Laine.....	20.060	462	5.034	4.272	1.560	885	2.443	550
Soie et soie artificielle.....	52.985	1.221	176	465	15.525	26.576	1.045	3
Toile cirée etc.	5.196	120	969	1.779	112	137	232	33
	123.999	2.858	15.931	12.431	21.362	32.059	18.660	593
<i>Machines et parties de machines</i>								
Locomotives, tenders etc.....	7.985	184	614	4.136	53	4	365	392
Machines motrices	28.272	652	881	15.449	1.327	2.647	2.902	1.175
Pompes.....	12.686	292	172	7.556	497	1.368	1.032	86
Machines électriques	31.160	718	790	15.065	1.763	4.158	1.294	3.036
Machines pour la métallurgie	33	1	—	11	11	—	—	—
Machines outils : travaillant les métaux..	23.128	533	285	15.818	2.175	294	2.545	1315
» » pour l'industrie du bois	4.094	94	26	2.436	133	438	140	201
Machines à tisser.....	50.498	1.164	22.301	16.044	3.486	1.573	2.815	794
Machines pour l'industrie du papier	6.965	161	518	5.229	15	36	64	—
Machines agricoles.....	27.051	624	727	12.986	46	115	4.864	3.991
Machines pour l'industrie alimentaire ...	9.657	223	147	5.695	84	1.080	1.397	146
Autres machines et parties de machines..	52.300	1.206	2.640	32.841	2.587	968	4.073	935
Appareils de transmission	6.705	154	278	2.783	216	263	338	1.836
Chaudières et appareils pour le chauffage et leurs parties.....	37.442	863	1.348	18.733	2.435	1.134	7.164	943
Bascules	2.394	55	77	1.556	3	5	63	22
	300.370	6.924	30.804	156.338	14.831	14.083	29.056	13.872

¹ Y compris l'Etat libre d'Irlande.

Pologne.

B. EXPORTATIONS EN 1929.

	Total		Vers : — (en 1.000 Zlotys)						
	1.000 Zlotys	1.000 £	Royaume Uni ¹	Tchéco-slovaquie	Autriche	Allemagne	U.R.S.S.	Roumanie	
<i>Tissus :</i>									
Lin, chanvre, jute etc.	14.493	334	266	512	66	3.311	28	5.259	Yougoslavie 905. Finlande 2.045. Yougoslavie 1.585.
Coton	33.834	780	1.963	251	1.000	2.038	4.346	13.711	
Laine.....	44.393	1.023	1.496	553	3.697	1.229	8.976	1.114	
Soie et soie artificielle.....	18.751	432	²	75	1.859	108	2	4	
Toiles cirées.....	4.242	98	1	84	292	25	—	3.314	
	115.713	2.667	3.726	1.475	6.914	6.711	13.352	23.402	
<i>Machines et parties de machines :</i>									
Locomotives, tenders etc.....	363	9	—	—	8	280	21	—	Bulgarie 458.
Machines motrices	1.006	23	5	33	50	646	—	149	
Pompes.....	383	9	3	27	6	269	2	—	
Machines électriques.....	2.009	46	29	26	28	1.827	2	2	
Machines pour l'industrie métallurgique..	2	³	—	—	1	1	—	—	
Machines outils : travaillant les métaux .	362	8	—	128	32	152	—	2	
» » pour l'industrie du bois	72	2	²	1	1	44	1	18	
Machines à tisser	5.517	127	25	891	180	400	1.382	341	
Machines pour l'industrie du papier	88	2	1	4	4	72	1	—	
Machines agricoles.....	2.081	48	9	45	18	361	694	106	
Machines pour l'industrie alimentaire.....	165	4	1	²	5	126	—	10	
Autres machines et parties de machines...	2.773	64	41	403	93	1.417	19	115	
Appareils de transmission	176	4	5	15	1	112	—	—	
Chaudières et appareils pour chauffage et leurs parties.....	641	15	²	38	20	315	31	31	
Bascules	56	1	²	²	3	34	²	11	
	15.694	362	119	1.611	450	6.056	2.153	785	

¹ Y compris l'Etat libre d'Irlande.

² Moins de 500 Zlotys.

³ Moins de 500 £.

Suisse.

1929.

	Importation		Exportation	
	1.000 Frs.	1.000 £	1.000 Frs.	1.000 £
<i>Tissus :</i>				
Laine.....	56.428	2.237	15.566	617
Soie et soie artificielle	37.655	1.493	192.486	7.633
Coton	32.994	1.308	96.951	3.845
Jute.....	5.782	229	8	1
Chanvre, lin et ramie	7.767	308	2.329	92
Broderies, dentelles	7.220	287	88.804	3.521
	147.846	5.862	396.144	15.708
<i>Machines :</i>				
Locomotives, tenders etc	456	18	4.935	196
Locomobiles.....	448	18	18.811	746
Machines et appareils électriques .	38.554	1.529	85.054	3.372
Machines motrices	11.475	455	39.794	1.578
Machines outils.....	21.204	841	19.438	771
Machines à tisser.....	19.231	762	66.188	2.624
Machines à coudre et à tricoter ..	4.486	178	864	34
Machines pour l'industrie du sucre	4.969	197	16.434	652
Machines agricoles	3.578	142	783	31
Autres machines, parties et acces- soires.....	35.208	1.396	33.142	1.314
	139.609	5.536	285.443	11.318

¹ Moins de £ 500.

Les données concernant les pays de provenance ou de destination ne sont pas disponibles.

Tchécoslovaquie.

A. IMPORTATIONS EN 1928.

	Importation totale		De :				
			Grande-Bretagne	Allemagne	Suisse	France	Autriche
	1.000 couronnes	1.000£	1.000 couronnes				
<i>Tissus :</i>							
Laine.....	140.286	854	45.531	22.218	15.939	6.992	29.136
Soie et soie artificielle ...	266.832	1.625	8.547	31.861	60.195	22.453	138.829
Coton	152.744	930	27.381	28.856	58.580	11.914	17.868
Jute.....	196	11	49	92	—	4	32
Chanvre, lin, ramie etc...	2.300	14	267	502	59	328	468
Broderies, dentelles, etc..	27.374	167	1.146	11.435	2.314	5.976	5.757
	589.732	3.591	82.921	94.964	137.087	47.667	192.090
<i>Machines :</i>							
Locomotives, Tenders .	778	5	—	778	—	—	—
Locomobiles.....	901	5	—	516	—	—	322
Machines et appareils électriques.....	249.445	1.519	6.352	135.464	25.335	6.306	30.908
Machines motrices.....	43.038	262	858	25.364	3.974	3.349	5.753
Machines outils.....	168.469	1.026	3.938	126.317	4.667	1.741	7.852
Machines à tisser.....	158.174	963	32.456	91.832	11.667	12.364	3.831
Machines à coudre et à tricoter	50.875	310	21.821	27.541	84	49	590
Machines pour l'industrie sucrière.....	12.157	74	54	8.077	423	86	693
Machines agricoles.....	65.197	397	426	14.721	30	86	7.534
Autres machines, parties et accessoires.....	361.252	2.199	21.813	219.843	7.252	10.176	32.949
	1.110.286	6.760	87.718	650.453	53.432	34.938	90.432

Tchécoslovaquie.

B. EXPORTATIONS EN 1928.

	Exportation totale		vers : —						
			Grande-Bretagne	Allemagne	Italie	Hongrie	Autriche	Yougoslavie	Roumanie
	1.000 couronnes	1.000 £	1.000 couronnes						
<i>Tissus :</i>									
Laine	1.362.336	8.295	138.500	120.800	51.749	132.858	327.531	119.113	38.650
Soie et soie artificielle	576.267	3.509	12.078	29.803	2.141	6.161	396.878	8.404	924
Coton.....	2.035.053	12.391	52.328	177.900	23.081	263.451	403.706	267.072	216.760
Jute	132.551	807	3.598	40.936	940	395	1.365	11.293	6.335
Chanvre, lin et ramie	341.542	2.079	42.494	8.653	6.533	22.648	38.018	13.356	11.872
Broderies, dentelles etc.	101.155	616	10.472	12.350	442	4.189	12.472	2.048	2.971
	4.548.904	27.697	259.470	390.442	84.886	429.702	1.179.970	421.286	277.512
<i>Machines :</i>									
Locomotives, Tenders	60.136	366	—	—	—	—	—	—	—
Locomobiles	1.161	7	—	215	136	15	108	305	—
Machines et appareils électriques.....	98.370	599	14.088	15.536	3.635	1.932	6.985	8.256	4.333
Machines motrices	113.582	692	3.890	3.406	11.208	2.352	3.268	10.482	3.125
Machines outils.....	17.642	108	670	1.405	147	526	1.073	2.189	2.395
Machines à tisser.....	48.838	297	387	6.537	293	9.027	9.791	5.846	11.392
Machines à coudre et à tricoter.....	16.104	98	29	2.116	70	3.838	366	1.113	255
Machines pour l'industrie du sucre....	36.169	220	210	1.234	1.537	1.249	1.566	3.081	6.241
Machines agricoles.....	89.871	547	189	6.321	2.899	3.355	6.036	10.842	7.053
Autres machines, parties et accessoires	204.243	1.244	6.279	25.503	9.073	9.123	19.823	16.892	19.313
	686.116	4.178	25.742	62.273	28.998	31.417	49.016	59.006	54.107

D. EXPORTATION DE QUELQUES PAYS EUROPÉENS¹ VERS LA GRANDE-BRETAGNE.

ALLEMAGNE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers R. M.	Valeur en milliers de francs suisses
1. Textiles ^{2 3}	276.534	340.137
2. Marchandises en fer (à l'exception des machines) ⁴	144.575	177.827
3. Cuir, ouvrages en cuir, sellerie, peaux et pelle- teries ⁵	116.260	143.000
4. a) Machines 66.132		
b) Machines électriques et appareil- lage 38.969	105.101	129.274
5. Couleurs, vernis, produits chimiques et pharma- ceutiques.	76.149	93.663
6. Papier et marchandises en papier, livres et musique	72.737	89.467
Total	791.356	973.348
Total de l'exportation vers la Grande-Bretagne. . .	1.305.522	1.605.792
Exportation totale vers le monde entier	13.482.700	16.583.721

AUTRICHE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de schillings	Valeur en milliers de francs suisses
Textiles ⁶	24.729	18.052
Lampes et appareils électriques	12.292	8.973
Cuir et objets en cuir ⁷	12.246	8.940
Pâte, papier et articles en papier	7.441	5.432
Confections	6.084	4.441
Total	62.792	45.838
Total de l'exportation vers la Grande-Bretagne. . .	98.562	71.950
Exportation totale vers le monde entier	2.205.527	1.610.034

¹ Allemagne, Autriche, Belgique, Danemark, Espagne, Finlande, France, Italie, Norvège, Pays-Bas, Pologne, Portugal, Suisse et Tchécoslovaquie. Ces statistiques ont été établies par le Secrétariat sur la base des publications statistiques officielles des pays considérés.

² Dans ce chiffre sont compris les fils, tissus et confections de laine et autres poils d'animaux, coton, soie naturelle et artificielle, lin, chanvre, jute, etc., ainsi que les chapeaux.

³ Dans ce chiffre sont comprises les confections, la lingerie et les chapeaux et formes de chapeaux, pour 27,605 milliers de R. M.

⁴ Ce groupe comprend : les tubes et tuyaux, rouleaux, tiges, tôles et fils, matériel pour chemins de fer, les chaudières et parties de machines, coutellerie, instruments et outils agricoles, etc.

⁵ Cuir pour 49.272 milliers de R. M.

⁶ Ce groupe comprend les filés de coton, articles en coton (4.571.000 schillings), les filés de ramie, de chanvre et de jute (2,261,000 schillings), les articles en ramie, chanvre et jute, les filés de laine, les articles en laine (5.220.000 schillings), les tissus de soie (4.000 schillings), les articles en soie (11.014.000 schillings).

⁷ Ce groupe comprend le cuir (9.263.000 schillings), les chaussures et autres articles en cuir.

BELGIQUE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de francs belges	Valeur en milliers de francs suisses
Métaux et ouvrages en métaux ¹	1.575.012	226.802
Produits de l'industrie textile ²	1.120.633	161.371
Verres et ouvrages en verre	302.274	43.527
Cuir, pelleteries et ouvrages en ces matières (y compris les chaussures) ³	285.022	41.043
Produits chimiques et pharmaceutiques	209.902	30.226
Total	3.492.843	502.969
Total de l'exportation vers la Grande-Bretagne. . .	5.836.963	840.522
Exportation totale vers le monde entier	32.234.549	4.641.775

DANEMARK.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1928.

	Valeur en milliers de couronnes	Valeur en milliers de francs suisses
Lard, viande, issues de boucherie.	463.043	643.630
Produits de laiterie	339.379	471.737
Œufs	62.285	86.576
Poissons et conserves de poissons.	11.361	15.792
Conserves de graisse et d'autres aliments	7.506	10.433
Céréales, légumes et semences	5.775	8.027
Véhicules, machines, instruments et horlogerie . . .	5.229	7.268
Métaux et ouvrages en métaux.	2.502	3.478
Total	897.080	1.246.941
Total de l'exportation vers la Grande-Bretagne. . .	914.762	1.271.519
Exportation totale vers le monde entier	1.545.019	2.147.576

ESPAGNE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de pesetas	Valeur en milliers de francs suisses
Produits alimentaires ⁴	276.562	211.116
Minerais ⁵	43.032	32.849
Métaux et ouvrages en métaux.	34.410	26.267
Liège et ouvrages en liège	13.703	10.460
Produits chimiques	11.847	9.044
Ouvrages en bois.	8.517	6.502
Produits textiles	4.928	3.762
Caoutchouc, celluloïd et papier.	1.288	982
Total	394.287	300.982
Total de l'exportation vers la Grande-Bretagne. . .	399.223	304.750
Exportation totale vers le monde entier	2.112.949	1.612.938

¹ Ce groupe comprend l'acier dégrossi, les fers profilés spéciaux, les tôles, les feuilles de plomb laminées, etc., aussi la fonte brute (9.717.000 francs), le zinc brut (97.663.000 francs).

² Ce groupe comprend les fils et tissus de coton, de laine, de lin, les tapis de pied, les cordages et câbles de lin, etc.

³ Ce groupe comprend les peaux de chèvre et de mouton tannées, teintes, les peaux préparées, les gants de peau, la maroquinerie, etc.

⁴ Sont compris : les vins et autres boissons alcooliques ; les fruits, les ails, les conserves de poissons et de légumes, le riz, etc.

⁵ Les minerais de fer figurent pour 37.109 milliers de pesetas, les autres minerais pour 5.923 milliers de pesetas.

FINLANDE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de marcs	Valeur en milliers de francs suisses
Bois et ouvrages en bois.	1.399.157	181.890
Pâte à papier, carton, papier et leurs applications	619.870	80.583
Dentrées alimentaires d'origine animale	393.035	51.095
Matières explosives et armes à feu	12.302	1.599
Minéraux, métaux et ouvrages en métaux, machines outils et moyens de transport ¹	5.369	698
Produits chimiques	2.540	330
Produits textiles	1.367	178
Total	<u>2.433.640</u>	<u>316.373</u>
Total de l'exportation vers la Grande-Bretagne.	2.437.741	316.906
Exportation totale vers le monde entier	6.376.779	828.981

FRANCE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de francs	Valeur en milliers de francs suisses
Fils de laine, de soie, de bourre de soie ; tissus de lin, de soie, de chanvre ou de ramie, de coton, laine et de bourre de soie	2.232.126	446.425
Lingerie, vêtements et articles confectionnés.	787.360	157.472
Peaux préparées, ouvrages en peau et pelleteries préparées	475.492	95.098
Vins et eaux de vie.	391.770	78.354
Outils, machines, pièces détachées des machines, carrosseries	286.399	57.280
Fers et aciers	282.055	56.411
Produits chimiques, parfumeries et savons.	199.250	39.850
Cuivre	113.134	22.627
Total	<u>4.767.586</u>	<u>953.517</u>
Total de l'exportation vers la Grande-Bretagne.	7.566.539	1.513.308
Exportation totale vers les pays étrangers	40.631.963	8.126.393
Exportation totale vers les colonies et protectorats français	9.440.385	1.888.077
Totaux généraux.	50.072.348	10.074.470

ITALIE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de liras	Valeur en milliers de francs suisses
Textiles (fils et tissus).	513.637	138.682
Produits alimentaires préparés ²	102.427	27.655
Produits chimiques et parfumeries, savons.	99.337	26.821
Peaux préparées et gants en peau	59.158	15.973
Marbre et albâtre travaillé.	43.824	11.833
Chapeaux	43.591	11.770
Machines et automobiles	28.727	7.756
Produits en caoutchouc	24.909	6.725
Total	<u>915.610</u>	<u>247.215</u>
Total de l'exportation vers la Grande-Bretagne.	1.459.550	394.079
Exportation vers 21 pays importants du monde	11.491.369	3.102.670

¹ Minéraux : 3.436 milliers de marcs ; métaux et ouvrages en métaux : 1.593 milliers de marcs ; machines outils et moyens de transport : 340 milliers de marcs.

² Dans ce chiffre sont compris : les viandes préparées, le lait condensé, le fromage, les confitures et les fruits en conserves, le chocolat, le riz, la farine de froment, les pâtes alimentaires et les vins.

NORVÈGE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1928.

	Valeur en milliers de couronnes	Valeur en milliers de francs suisses
Pâte de bois et cellulose.	40.312	56.034
Carton et papier	34.409	47.828
Bois ouvré.	26.683	37.089
Métaux et alliages de métaux (l'aluminium figure pour 15.340).	19.902	27.664
Produits chimiques	7.776	10.808
Minerais	6.197	8.614
Huiles de poissons	2.540	3.531
Total	<u>137.819</u>	<u>191.568</u>
Total de l'exportation vers la Grande-Bretagne. . .	177.968	247.376
Exportation totale vers le monde entier	683.049	949.438

PAYS-BAS.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de florins	Valeur en milliers de francs suisses
Produits alimentaires ¹	80.148	166.708
Produits chimiques	41.222	85.742
Textiles ²	30.330	63.086
Produits textiles bruts (y compris le caoutchouc) .	24.062	50.049
Papier et produits en papier	22.700	47.216
Métaux et ouvrages en métaux.	11.172	23.238
Cuirs et ouvrages en cuir	6.571	13.667
Bois travaillé	<u>3.987</u>	<u>8.293</u>
Total	220.192	457.999
Total de l'exportation vers la Grande-Bretagne. . .	443.717	922.931

POLOGNE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE ET L'ÉTAT LIBRE D'IRLANDE
EN 1929.

	Valeur en milliers de zlotys	Valeur en milliers de francs suisses
Produits de viande	52.602	30.509
Sucre	52.522	30.463
Bois en partie ouvré	45.853	26.595
Œufs	22.791	13.219
Laitage	20.664	11.985
Produits textiles	14.908	8.646
Produits chimiques	7.687	4.458
Ouvrages en métaux	2.710	1.572
Machines	<u>303</u>	<u>176</u>
Total	220.040	127.623
Total de l'exportation vers la Grande-Bretagne. . .	288.255	167.188
Exportation totale vers le monde entier	2.813.360	1.631.749

¹ Sont compris : les viandes préparées, les farines, le beurre et le fromage.

² Sont compris : les fils, les tissus, les vêtements et les articles de modes.

PORTUGAL.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers d'escudos	Valeur en milliers de francs suisses
Denrées alimentaires ¹	177.823	41.210
Matières premières ²	60.361	13.989
Appareils, machines, instruments, outils, embar- cations et véhicules.	681	158
Textiles.	443	103
Total	239.308	55.460
Total de l'exportation vers la Grande-Bretagne. . .	250.848	58.134
Exportation totale vers le monde entier	1.073.239	248.723

SUISSE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de francs suisses
Soie ³	81.615
Horloges et montres	27.759
Coton ⁴	21.785
Machines et véhicules ⁵	21.333
Confections ⁶	21.063
Droguerie, produits chimiques	14.649
Total	188.204
Total de l'exportation vers la Grande-Bretagne.	288.099
Exportation totale vers le monde entier	2.104.455

TCHÉCOSLOVAQUIE.

PRINCIPAUX ARTICLES EXPORTÉS VERS LA GRANDE-BRETAGNE EN 1929.

	Valeur en milliers de couronnes tchécoslovaques	Valeur en milliers de francs suisses
Textiles.	489.936	73.490
Verreries	217.345	32.602
Ouvrages en fer	156.978	23.547
Sucre raffiné.	103.077	15.462
Cuir et articles en cuir	82.469	12.370
Total	1.049.805	157.471
Total de l'exportation vers la Grande-Bretagne. . .	1.420.132	213.019
Exportation totale vers le monde entier	20.498.869	3.074.830

¹ Sont compris : vins et autres boissons, poissons, fruits et légumes ; conserves de poissons, de légumes et de fruits, etc.

² Sont compris : les huiles, le bois, métaux, minerais, cellophane, pâte à papier, liège, etc.

³ Ce groupe comprend la soie peignée, teinte, la bourre de soie, les articles en soie, rubanerie, passementerie, etc.

⁴ Ce groupe comprend les fils et tissus de coton, les broderies, garnitures, dentelles, etc.

⁵ Ce groupe comprend les chaudières, les machines dynamo-électriques, les machines-outils, les machines à coudre, les machines pour la filature, etc.

⁶ Ce groupe comprend la lingerie de coton, de lin, de ramie, de soie, de laine, les articles en soie, les costumes pour hommes, vêtements de dames, etc.

Genève, 8 novembre 1930.

SOCIÉTÉ DES NATIONS

DEUXIÈME CONFÉRENCE

EN VUE D'UNE

ACTION ÉCONOMIQUE CONCERTÉE

(Genève, le 17 novembre 1930)

DONNÉES STATISTIQUES

POUR LA

DISCUSSION DE LA PROPOSITION N° 5

DU COMITÉ ÉCONOMIQUE

(TRAITEMENT PRÉFÉRENTIEL DES CÉRÉALES EUROPÉENNES)

(Document 2^e Conf./A.E.C./2).

Chiffres réunis par le Secrétariat sur la base des statistiques officielles des pays intéressés.

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Première partie.

QUELQUES PAYS EXPORTATEURS.

BULGARIE.

Source : Réponse du Gouvernement bulgare au questionnaire annexé à l'article premier du Protocole relatif au programme de négociations ultérieures.

EXPORTATIONS DE CÉRÉALES.

(En quintaux.)

<i>Froment :</i>		
	1927.	390.000
	1928.	205.000
	1929.	33.000
<i>Maïs :</i>		
	1927.	1.290.000
	1928.	475.000
	1929.	786.000
<i>Seigle :</i>		
	1927.	200.000
	1928.	242.000
	1929.	38.000
<i>Orge :</i>		
	1927.	777.000
	1928.	367.000
	1929.	179.000
<i>Farine de froment :</i>		
	1927.	147.000
	1928.	84.000
	1929.	13.000

HONGRIE.

Sources : Réponse du Gouvernement hongrois au questionnaire annexé à l'article premier du Protocole relatif au programme de négociations ultérieures. Pour les exportations vers l'Italie et la Suisse, statistiques officielles hongroises.

Année	Exportations	Destination				
		Tchéco-slovaquie	Autriche	Allemagne	Italie	Suisse
<i>En quintaux</i>						
<i>Blé.</i>						
1926.....	4.036.382	1.137.819	1.828.886	158.963		
1927.....	3.112.608	1.479.399	1.191.607	29.270		
1928.....	2.843.864	1.139.236	1.028.589	1.350		
1929.....	4.846.071	1.132.286	1.596.609	328.950	540.000	460.000
<i>Maïs¹</i>						
1926.....	1.414.547	945.220	386.513	40.361		
1927.....	343.564	207.663	123.452	10.470		
1928.....	457.485	233.132	179.634	1.020		
1929.....	804.788	394.111	225.757	59.981	10.000	
<i>Seigle.</i>						
1926.....	2.200.999	547.698	1.120.883	285.215		
1927.....	1.374.582	453.431	747.425	67.701		
1928.....	1.211.285	267.324	795.519	1.351		
1929.....	1.152.695	28.157	552.084	149.701		
<i>Orge.</i>						
1926.....	478.156	11.365	343.094	84.420		
1927.....	527.570	754	286.030	91.402		
1928.....	285.536	4.082	152.335	47.438		
1929.....	897.179	9.005	265.999	148.540		390.000
<i>Avoine.</i>						
1926.....	448.614	53.550	345.332	—		
1927.....	260.358	28.733	192.178	—		
1928.....	80.609	9.752	69.943	—		
1929.....	321.331	18.559	268.662	—		
<i>Farine de froment.</i>						
1926.....	946.740	438.781	42.734	52.982		
1927.....	1.100.740	410.574	21.204	4.712		
1928.....	1.333.102	540.526	9.172	8.976		
1929.....	1.712.323	518.597	40.292	41.709		

¹ A déduire du chiffre des exportations de maïs les importations qui, en 1929, représentaient 228.000 quintaux, provenant surtout de Yougoslavie (131.000 quintaux).

POLOGNE.

Source : Réponse du Gouvernement polonais au questionnaire annexé à l'article premier du Protocole relatif au programme de négociations ultérieures.

EXPORTATIONS DE CÉRÉALES.

(En quintaux.)

Froment.

Exportations négligeables

Importations
1928 : 2.261.000

Maïs.

Exportations négligeables

Importations
1928 : 544.000

Pologne (suite).

	<i>Seigle.</i>	Importations
Exportations :		
1927.	88.350	1.313.630
1928.	70.680	1.076.240
1929.	2.003.910	14.420
Moyenne 1927-1929 :	720.980	

dont :	474.690	à destination de l'Allemagne (moyenne 1927-1929)
	279.160	» de la Lettonie (1929)
	245.650	» de la Finlande (1929)
	260.750	» du Danemark (1929)
	229.070	» de la Grande-Bretagne (1929)
	84.720	» des Pays-Bas (1929)
	75.750	» de la Belgique (1929)
	38.970	» de la Suède (1929)

	<i>Orge.</i>	Importations négligeables
Exportations :		
1927.	639.850	
1928.	1.111.410	
1929.	2.442.760	
Moyenne 1927-1929 :	1.398.010	

dont :	462.140	pour la Belgique (moyenne 1927-1929)
	250.380	» l'Allemagne
	191.360	» le Danemark
	147.120	» la Grande-Bretagne (1929)
	133.090	» les Pays-Bas (moyenne 1927-1929)
	22.820	» l'Autriche

	<i>Avoine.</i>	Importations
Exportations		
1927.	73.090	492.400
1928.	77.770	263.020
1929.	376.230	671.150
Moyenne 1927-1929 :	175.700.	274.190

	<i>Farine de froment.</i>	Importations
Exportations négligeables		
		1928 : 29.000

	<i>Farine de seigle.</i>	Importations
Exportations (à destination surtout de la Finlande et de l'Allemagne).		
1927.	5.020	21.000
1928.	20.000	4.040
1929.	23.730	40
Moyenne 1927-1929 :	16.290.	8.360

ROUMANIE.

Source : Réponse du Gouvernement roumain au questionnaire annexé à l'article premier du Protocole relatif au programme de négociations ultérieures.

EXPORTATIONS DE CÉRÉALES.

(En quintaux.)

	<i>Froment.</i>		
Exportations totales :	1928	279.220	
	1929	72.100	
Réparties comme suit :			
		1928	1929
Pour la Turquie		137.610	27.570
» la Tchécoslovaquie.		37.270	6.950
» l'Italie		32.940	340
» l'Autriche.		22.600	850
» l'Allemagne		14.780	13.220
» la Hongrie		13.200	1.100
» la Belgique		10.890	320

Roumanie (suite).

Maïs.

Exportations totales : 1928 . . . 4.731.350
1929 . . . 3.744.850

Réparties comme suit :

	1928	1929
Pour la Pologne	1.484.040	280.500
» l'Italie	1.125.020	579.920
» l'Allemagne	580.440	1.211.990
» Gibraltar	327.730	742.510
» l'Autriche.	255.690	16.540
» la Tchécoslovaquie.	211.090	187.570
» la Grande-Bretagne	140.730	261.050
» la Hongrie	114.900	39.840

Seigle.

Exportations totales : 1928 . . . 325.190
1929 . . . 156.090

Réparties comme suit :

	1928	1929
Pour la Pologne	95.580	34.080
» Gibraltar	59.400	—
» l'Allemagne	40.720	68.880
» l'Autriche.	38.130	300
» la Tchécoslovaquie.	29.250	20.930
» la Grande-Bretagne	24.710	—
» la Hongrie	16.520	450

Orge.

Exportations totales : 1928 . . . 4.145.490
1929 . . . 11.546.960

Réparties comme suit :

	1928	1929
Pour l'Allemagne	1.776.530	7.852.230
» Gibraltar	775.910	1.768.670
» la Grande-Bretagne	450.970	778.990
» les Pays-Bas.	311.000	336.810
» la Belgique	251.000	336.810
» l'Italie	116.690	228.200

Avoine.

Exportations totales : 1928 . . . 168.590
1929 . . . 417.290

Réparties comme suit :

	1928	1929
Pour l'Italie	79.210	101.160
» l'Allemagne	38.490	149.140
» l'Autriche.	14.390	—
» la Pologne	11.580	—

YUGOSLAVIE.

Source : Statistiques officielles du Royaume de Yougoslavie.

Froment.

(En quintaux.)

Exportations	Importations négligeables
1926. 2.960.000	
1927. 630.000	
1928. 1.623.000	
1929. 5.540.000, dont : 4.100.000 pour la Roumanie	
410.000 » l'Autriche	
370.000 » la Bulgarie	
220.000 » la Grèce.	

Yougoslavie (suite).

		<i>Maïs.</i>	
Exportations			Importations peu consi- dérables, sauf en cas de mauvaise récolte.
1926.	8.940.000		1928 : 440.000
1927.	1.910.000		1929 : 193.000
1928.	40.000		
1929.	1.670.000, dont :	510.000 pour l'Italie	
		440.000 » la Roumanie	
		330.000 » l'Autriche	
		240.000 » la Hongrie	
		120.000 » la Tchécoslovaquie.	

		<i>Seigle.</i>	
Exportations négligeables			Importations négligeables

		<i>Orge.</i>	
Exportations			Importations
1929.	107.000, dont :	87.000 pour la Grèce.	82.000

		<i>Avoine.</i>	
Exportations			Importations négligeables
1928.	47.000		
1929 :	négligeables.		

Deuxième partie.

QUELQUES PAYS IMPORTATEURS.

(Chiffres tirés des statistiques officielles de ces pays.)

ALLEMAGNE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux).

	1928 . . .	24.728.000	
	1929 . . .	21.410.000	
Importations d'Europe		1929	Importations d'outre-mer
Hongrie . . .	300.000		Argentine . .
Suède	140.000		Canada . . .
Pays-Bas. . .	130.000		Etats-Unis . .
Roumanie . .	110.000		Australie . .
			940.000
		<i>Maïs.</i>	
	1928 . . .	12.845.000	
	1929 . . .	6.670.000	
Importations d'Europe		1929	Importations d'outre-mer
Roumanie . .	370.000		Argentine . .
Hongrie . . .	60.000		Etats-Unis . .
			1.390.000
		<i>Seigle.</i>	
	1928 . . .	3.387.000	
	1929 . . .	1.440.000	
Importations d'Europe		1929	Importations d'outre-mer
Tchécoslovaquie	170.000		Argentine . .
Roumanie . .	120.000		Canada . . .
Hongrie . . .	90.000		Etats-Unis
			d'Amérique .
			130.000

Allemagne (suite).

Orge.

1928 . . . 19.294.000
1929 . . . 17.660.000

Importations d'Europe
Roumanie . . 6.150.000
Tchécoslovaquie 630.000
Hongrie . . . 170.000

1929

Importations d'outre-mer
Canada . . . 4.530.000
Argentine . . 1.890.000
Etats-Unis
d'Amérique . 1.680.000
Australie . . 1.510.000

Avoine.

1928 . . . 1.577.000
1929 . . . 1.110.000

Importations d'outre-mer
1929

Argentine . . 840.000
Canada . . . 110.000

Farine de froment.

1928 . . . 385.000
1929 . . . 300.000

L'Allemagne a exporté en 1929

3.120.000 quintaux de froment
5.520.000 » de seigle
78.000 » d'orge
5.060.000 » d'avoine
662.000 » de farine de froment
404.000 » de seigle.

AUTRICHE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux.)

Froment.

1928 . . . 2.297.000
1929 . . . 2.340.000

Importations d'Europe
1929
Hongrie . . . 1.610.000
Yougoslavie . 270.000
Autres pays
européens . 120.000

Importations d'outre-mer
1929
Canada . . . 230.000
Etats-Unis
d'Amérique . 60.000
Argentine . . 50.000

Maïs.

1928 . . . 1.446.000
1929 . . . 1.250.000

Importations d'Europe
1929
Hongrie . . . 220.000
Yougoslavie . 210.000
Roumanie . . 40.000
Allemagne . . 30.000
Autres pays
européens . 70.000

Importations d'outre-mer
1929
Argentine . . 590.000
Etats-Unis
d'Amérique 70.000

Seigle.

1928 . . . 1.021.000
1929 . . . 1.050.000

Importations d'Europe
1929
Hongrie . . . 570.000
Tchécoslovaquie 430.000

Autriche (suite).

Orge.

1928 . . . 452.000
1929 . . . 690.000

Importations d'Europe
Tchécoslovaquie 330.000
Hongrie . . . 270.000
Roumanie . . . 50.000

1929

Avoine.

1928 . . . 766.000
1929 . . . 1.010.000

Importations d'Europe
Tchécoslovaquie 540.000
Hongrie . . . 260.000
Allemagne . . . 200.000

1929

Farine de froment.

1929 . . . 1.440.000

Importations d'Europe
1929
Hongrie . . . 1.240.000
Autres pays
européens . . . 100.000

Importations d'outre-mer
1929

Etats-Unis
d'Amérique 60.000
Canada . . . 30.000

Farine de seigle.

1929 . . . 70.000

Importations d'Europe
Hongrie . . . 60.000

1929

BELGIQUE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux.)

Froment.

1928 . . . 11.892.000
1929 . . . 11.780.000

Importations d'Europe
1928
Pays-Bas . . . 807.000
Roumanie . . . 102.000

Importations d'outre-mer
1928

Argentine . . . 3.965.000
Canada . . . 3.945.000
Etats-Unis
d'Amérique 2.781.000

1929
Pays-Bas . . . 450.000

1929
Argentine . . . 5.010.000
Etats-Unis
d'Amérique 2.840.000
Canada . . . 2.700.000

Maïs.

1928 . . . 5.691.000
1929 . . . 5.850.000

Importations d'Europe
1929
Pays-Bas . . . 120.000

Importations d'outre-mer
1929

Argentine . . . 5.440.000

Seigle.

1928 . . . 76.000
1929 . . . 250.000

Importations d'Europe
1929
Allemagne . . . 104.000
Dantzig . . . 85.000

Belgique (suite).

Orge.

	1928 . . .	2.781.000		
	1929 . . .	3.260.000		
Importations d'Europe			Importations d'outre-mer	
1929			1929	
Dantzig . . .	580.000		Canada . . .	580.000
Roumanie . .	220.000		Maroc . . .	470.000
Pays-Bas. . .	200.000		Etats-Unis	
France. . . .	100.000		d'Amérique	280.000

Avoine.

	1928 . . .	1.092.000		
	1929 . . .	1.296.000		
Importations d'Europe			Importations d'outre-mer	
1929			1929	
Pays-Bas. . .	32.000		Argentine . .	623.000
			Canada . . .	69.000
			Etats-Unis	
			d'Amérique	45.000

Farine de froment.

	1928 . . .	167.000
	1929 . . .	280.000
Importations d'Europe		
1929		
France. . . .	262.000	

La Belgique a exporté en 1929 :

Froment	298.000	quintaux
Maïs	198.000	»
Farine de froment .	230.000	»

GRANDE-BRETAGNE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux.)

Froment.

1928	52.619.000	quintaux métriques
1929	56.780.000	»
	ou	
	55.880.000	quintaux

Importations d'outre-mer	
(quintaux)	
1929	
Argentine . .	2.269.000
Canada . . .	1.359.000
Etats-Unis	
d'Amérique	1.113.000
Australie . .	640.000

Maïs.

1928	16.771.000	quintaux métriques
1929	17.773.000	»
	ou	
	17.450.000	quintaux

Importations d'outre-mer	
1929	
Argentine . .	12.100.000
Afrique du	
Sud	2.380.000
Etats-Unis	
d'Amérique	1.820.000

Seigle.

1928	88.070	quintaux métriques
1929	87.000	»

Grande-Bretagne (suite).

Orge.

1928	6.592.000 quintaux métriques	
1929	6.090.000 » »	
	ou	
	5.999.000 quintaux	
Importations d'Europe 1929		Importations d'outre-mer 1929
Roumanie . .	740.000 quintaux	Etats-Unis d'Amérique 2.180.000
		Canada . . . 690.000

Avoine.

1928	3.782.000 quintaux métriques	
1929	3.590.000 » »	
	ou	
	3.530.000 quintaux	
Importations d'Europe 1929		Importations d'outre-mer 1929
Irlande . . .	33.000 quintaux	Argentine . . 940.000
		Canada . . . 470.000
		Etats-Unis d'Amérique 140.000

Farine de froment.

1928	4.535.000 quintaux métriques	
1929	4.930.000 » »	
	ou	
	4.850.000 quintaux	
Importations d'Europe 1929		Importations d'outre-mer 1929
France	290.000 quintaux	Canada . . . 1.860.000
		Etats-Unis d'Amérique 1.270.000
		Australie . . 660.000
		Argentine . . 380.000

La Grande-Bretagne a exporté en 1929 :

18.300 quintaux métriques de froment
6.000 » » de seigle
33.000 » » d'orge
146.000 » » d'avoine
2.190.000 » » de farine de froment.

ESPAGNE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux.)

Froment.

1928	3.160.000	
1929	3.430.000	
		Importations d'outre-mer 1929
		Argentine . . 2.120.000
		Etats-Unis d'Amérique 700.000
		Canada . . . 110.000

Maïs.

1928	3.356.000	
1929	2.830.000	
		Importations d'outre-mer 1929
		Argentine . . 2.790.000

Espagne (*suite*).

Orge¹.

1928 . . . 14.000
1929 . . . 57.000

Importations d'outre-mer
1929
Maroc . . . 51.000

FRANCE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux.)

Froment.

1928 . . . 8.052.000
1929 . . . 14.110.000

Importations d'outre-mer
1928
Canada . . . 1.441.000
Etats-Unis
d'Amérique 1.410.000
1929
Canada . . . 4.530.000
Argentine . . 4.240.000
Tunisie . . . 1.260.000
Algérie . . . 1.120.000
Maroc . . . 1.050.000

Maïs.

1928 . . . 6.881.000
1929 . . . 8.190.000

Importations d'outre-mer
1928
Argentine . . 4.852.000
Indo-Chine . . 986.000
1929
Argentine . . 5.650.000

Importations d'Europe
1929

Bulgarie . . . 30.000
Roumanie . . . 20.000

Seigle.

1928 . . . 48.000
1929 . . . 19.000

Orge.

1928 . . . 656.000
1929 . . . 1.160.000

Importations d'Europe
1929

Roumanie . . . 10.000

Importations d'outre-mer
1929
Algérie . . . 550.000
Maroc . . . 350.000
Tunisie . . . 200.000

Avoine.

1928 . . . 412.000
1929 . . . 1.310.000

Importations d'outre-mer
1928
Etats-Unis
d'Amérique 37.000
Argentine . . 12.000
1929
Algérie . . . 290.000
Argentine . . 270.000
Tunisie . . . 260.000
Canada . . . 170.000

¹ Les exportations d'orge sont en général supérieures aux importations :

1928 114.000
1929 63.000

L'Espagne exporte un peu de farine de froment (1928 : 77.000 ; 1929 : 53.000) et n'en importe pas.

France (suite).

Farine de froment ¹.

1928 . . . 195.000
1929 . . . 145.000

Importations d'outre-mer
1929

Algérie . . . 92.000
Tunisie . . . 19.000

ITALIE.

IMPORTATIONS DE CÉRÉALES,

(En quintaux).

1929

Froment : 17.620.000

Importations d'Europe

Hongrie . . . 550.000
Allemagne . . . 330.000

Importations d'outre-mer

Canada . . . 6.550.000
Argentine . . 4.370.000
Etats-Unis
d'Amérique 4.190.000
Australie . . 1.550.000

Maïs : 7.660.000.

Importations d'Europe

Yougoslavie . 480.000
Roumanie . . . 220.000

Importations d'outre-mer

Argentine . . 6.390.000
Etats-Unis
d'Amérique 270.000
Egypte . . . 120.000

Seigle : 6.000.

Orge : 4.000.

Avoine : 50.000.

Farine de froment : 47.000.

L'Italie a exporté, en 1929, 670.000 quintaux de farine de froment.

PAYS-BAS.

IMPORTATIONS DE CÉRÉALES.

(En quintaux).

Froment.

1928 . . . 5.706.000
1929 . . . 6.550.000

Importations d'Europe

1929

Roumanie . . 420.000
Allemagne . . 160.000
Belgique . . . 110.000
Autres pays
européens . . 30.000

Importations d'outre-mer

1929

Argentine . . 3.440.000
Etats-Unis
d'Amérique 1.290.000
Canada . . . 1.020.000
Autres pays
extraeuropéens 80.000

¹ En 1929, la France a exporté 20.000 quintaux de farine de froment.

Pays-Bas (suite).

Maïs.

1928 . . . 12.119.000
1929 . . . 9.940.000

Importations d'Europe
1929
Belgique . . . 600.000
Roumanie . . . 430.000

Autres pays
européens . . . 140.000

Importations d'outre-mer
1929
Argentine . . . 5.360.000
Etats-Unis
d'Amérique 1.890.000
Canada . . . 110.000
Autre pays
extraeuropéens. 1.410.000

Seigle.

1928 . . . 841.000
1929 . . . 1.050.000

Importations d'Europe
1929
Allemagne . . . 450.000
Roumanie . . . 170.000
Pologne . . . 60.000
Autres pays
européens . . . 60.000

Importations d'outre-mer
1929
Argentine . . . 160.000
Canada . . . 120.000

Orge.

1928 . . . 3.345.000
1929 . . . 3.190.000

Importations d'Europe
1929
Allemagne . . . 280.000
Pologne . . . 210.000
Roumanie . . . 170.000
Belgique . . . 160.000
Autres pays
européens . . . 50.000

Importations d'outre-mer
1929
Canada . . . 1.430.000
Etats-Unis
d'Amérique 590.000
Argentine . . . 178.000
Autres pays
extraeuropéens 130.000

Avoine.

1928 . . . 962.000
1929 . . . 1.350.000

Importations d'Europe
1929
Allemagne . . . 910.000
Roumanie . . . 30.000
Autres pays
européens . . . 40.000

Importations d'outre-mer
1929
Argentine . . . 210.000
Canada . . . 150.000

Farine de froment.

1928 . . . 1.746.000
1929 . . . 1.250.000

Importations d'Europe
1929
Belgique . . . 180.000
France . . . 50.000
Allemagne . . . 30.000
Autres pays
européens . . . 30.000

Importations d'outre-mer
1929
Etats-Unis
d'Amérique 870.000
Canada . . . 80.000
Autres pays
extraeuropéens. 10.000

Les Pays-Bas ont exporté en 1929 :

89.000 quintaux de froment
141.000 » de maïs
47.000 » de seigle
226.000 » d'orge
105.000 » d'avoine
94.000 » de farine de froment

SUÈDE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux).

Froment.

1928 . . . 2.620.000
1929 . . . 2.730.000

Importations d'Europe
1929
Allemagne . . 640.000
Danemark . . 180.000
Royaume-Uni. 100.000
Autres pays
européens . . 50.000

Importations d'outre-mer
1929
Etats-Unis
d'Amérique 610.000
Argentine . . 530.000
Canada . . . 470.000
Australie . . 140.000

Maïs.

1928 . . . 1.895.000
1929 . . . 770.000

Importations d'Europe
1929
Allemagne . . 160.000
Pays-Bas. . . 90.000
Danemark . . 70.000
Royaume-Uni. 40.000

Importations d'outre-mer
1929
Argentine . . 370.000
Etats-Unis
d'Amérique 20.000

Seigle.

1928 . . . 986.000
1929 . . . 970.000

Importations d'Europe
1929
Allemagne . . 830.000
Danemark . . 40.000
Autres pays
européens . . 10.000

Importations d'outre-mer
1929
Argentine . . 40.000
Etats-Unis
d'Amérique 40.000
Canada . . . 10.000

Avoine.

1928. . . 506.000
1929 . . . 560.000

Importations d'Europe
1929
Allemagne . . 390.000
Danemark . . 50.000
Royaume-Uni. 50.000
Autres pays
européens . . 10.000

Importations d'outre-mer
1929
Argentine . . 50.000
Etats-Unis
d'Amérique 10.000

Farine de froment.

1928 . . . 190.000
1929 . . . 170.000

Importations d'Europe
1929
Allemagne . . 10.000
Danemark . . 10.000
Autres pays
européens . . 10.000

Importations d'outre-mer
1929
Etats-Unis
d'Amérique 120.000
Canada . . . 20.000

La Suède a exporté en 1929 :

726.000 quintaux de froment
92.000 » d'avoine
47.000 » de farine de froment

SUISSE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux).

Froment.

1928 . . . 4.581.000
1929 . . . 4.670.000

Importations d'Europe
1929
Hongrie . . . 430.000
Autres pays
européens . . 30.000

Importations d'outre-mer
1929
Canada . . . 2.470.000
Argentine . . 970.000
Etats-Unis
d'Amérique 750.000

Maïs.

1929 . . . 1.090.000

Importations d'Europe
1929
Hongrie . . . 20.000
Autres pays
européens . . 10.000

Importations d'outre-mer
1929
Argentine . . 1.090.000

Seigle.

1928 . . . 3.000
1929 . . . 5.000

Orge.

1928 . . . 816.000
1929 . . . 780.000

Importations d'Europe
1929
Hongrie . . . 300.000
Pologne . . . 120.000
Roumanie . . 80.000
Autres pays
européens . . 60.000

Importations d'outre-mer
1929
Canada . . . 110.000
Etats-Unis
d'Amérique 90.000

Avoine.

1929 . . . 1.660.000

Importations d'Europe
1929
Allemagne . . 550.000
Pologne . . . 80.000
Autres pays
européens . . 90.000

Importations d'outre-mer
1929
Argentine . . 770.000

Farine de froment.

1929 . . . 4.000

TCHÉCOSLOVAQUIE.

IMPORTATIONS DE CÉRÉALES.

(En quintaux).

Froment: 1.670.000.

Importations d'Europe
1929
Hongrie . . . 1.100.000
Yougoslavie . . 340.000
Allemagne . . 180.000
Autres pays
européens . . 40.000

Importations d'outre-mer
1929
Canada . . . 10.000

Tchécoslovaquie (suite).

Importations d'Europe 1929	
Hongrie . . .	350.000
Rouamnie . .	340.000
Yougoslavie .	130.000
Autres pays européens .	1.030.000

Maïs: 2.000.000.

Importations d'outre-mer 1929	
Argentine . .	100.000
Autres pays extraeuropéens.	50.000

Importations d'Europe 1929	
Allemagne . .	184.000
Hongrie . . .	19.000
Autres pays européens .	13.000

Seigle: 216.000

Importations d'Europe 1929	
Hongrie . . .	730.000
Hambourg . .	510.000
Autres pays européens .	150.000

Farine de froment: 1.640.000

Importations d'outre-mer 1929	
Canada . . .	190.000
Etats-Unis d'Amérique	60.000

Farine de seigle: 11.000

La Tchécoslovaquie a exporté en 1929 :

750.000	quintaux	de seigle
1.220.000	»	d'orge
700.000	»	d'avoine
5.000	»	de farine de froment
8.000	»	Farine de seigle

B. ROLE DES EXCÉDENTS DE L'EUROPE DANUBIENNE DANS LES IMPORTATIONS DE CÉRÉALES DE L'EUROPE

Si l'on groupe les excédents de céréales provenant de la Hongrie, de la Roumanie, de la Yougoslavie et de la Bulgarie, on constate qu'ils se sont élevés :

En 1926, à	10.070.000	quintaux	de froment
	18.240.000	»	de maïs
	6.520.000	»	d'orge
En 1927, à	6.841.000	»	de froment
	21.223.000	»	de maïs
	8.578.000	»	d'orge
En 1928, à	4.874.000	»	de froment
	5.551.000	»	de maïs
	4.866.000	»	d'orge
En 1929, à	10.491.000	»	de froment
	7.006.000	»	de maïs
	12.729.000	»	d'orge

Les moyennes d'exportation des céréales considérées pour les années 1926 à 1929 dans les quatre pays envisagés sont de :

8.069.000	quintaux	pour le froment
13.005.000	»	» le maïs
8.173.000	»	» l'orge

Les importations européennes en céréales *d'outre-mer* ont été :

En 1926, de	107.770.000	quintaux	de froment
	48.240.000	»	de maïs
	13.910.000	»	d'orge
En 1927, de	157.400.000	»	de froment
	81.490.000	»	de maïs
	25.860.000	»	d'orge
En 1928, de	155.000.000	»	de froment
	81.606.000	»	de maïs
	28.856.000	»	d'orge

Le tableau suivant donne sous une forme schématique une idée *approximative* des importations de l'Europe danubienne dans les principaux pays de l'Europe intéressés.

	Importations provenant de tous les pays d'Europe, y compris l'Europe danubienne, 1929.	Importations provenant de l'Europe danubienne	Importations d'outre-mer
<i>Allemagne :</i>	Blé 850.000	410.000	20.560.000
	Maïs 540.000	430.000	6.150.000
	Orge 7.260.000	6.320.000	10.400.000
<i>Italie :</i>	Blé 860.000	590.000	16.680.000
	Maïs 740.000	740.000	6.920.000
	Orge 168.000	32.000	4.000
<i>France :</i>	Blé à peu près nulle		14.110.000 (dont 3.430.000 pour l'Afrique du Nord).
	Maïs 50.000	50.000	8.140.000 (dont 430.000 pour l'Afrique du Nord).
	Orge à peu près nulle		11.500.000 (dont 11.000.000 pour l'Afrique du Nord).

	Importations provenant de tous les pays d'Europe, y compris l'Europe danubienne. 1929.	Importations provenant de l'Europe danubienne	Importations d'outre-mer
<i>Belgique :</i>	Blé 450.000 Maïs 120.000 Orge 1.100.000	Insignifiantes » 220.000	11.330.000 5.730.000 2.160.000
<i>Pays-Bas :</i>	Blé 720.000 Maïs 1.270.000 Orge 870.000	420.000 430.000 170.000	5.830.000 8.670.000 2.320.000
<i>Autriche :</i>	Blé 2.000.000 Maïs 580.000 Orge 690.000	Presque tout d'Europe danubienne	340.000 670.000
<i>Tchécoslovaquie :</i>	Blé 1.676.000 Maïs 1.850.000	1.440.000 820.000	10.000 150.000
<i>Suisse :</i>	Blé 435.000 Maïs 30.000 Orge 560.000	431.000 20.000 380.000	4.245.000 1.060.000 220.000
<i>Suède</i>	Blé 970.000 Maïs 360.000	Insignifiantes »	1.760.000 410.000
<i>Espagne :</i>	Blé Maïs 30.000	Insignifiantes »	3.430.000 2.800.000

C'est évidemment du côté de l'Autriche, de la Tchécoslovaquie, de l'Allemagne et l'Italie, plus difficilement du côté de la Suisse et de la France, qu'un arrangement relatif aux exportations céréales de l'Europe danubienne pourrait être envisagé.

Pour le froment, les importations danubiennes de l'Allemagne et de l'Italie sont presque insignifiantes par rapport à leurs importations d'outre-mer. De même pour le maïs, mais dans une moindre mesure.

Les possibilités sont beaucoup plus limitées du côté de l'orge. Mais, parmi les Etats danubiens, le grand fournisseur d'orge et de maïs étant la Roumanie¹, le rayonnement commercial peut être beaucoup plus vaste, grâce à la navigation maritime.

Par la Méditerranée, certaines quantités de maïs roumain pourraient atteindre la France. Pour l'orge, ses besoins sont beaucoup plus faibles et sont en très grande partie couverts par l'Afrique du Nord.

Par mer, des livraisons de maïs roumain et d'orge pourraient atteindre la Belgique et les Pays-Bas.

¹ Production de la Roumanie :

1928	4.731.000 quintaux de maïs	4.145.000 quintaux d'orge
1929	3.745.000 »	11.547.000 »

C. IMPORTANCE COMPARÉE DES EXPORTATIONS PRINCIPALES DE CERTAINS PAYS INDUSTRIELS DE L'EUROPE¹ VERS :

1. Quatre pays agricoles de l'Europe orientale (Groupe A²).
2. Les principaux pays d'outre-mer exportateurs de blé (Groupe B³).

1.

ALLEMAGNE.

(Exportation totale : 13.482.700.000 R.M.)

1929.

PRODUITS CONSIDÉRÉS.

(L'ensemble des exportations de ces produits représente environ 50% de l'exportation totale allemande.)

	Valeur de l'exportation en millions de R. M.	Pourcentage de l'exportation totale allemande en 1929
Produits finis en fer (à l'exception des machines et de la petite mécanique) .	1946,0	14,5
Machines (à l'exception des machines électriques)	1.152,5	8,5
Tissus et produits du tissage.	1.083,7	8,0
Colorants et autres produits chimiques et pharmaceutiques	956,6	7,1
Charbons et coke	860,2	6,4
Machines électriques et produits de l'électrotechnie	579,2	4,3
Total	6.578,2	48,8

TABLEAU I.

PRODUITS FINIS EN FER.⁴

(Total de l'exportation de ces produits : R. M. 1.946 millions.)

Pays de destination	Valeur en milliers de R. M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	13.049	0,67
Pologne.	24.891	1,28
Roumanie.	40.450	2,08
Yougoslavie	38.139	1,96
Total	116.529	5,99

¹ Allemagne, Autriche, Belgique, France, Italie, Suisse et Tchécoslovaquie.

² Hongrie, Pologne, Roumanie et Yougoslavie.

³ Argentine, Australie, Canada et les États-Unis d'Amérique.

⁴ Ce groupe comprend : les chaudières, parties et pièces détachées de machines, tôles et fils, fer en barre et en formes, tuyaux et rouleaux, outils et instruments agricoles, coutellerie, matériel de construction pour chemins de fer.

Allemagne (suite)

Pays de destination	Valeur en milliers de R. M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	91.556	4,70
Australie	8.940	0,45
Canada	6.485	0,33
Etats-Unis d'Amérique	63.271	3,25
Total	170.252	8,73

L'Allemagne vend aux pays du groupe B pour environ 50 millions de R. M. de plus qu'aux pays du groupe A.

TABLEAU II.

MACHINES¹

(Total de l'exportation de ces produits : R.M. 1.152,5 millions.)

Pays de destination	Valeur en milliers de R.M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	14.490	1,26
Pologne	48.288	4,19
Roumanie	24.625	2,14
Yougoslavie	26.685	2,32
Total	114.088	9,91
GROUPE B.		
Argentine	46.536	4,04
Australie	8.508	0,73
Canada	5.683	0,49
Etats-Unis d'Amérique	47.273	4,10
Total	108.000	9,36

L'exportation de l'Allemagne vers les pays du groupe A est légèrement supérieure à l'exportation vers les pays du groupe B.

TABLEAU III.

TISSUS ET PRODUITS DU TISSAGE.

(Total de l'exportation de ces produits : R.M. 1.083 millions.)

Pays de destination	Valeur en milliers de R.M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	13.523	1,25
Pologne	1.700	0,16
Roumanie	9.353	0,86
Yougoslavie	9.970	0,92
Total	34.546	3,19
GROUPE B.		
Argentine	23.194	2,14
Australie	12.739	1,17
Canada	16.648	1,53
Etats-Unis d'Amérique	105.685	9,75
Total	158.266	14,59

L'Allemagne vend aux pays du groupe B environ 4,5 fois plus qu'à ceux du groupe A.

¹ Ce groupe qui se compose des machines textiles, machines-outils, machines agricoles, locomotives à vapeur, tenders, etc., ne comprend pas les machines électriques.

Allemagne (suite).

TABLEAU IV.

COLORANTS ET PRODUITS CHIMIQUES ET PHARMACEUTIQUES

(Total de l'exportation de ces produits : R.M. 956,6 millions.)

Pays de destination	Valeur en milliers de R.M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	11.868	1,24
Pologne	18.448	1,93
Roumanie	10.006	1,05
Yougoslavie	9.856	1,03
Total	50.178	5,25
GROUPE B.		
Argentine	19.199	2,01
Australie	6.299	0,65
Canada	11.740	1,22
Etats-Unis d'Amérique	102.922	10,76
Total	140.160	14,64

L'Allemagne vend environ trois fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU V.

CHARBONS ET COKE.¹

(Total de l'exportation de ces produits : R.M. 860,2 millions.)

Pays de destination	Valeur en milliers de R.M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	3.303	0,38
Pologne	1.235	0,14
Roumanie	663	0,07
Yougoslavie	3.510	0,41
Total	8.711	1,00
GROUPE B		
Argentine	3.205	0,37
Australie	49	0,005
Canada	87	0,01
Etats-Unis d'Amérique	1.875	0,21
Total	5.216	0,595

L'exportation allemande vers les pays du groupe A est supérieure de 3 millions de R.M. environ à l'exportation vers les pays du groupe B.

TABLEAU VI.

MACHINES ÉLECTRIQUES ET PRODUITS DE L'ÉLECTROTECHNIE.

(Total de l'exportation de ces produits : R.M. 579,2 millions.)

Pays de destination	Valeur en milliers de R.M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A		
Hongrie	8.333	1,44
Pologne	18.631	3,22
Roumanie	13.122	2,27
Yougoslavie	6.200	1,07
Total	46.286	8,00

¹ Ce groupe comprend : la houille, le coke, les agglomérés et le lignite.

Allemagne (suite).

Pays de destination	Valeur en milliers de R.M.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	28.922	4,99
Australie	306	0,05
Canada	756	0,13
Etats-Unis d'Amérique	11.100	1,92
Total	44.084	8,09

L'exportation allemande est sensiblement la même pour les deux groupes de pays.

AUTRICHE.

(Exportation totale : 1.092.125.000 sch.)

1929.

PRODUITS CONSIDÉRÉS.

(L'ensemble des exportations de ces produits représente environ 50% de l'exportation totale autrichienne.)

	Valeur de l'exportation en milliers de schillings	Pourcentage de l'exportation totale autrichienne en 1929
Fils et articles de coton	229.191	10,18
Pâte à papier, papier et articles en papier	170.697	7,58
Fer et articles en fer	187.052	8,31
Tissus et articles en soie	149.971	6,66
Fils et articles en laine	133.090	5,91
Appareils et appareils électriques, machines non électriques	120.706	5,36
Cuir, chaussures et autres articles en cuir	101.418	4,50
Total	1.092.125	48,50

TABLEAU I.

FILS ET ARTICLES DE COTON.¹

(Total de l'exportation de ces produits : 229.191.000 de schillings)

Pays de destination	Valeur en milliers de schillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	25.957	11,32
Pologne	5.669	2,47
Roumanie	39.658	17,3
Yougoslavie	25.769	11,24
Total :	97.053	42,33
GROUPE B.		
Argentine	809	0,35
Australie	177	0,07
Canada	83	0,03
Etats-Unis d'Amérique	2.071	0,90
Total	3.140	1,35

L'Autriche vend aux pays du groupe A environ 32 fois plus qu'à ceux du groupe B.

¹ Ce groupe comprend principalement : le coton brut, les fils et tissus de coton, les tulles, les dentelles, etc.

Autriche (suite)

TABLEAU II.

PATE A PAPIER, PAPIER ET ARTICLES EN PAPIER.

(Total de l'exportation de ces produits : 170.697.000 Schillings)

Pays de destination	Valeur en milliers Sde chillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	26.817	15,71
Pologne	6.058	3,54
Roumanie	4.679	2,74
Yougoslavie	15.919	9,26
Total	53.473	31,25
GROUPE B.		
Argentine	2.695	1,57
Australie	388	0,22
Canada	284	0,16
Etats-Unis d'Amérique	1.429	0,83
Total	4.796	2,78

L'Autriche vend aux pays du groupe A environ 11 fois plus qu'à ceux du groupe B.

TABLEAU III.

FER ET ARTICLES EN FER.

(Total de l'exportation de ces produits : 187.052.000 Schillings)

Pays de destination	Valeur en milliers de Schillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	11.775	6,29
Pologne	13.219	7,06
Roumanie	13.854	7,40
Yougoslavie	28.378	15,17
Total	67.226	35,92
GROUPE B.		
Argentine	2.544	1,36
Australie	133	0,07
Canada	157	0,08
Etats-Unis d'Amérique	1.186	0,63
Total	4.020	2,14

L'Autriche vend aux pays du groupe A environ 17 fois plus qu'à ceux du groupe B.

TABLEAU IV.

TISSUS ET ARTICLES EN SOIE.¹

(Total de l'exportation de ces produits : 149.971.000 Schillings)

Pays de destination.	Valeur en milliers de Schillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	14.284	9,52
Pologne	2.958	1,97
Roumanie	3.164	2,10
Yougoslavie	6.720	4,48
Total	27.126	18,07

¹ Ce groupe comprend, principalement : la laine brute, les fils et tissus, les tapis, la passementerie, etc., en laine.

Autriche (suite).

Pays de destination	Valeur en milliers de schillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	1.391	0,92
Australie	776	0,51
Canada	1.530	1,02
Etats-Unis d'Amérique	8.732	5,82
Total	12.429	8,27

L'Autriche vend aux pays du groupe A environ 2 fois plus qu'à ceux du groupe B.

TABLEAU V.

FILS ET ARTICLES EN LAINE ¹.

(Total de l'exportation de ces produits : 133.090.000 schillings)

Pays de destination	Valeur en milliers de schillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	13.461	10,1
Pologne	15.824	11,8
Roumanie	11.086	8,32
Yougoslavie	13.211	9,92
Total	53.582	40,14
GROUPE B.		
Argentine	303	0,22
Australie	119	0,08
Canada	412	0,30
Etats-Unis d'Amérique	3.291	2,47
Total	4.125	3,07

L'Autriche vend aux pays du groupe A environ 13 fois plus qu'à ceux du groupe B.

TABLEAU VI.

APPAREILS ET APPAREILS ÉLECTRIQUES, MACHINES NON ÉLECTRIQUES.

(Total de l'exportation de ces produits : 120.706.000 schillings)

Pays de destination	Valeur en milliers de schillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	7.234	5,99
Pologne	18.186	15,06
Roumanie	14.281	11,83
Yougoslavie	13.821	11,45
Total	53.522	44,33
GROUPE B.		
Argentine	756	0,62
Australie	76	0,06
Canada	2	0,001
Etats-Unis d'Amérique	712	0,58
Total	1.546	1,261

L'Autriche vend aux pays du groupe A environ 35 fois plus qu'à ceux du groupe B.

¹ Ce groupe comprend principalement : les cocons, les déchets, les fils et tissus, la passementerie, les rubans, etc., en soie.

Autriche (*suite*).

TABLEAU VII.

CUIRS, CHAUSSURES ET AUTRES ARTICLES EN CUIR.

(Total de l'exportation de ces produits : 101.418.000 schillings)

Pays de destination	Valeur en milliers de schillings	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	5.854	5,77
Pologne.	7.787	7,67
Roumanie.	2.974	2,93
Yougoslavie	5.756	5,67
Total	22.371	22,04
GROUPE B.		
Argentine	522	0,51
Australie	297	0,29
Canada	350	0,34
Etats-Unis d'Amérique	10.196	10,05
Total	11.365	11,19

L'Autriche vend aux pays du groupe A environ 2 fois plus qu'à ceux du groupe B.

BELGIQUE.

(Exportation totale 30.954.440.000 francs belges).

1928

PRODUITS CONSIDÉRÉS.

(L'ensemble des exportations de ces produits représente environ 58,5% de l'exportation totale belge.)

	Valeur de l'exportation en milliers de francs belges	Pourcentage de l'exportation totale belge en 1929
Ouvrages en métaux.	7.109.154	22,9
Produits de l'industrie (textile)	4.491.954	14,5
Pierres précieuses et demi-précieuses ouvrées	2.251.543	7,2
Verres et ouvrages en verre	1.393.919	4,5
Machines, engins mécaniques, appareils de chemins de fer et matériel élec- trique	1.341.876	4,3
Charbons minéraux (crus, agglomérés et carbonisés)	977.843	3,1
Véhicules autres que pour voies ferrées	559.964	1,8
Total.	18.126.253	58,3

TABLEAU I.

MÉTAUX ET OUVRAGES EN MÉTAUX ¹.

(Total de l'exportation de ces produits : 7.109 millions de francs belges.)

Pays de destination	Valeur en milliers de francs belges	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	2.229	0,03
Pologne.	10.735	0,15
Roumanie.	24.684	0,34
Yougoslavie	1.812	0,02
Total.	39.460	0,54

¹ Ce groupe se compose principalement des ouvrages en fer, fonte et acier, en nickel, en zinc, en plomb, en étain, en aluminium.

Belgique (suite).

Pays de destination	Valeur en milliers de francs belges	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	382.484	5,3
Australie	12.020	0,16
Canada	103.244	1,4
Etats-Unis d'Amérique	192.398	2,7
Total.	690.146	9,56

La Belgique vend environ 18 fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU II.

PRODUITS DE L'INDUSTRIE TEXTILE ¹.

(Total de l'exportation de ces produits : 4.491.954.000 francs belges.)

Pays de destination	Valeur en milliers de francs belges	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	7.767	0,17
Pologne.	4.153	0,09
Roumanie.	15.322	0,34
Yougoslavie	3.631	0,08
Total.	30.873	0,68
GROUPE B.		
Argentine	371.885	8,2
Australie	16.421	0,36
Canada	23.774	0,52
Etats-Unis d'Amérique	319.718	7,1
Total.	731.798	16,18

La Belgique vend environ 23 fois plus au pays du groupe B qu'à ceux du groupe A.

TABLEAU III.

PIERRES PRÉCIEUSES ET DEMI-PRÉCIEUSES OUVRÉES.

(Total de l'exportation de ces produits : 2.251.543.000 de francs belges.)

Pays de destination	Valeur en milliers de francs belges	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	9.007	0,40
Australie	—	—
Canada	29.270	1,29
Etats-Unis d'Amérique	1.019.949	45,1
Total.	1.058.226	46,79

Ces produits ne font pas l'objet d'une exportation de la Belgique vers les pays du groupe A.

¹ Ce groupe se compose des fils et tissus de coton, de laine, de soie, de lin, de chanvre, etc.

Belgique (suite).

TABLEAU IV.

VERRES ET OUVRAGES EN VERRE¹.

(Total de l'exportation de ces produits : 1.393.919.000 francs belges.)

Pays de destination	Valeur en milliers de francs belges	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	907	0,06
Pologne.	8.776	0,65
Roumanie.	4.494	0,32
Yougoslavie.	718	0,05
Total	14.895	1,08
GROUPE B.		
Argentine	62.652	4,4
Australie	30.906	2,21
Canada	111.289	7,9
Etats-Unis d'Amérique	164.724	11,8
Total	370.571	26,31

La Belgique vend environ 25 fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU V.

MACHINES, ENGINs MÉCANIQUES, APPAREILS DE CHEMINS DE FER ET MATÉRIEL ÉLECTRIQUE².

(Total de l'exportation de ces produits : 1.341.876.000 francs belges.)

Pays de destination	Valeur en milliers de francs belges	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	147	0,01
Pologne.	11.614	0,89
Roumanie.	19.571	1,45
Yougoslavie.	2.200	0,16
Total	33.532	2,51
GROUPE B.		
Argentine	93.251	6,9
Australie	3.899	0,29
Canada	6.111	0,00
Etats-Unis d'Amérique	36.873	2,8
Total	140.134	9,99

La Belgique vend environ 4 fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU VI.

CHARBONS MINÉRAUX (CRUS, AGGLOMÉRÉS ET CARBONISÉS).

(Total de l'exportation de ces produits : 977.843.000 francs belges.)

Pays de destination	Valeur en milliers de francs	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	7.526	0,77
Etats-Unis d'Amérique	2.103	0,21
Total	14.756	1,50

Ces produits ne font pas l'objet d'une exportation de la Belgique vers les pays du groupe A ni vers l'Australie et le Canada.

¹ Ce groupe se compose principalement de verres en feuilles, de glaces, de miroirs, de gobeletterie, de verres d'optique, des perles en verre, etc.

² Ce groupe se compose principalement des chaudières à vapeur, machines à vapeur, voitures de voies ferrées, wagons à marchandises, appareils d'élevage, machines-outils, machines pour l'agriculture, pour l'industrie textile, pièces détachées de machines, machines dynamo-électriques, accumulateurs électriques, lampes électriques, pièces pour l'électricité, etc.

Belgique (suite).

TABLEAU VII.

VÉHICULES AUTRES QUE POUR VOIES FERRÉES.

(Total de l'exportation de ces produits : 559.964.000 francs belges.)

Pays de destination	Valeur en milliers de francs belges	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	7.994	1,43
Pologne	9.707	1,73
Roumanie	6.225	1,11
Yougoslavie	<u>2.341</u>	<u>0,42</u>
Total	26.267	4,69
GROUPE B.		
Argentine	5.161	0,92
Australie	705	0,12
Canada	59	0,01
Etats-Unis d'Amérique	<u>6.913</u>	<u>1,25</u>
Total	12.838	2,30

La Belgique vend environ 2 fois plus aux pays du groupe A qu'à ceux du groupe B.

FRANCE.

(Exportation totale 55.196.159.000 francs français).

1927

PRODUITS CONSIDÉRÉS.

(L'ensemble des exportations de ces produits représente environ 50%
de l'exportation totale française.)

	Valeur de l'exportation en milliers de francs français	Pourcentage de l'exportation totale française en 1927
Tissus	9.003.532	16,31
Métaux	4.279.663	7,75
Ouvrages en métaux	3.845.654	6,97
Fils	3.593.749	6,51
Peaux et pelleteries ouvrées	2.341.341	4,24
Lingerie, vêtements, articles confec- tionnés	2.137.227	3,87
Carrosserie automobile	1.732.729	3,13
Produits chimiques	<u>1.588.222</u>	<u>2,88</u>
Totaux	28.454.167	51,66

TABLEAU I.

TISSUS ¹.

(Total de l'exportation de ces produits : 9.003.532.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	13.089	0,14
Pologne	144.860	1,60
Roumanie	29.353	0,32
Yougoslavie	<u>8.351</u>	<u>0,09</u>
Total	195.653	2,13

¹ Ce groupe se compose des tissus de coton, de soie, de bourre de soie, de ramie, de lin, de laine, etc.

France (suite).

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	439.072	4,87
Australie	74.712	0,82
Canada	395.386	4,39
Etats-Unis d'Amérique	<u>711.132</u>	<u>7,89</u>
Total.	1.620.302	17,97

La France vend aux pays du groupe B environ 8½ fois plus qu'à ceux du groupe A.

TABLEAU II.

MÉTAUX ¹.

(Total de l'exportation de ces produits : 4.279.663.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	468	0,01
Pologne.	21.391	0,5
Roumanie.	4.960	0,11
Yougoslavie	<u>340</u>	<u>0,007</u>
Total.	27.159	0,627
GROUPE B.		
Argentine	54.791	1,28
Australie	1.073	0,02
Canada	8.699	0,20
Etats-Unis d'Amérique	<u>51.420</u>	<u>1,20</u>
Total.	115.983	2,70

La France vend aux pays du groupe B environ 4½ fois plus qu'à ceux du groupe A.

TABLEAU III.

OUVRAGES EN MÉTAUX ².

(Total de l'exportation de ces produits : 3.845.654.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	1.806	0,05
Pologne.	19.820	0,52
Roumanie.	16.160	0,42
Yougoslavie	<u>44.206</u>	<u>0,10</u>
Total.	42.002	1,09
GROUPE B.		
Argentine	94.850	2,47
Australie	5.022	0,13
Canada	16.017	0,41
Etats-Unis d'Amérique	<u>130.847</u>	<u>3,40</u>
Total.	246.736	6,41

La France vend environ 6 fois plus aux pays du groupe B qu'à ceux du groupe A.

¹ Ce groupe comprend : les fers et aciers, l'or, l'aluminium, le cuivre, le plomb, les minerais, etc.

² Ce groupe comprend : l'orfèvrerie, la bijouterie fausse, la bijouterie doublée d'or, l'horlogerie, les machines et mécaniques, tels que métiers à tisser, à filer, locomotives, chaudières, etc., les outils, la coutellerie, etc.

France (suite).

TABLEAU IV.

FILS ¹.

(Total de l'exportation de ces produits : 3.593.749.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	9.183	0,25
Pologne.	39.867	1,10
Roumanie.	19.930	0,55
Yougoslavie.	6.069	0,01
Total.	75.049	1,91
GROUPE B.		
Argentine.	61.403	1,70
Australie.	—	—
Canada.	6.116	0,17
Etats-Unis d'Amérique.	75.875	2,11
Total.	143.394	3,98

La France vend environ 2 fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU V.

PEAUX ET PELLETERIES OUVRÉES ².

(Total de l'exportation de ces produits : 2.341.341.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	1.110	0,04
Pologne.	10.783	0,46
Roumanie.	3.551	0,15
Yougoslavie.	365	0,01
Total.	15.809	0,66
GROUPE B.		
Argentine.	32.758	1,39
Australie.	15.758	0,67
Canada.	40.582	1,73
Etats-Unis d'Amérique.	212.715	9,08
Total.	301.813	12,87

La France vend aux pays du groupe B environ 20 fois plus qu'à ceux du groupe A.

TABLEAU VI.

LINGERIE, VETEMENTS, ARTICLES CONFECTIONNÉS ³.

(Total de l'exportation de ces produits : 2.137.227.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	497	0,02
Pologne.	—	—
Roumanie.	1.620	0,07
Yougoslavie.	5.329	0,24
Total.	7.446	0,33

¹ Ce groupe comprend : les fils de coton, les fils de soie, de bourre de soie, de laine, etc.

² Ce groupe comprend : les peaux préparées, le cuir artificiel, les ouvrages en peaux ou en cuir naturel et artificiel, chaussures, gants, etc.

³ Ce groupe comprend : les vêtements confectionnés pour hommes et pour femmes, les cravates, etc.

France (suite).

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	38.836	1,81
Australie	21.516	1,00
Canada	39.141	1,83
Etats-Unis d'Amérique	421.823	19,73
Total.	521.316	24,37

La France vend aux pays du groupe A environ 70 fois plus qu'à ceux du groupe B.

TABLEAU VII.

CARROSSERIE AUTOMOBILE.

(Total de l'exportation de ces produits : 1.732.729.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	6.891	0,39
Pologne.	26.750	1,54
Roumanie.	12.509	0,72
Yougoslavie	5.174	0,29
Total.	51.324	2,94
GROUPE B.		
Argentine	28.365	1,63
Australie	16.057	0,92
Canada	—	—
Etats-Unis d'Amérique	6.785	0,39
Total.	51.207	2,94

La France vend pour sensiblement la même valeur dans les 2 groupes de pays.

TABLEAU VIII.

PRODUITS CHIMIQUES.

(Total de l'exportation de ces produits : 1.588.222.000 francs français.)

Pays de destination	Valeur en milliers de francs français	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	284	0,01
Pologne.	3.619	0,22
Roumanie.	4.318	0,27
Yougoslavie	203	0,01
Total.	8.424	0,51
GROUPE B.		
Argentine	7.687	0,48
Australie	8.069	0,50
Canada	5.654	0,35
Etats-Unis d'Amérique	104.266	6,56
Total.	125.576	7,89

La France vend environ 15 fois plus aux pays du groupe B qu'à ceux du groupe A.

ITALIE

(Exportation totale : 14.888.839.000 liras.)

1929

(L'ensemble des exportations de ces produits représente environ 50% de l'exportation totale italienne.)

	Valeur de l'exportation en milliers de liras	Pourcentage de l'exportation totale italienne en 1929.
Soie et soie artificielle.	3.033.314	20,37
Coton.	1.885.589	12,66
Laine, crins et poils.	769.892	5,17
Objets de mode, chaussures et objets d'usage personnel	609.580	4,09
Chanvre, lin, jute et autres fibres végétales, à l'exclusion du coton	569.773	3,82
Véhicules	507.653	3,40
Total	7.375.806	49,51

TABLEAU I.

SOIE ET SOIE ARTIFICIELLE ¹.

(Total de l'exportation de ces produits : 3.033.314.000 liras.)

Pays de destination	Valeur en milliers de liras	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A		
Hongrie.	2.731	0,09
Pologne ²	2.467	0,07
Roumanie.	2.354	0,07
Yougoslavie	5.901	0,19
Total	13.453	0,42
GROUPE B.		
Argentine	87.916	2,89
Australie ²	17.178	0,49
Canada	11.348	0,37
Etats-Unis d'Amérique	260.031	8,57
Total	376.473	12,32

L'Italie vend environ 30 fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU II.

COTON ³.

(Total de l'exportation de ces produits : 1.885.589.000 liras.)

Pays de destination	Valeur en milliers de liras	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	8.479	0,44
Pologne ²	3.775	0,20
Roumanie.	104.352	5,53
Yougoslavie	114.649	6,08
Total	231.255	12,25

¹ Ce groupe comprend principalement les cocons de soie, la soie artificielle, les fils et tissus de soie, les tulles, les velours de soie, les tissus mixtes, etc.

² En 1927.

³ Ce groupe comprend principalement : le coton brut, les fils, les tissus de coton, les tulles, rideaux, dentelles, rubans, etc.

Italie (suite).

Pays de destination	Valeur en milliers de lires	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	325.617	17,26
Australie ¹	2.075	0,11
Canada	5.704	0,03
Etats-Unis d'Amérique	27.916	1,48
Total	361.312	18,88

L'Italie vend environ 1 1/2 % fois autant aux pays du groupe B qu'à ceux du groupe A.

TABLEAU III.

LAINE, CRINS ET POILS ².

(Total de l'exportation de ces produits : 769.892.000 lires.)

Pays de destination	Valeur en milliers de lires	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	6.056	0,73
Pologne ¹	31.757	4,69
Roumanie	4.865	0,63
Yougoslavie	14.421	1,87
Total	57.099	7,92
GROUPE B.		
Argentine	79.200	10,28
Australie ¹	4.119	0,60
Canada	6.223	0,80
Etats-Unis d'Amérique	145.946	18,95
Total	234.488	30,63

L'Italie vend environ 4 fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU IV.

OBJETS DE MODE, CHAUSSURES ET OBJETS D'USAGE PERSONNEL ³.

(Total de l'exportation de ces produits : 609.580.000 lires.)

Pays de destination	Valeur en milliers de lires	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	4.318	0,70
Pologne ¹	1.426	0,25
Roumanie	2.754	0,45
Yougoslavie	6.420	1,05
Total	14.918	2,45
GROUPE B.		
Argentine	23.247	3,81
Australie ¹	21.997	3,98
Canada	9.369	1,53
Etats-Unis d'Amérique	125.740	20,62
Total	180.353	29,94

L'Italie vend environ 12 fois plus aux pays du groupe B qu'à ceux du groupe A.

¹ En 1927.

² Ce groupe comprend principalement la laine brute et lavée, les fils et tissus de laine, les feutres pour chapeaux, les feutres, les gants, passementeries, les crins animaux, les tissus de crin et les poils.

³ Ce groupe comprend principalement les chaussures, les chapeaux, les ombrelles, les boutons, etc.

Italie (suite).

TABLEAU V.

CHANVRE, LIN, JUTE ET AUTRES FIBRES VÉGÉTALES, A L'EXCLUSION
DU COTON¹.

(Total de l'exportation de ces produits : 569.773.000 lires.)

Pays de destination	Valeur en milliers de lires	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	5.970	1,04
Pologne ²	5.784	0,79
Roumanie	4.291	0,75
Yougoslavie	<u>17.693</u>	<u>3,10</u>
Total	33.738	5,68
GROUPE B.		
Argentine	43.054	7,55
Australie ³	3.804	0,52
Canada	1.579	0,27
Etats-Unis d'Amérique	<u>59.714</u>	<u>10,48</u>
Total	108.151	19,02

L'Italie vend environ 3½ fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU VI.

VÉHICULES³.

(Total de l'exportation de ces produits : 507.653.000 lires.)

Pays de destination	Valeur en milliers de lires	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A		
Hongrie	6.511	1,28
Pologne ²	15.859	2,41
Roumanie	7.623	1,50
Yougoslavie	<u>3.216</u>	<u>0,63</u>
Total	33.209	5,82
GROUPE B.		
Argentine	27.046	5,32
Australie ³	15.146	2,30
Canada	—	—
Etats-Unis d'Amérique	<u>10.030</u>	<u>1,97</u>
Total	52.222	9,59

L'Italie vend environ 1 3/5 fois plus aux pays du groupe B qu'à ceux du groupe A.

¹ Ce groupe comprend principalement le chanvre et le lin bruts, les fils et tissus de ces matières, les cordages, les tulles.

² En 1927.

³ Ce groupe comprend principalement les automobiles, la carrosserie automobile, les aéroplanes, véhicules pour chemins de fer, navires, etc.

SUISSE.

(Exportation totale 2.104.455.000 francs.)

1929.

PRODUITS CONSIDÉRÉS.

(L'ensemble des exportations de ces produits représente environ 55% de l'exportation totale suisse).

	Valeur de l'exportation en milliers de francs	Pourcentage de l'exportation suisse en 1929
Horloges et montres	307.339	14,60
Soie	297.746	14,14
Machines	241.256	11,46
Coton.	234.745	11,15
Couleurs	85.685	4,07
Total	1.166.771	55,42

TABLEAU I.

HORLOGES ET MONTRES.

(Total de l'exportation de ces produits : 307.339.000 francs.)

Pays de destination	Valeur en milliers de francs	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	2.367	0,76
Pologne	6.346	2,06
Roumanie	1.880	0,61
Yougoslavie	863	0,28
Total	11.456	3,71
GROUPE B.		
Argentine	6.440	2,09
Australie	6.693	2,17
Canada	8.217	2,67
Etats-Unis d'Amérique	64.923	21,12
Total	86.263	28,05

TABLEAU II.

SOIE¹.

(Total de l'exportation de ces produits : 297.746.000 francs.)

Pays de destination	Valeur en milliers de francs	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	2.214	0,74
Pologne	5.510	1,85
Roumanie	945	0,31
Yougoslavie	2.108	0,70
Total	10.777	3,60

¹ Ce groupe comprend : les cocons de soie, la soie peignée et grège, la soie artificielle, la bourre de soie, les broderies, rubaneries, etc.

Suisse (suite).

Pays de destination	Valeur en milliers de francs	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	9.110	3,05
Australie	15.584	5,23
Canada	16.597	5,57
Etats-Unis d'Amérique	18.994	6,37
Total	60.285	21,22

La Suisse vend environ 6 fois plus aux pays du groupe B qu'à ceux du groupe A.

TABLEAU III.

MACHINES ¹.

(Total de l'exportation de ces produits : 241.256.000 francs.)

Pays de destination	Valeur en milliers de francs	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	1.519	0,72
Pologne	8.532	3,53
Roumanie	5.961	2,35
Yougoslavie	1.010	0,41
Total	17.022	7,01
GROUPE B.		
Argentine	5.601	2,32
Australie	1.738	0,72
Canada	1.115	0,46
Etats-Unis d'Amérique	4.887	2,02
Total	13.341	5,52

La Suisse vend pour environ 3.700.000 francs de plus aux pays du groupe A qu'à ceux du groupe B.

TABLEAU IV.

COTON ².

(Total de l'exportation de ces produits : 234.745.000 francs.)

Pays de destination	Valeur en milliers de francs	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	4.316	1,83
Pologne	2.961	1,26
Roumanie	3.060	1,30
Yougoslavie	1.764	0,75
Total	12.101	5,14
GROUPE B.		
Argentine	2.395	1,02
Canada	3.749	1,59
Australie	3.735	1,59
Etats-Unis d'Amérique	16.995	7,23
Total	26.874	11,43

La Suisse vend environ 2 fois plus aux pays du groupe B qu'à ceux du groupe A.

¹ Ce groupe comprend : les chaudières à vapeur, locomotives, machines pour la filature, métiers à tisser, machines dynamo-électriques, moteurs hydrauliques, moteurs à gaz, à pétrole, etc., machines-outils, etc.

² Ce groupe comprend : le coton brut, les fils, les tissus, rubannerie, rideaux, etc.

Suisse (suite).

TABLEAU V.

COULEURS ¹.

(Total de l'exportation de ces produits : 85.685.000 francs.)

Pays de destination	Valeur en milliers de francs	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	616	0,70
Pologne	2.226	2,59
Roumanie	1.184	1,38
Yougoslavie	855	0,99
Total	4.881	5,66
GROUPE B.		
Argentine	578	0,67
Australie	194	0,22
Canada	1.042	1,21
Etats-Unis d'Amérique	10.543	13,00
Total	12.357	15,10

La Suisse vend environ 2 1/2 fois plus aux pays du groupe B qu'à ceux du groupe A.

TCHÉCOSLOVAQUIE.

(Exportation totale : 20.498.862.000 couronnes)

1929.

PRODUITS CONSIDÉRÉS.

(L'ensemble des exportations de ces produits représente environ 50% de l'exportation totale tchécoslovaque.)

	Valeur de l'exportation en milliers de Kc.	Pourcentage de l'exportation totale tchécoslovaque en 1929
Coton, fils et articles de coton	2.882.639	14,1
Laine, fils et articles de laine.	2.106.363	10,3
Fers et ouvrages en fer	1.803.787	8,8
Cuir et articles en cuir	1.420.145	6,9
Verres et articles en verre	1.370.518	6,7
Total.	9.583.452	46,8

TABLEAU I.

COTON, FILS ET ARTICLES DE COTON ².

(Total de l'exportation de ces produits : 2.882.639.000 Kc.)

Pays de destination	Valeur en milliers de Kc.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	267.960	9,29
Pologne.	71.083	2,46
Roumanie.	339.434	11,27
Yougoslavie	344.037	11,93
Total.	1.022.514	34,95

¹ Ce groupe comprend : les terres colorantes, l'extrait de bois de campêche, les couleurs d'aniline, d'anthracène, de naphthaline, les couleurs de goudron de houille, d'indigo, etc.

² Ce groupe comprend principalement : le coton brut, les fils, les tissus de coton, les tulles, rideaux, dentelles, rubans, etc.

Tchécoslovaquie (suisse).

Pays de destination	Valeur en milliers de Kc	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE B.		
Argentine	20.220	0,70
Australie	3.840	0,13
Canada	7.581	0,26
Etats-Unis d'Amérique	104.561	3,62
Total	136.202	4,71

La Tchécoslovaquie vend environ 7 fois plus aux pays du groupe A qu'à ceux du groupe B.

TABLEAU II.

LAINES, FILS ET ARTICLES DE LAINES¹.

(Total de l'exportation de ces produits : 2.106.363.000 Kc.)

Pays de destination	Valeur en milliers de Kc.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	147.741	7,01
Pologne	98.306	4,66
Roumanie	64.597	3,06
Yougoslavie	130.876	6,21
Total	441.520	20,94
GROUPE B.		
Argentine	6.719	0,31
Australie	879	0,04
Canada	8.494	0,40
Etats-Unis d'Amérique	68.299	3,24
Total	84.391	3,99

La Tchécoslovaquie vend environ 5 fois plus aux pays du groupe A qu'à ceux du groupe B.

TABLEAU III.

FERS ET OUVRAGES EN FER².

(Total de l'exportation de ces produits : 1.803.787.000 Kc.)

Pays de destination	Valeur en milliers de Kc.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie	52.393	2,90
Pologne	129.663	7,18
Roumanie	176.659	9,79
Yougoslavie	151.516	8,39
Total	510.231	28,26
GROUPE B.		
Argentine	35.324	1,95
Australie	4.591	0,25
Canada	2.153	0,11
Etats-Unis d'Amérique	24.878	1,37
Total	66.946	3,68

La Tchécoslovaquie vend environ 8 fois plus aux pays du groupe A qu'à ceux du groupe B.

¹ Ce groupe comprend principalement : la laine brute, les fils et tissus de laine, les velours, gants, châles, tapis, feutres, etc.

² Ce groupe comprend principalement : la fonte, le fer, l'acier, les tôles, les fils, les tuyaux, la chaudronnerie, les outils, les ressorts, les roues, les ouvrages en fer, etc.

Tchécoslovaquie (suite).

TABLEAU IV.

CUIRS ET ARTICLES EN CUIR ¹.

(Total de l'exportation de ces produits : 1.420.145.000 Kc.)

Pays de destination	Valeur en milliers de Kc.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	24.990	1,75
Pologne.	74.387	5,23
Roumanie.	13.769	0,96
Yougoslavie	50.414	3,54
Total.	163.560	11,48
GROUPE B.		
Argentine	976	0,06
Australie	1.023	0,07
Canada	3.792	0,26
Etats-Unis d'Amérique	450.610	31,72
Total.	456.401	32,11

La Tchécoslovaquie vend environ 3 fois plus aux pays du groupe B qu'à ceux du groupe A

TABLEAU V.

VERRES ET ARTICLES EN VERRE ².

(Total de l'exportation de ces produits considérés : 1.370.518.000 Kc.)

Pays de destination	Valeur en milliers de Kc.	Pourcentage de la valeur totale de l'exportation du produit considéré
GROUPE A.		
Hongrie.	50.888	3,71
Pologne.	27.016	1,97
Roumanie.	9.147	0,66
Yougoslavie	34.440	2,51
Total.	121.491	8,85
GROUPE B.		
Argentine	27.946	2,03
Australie	11.387	0,83
Canada	16.007	1,16
Etats-Unis d'Amérique	239.974	17,50
Total.	295.314	21,52

La Tchécoslovaquie vend environ 2½ fois plus aux pays du groupe B qu'à ceux du groupe A.

¹ Ce groupe comprend principalement : les cuirs, la maroquinerie, les chaussures, etc.

² Ce groupe comprend principalement : les verres en masse, la gobeletterie, les perles en verre, les glaces, etc.

D. TABLEAU DES DROITS DE DOUANE SUR LES CÉRÉALES ET LA FARINE DE FROMENT EN EUROPE

DROITS APPLICABLES A L'IMPORTATION PROVENANT DES PAYS MIS AU BÉNÉFICE DU RÉGIME DE LA NATION LA PLUS FAVORISÉE.

(Les taxes accessoires ne sont pas comprises dans ces droits.)

Pays d'importation	Unité de perception (100 kg. poids)	Base monétaire des tarifs	Droits										Farine de froment	
			Céréales en grains											
			Froment		Seigle		Orge		Avoine		Maïs		Monnaie nationale	Conversion en Fr. or
			Monnaie nationale	Conversion en Fr.-or	Monnaie nationale	Conversion en Fr. or								
Albanie	Net	Franc-or	25,00	25,00	15,00	15,00	15,00	15,00	8,00	8,00	20,00	20,00	37,50	37,50
Allemagne ¹	Net, brut pour le maïs	R. mark	18,50	22,84	15,00	18,52	15,00	18,52	12,00	14,81	5,00	6,17	31,50	38,89
Autriche	Brut	Cour.-or	2,00	2,00	2,00	2,00	2,00	2,00	1,50	1,50	exempt	—	5,00	5,00
Belgique	»	Franc-papier	exempt	—	exempt	—	exempt	—	6,00	0,86	exempt	—	4,00	0,58
Bulgarie	»	Leva-or	6,00	6,00	6,00	6,00	5,00	5,00	6,00	6,00	6,00	6,00	12,00	12,00
Danemark	Net	Couronne	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—
Espagne ²	»	Peseta-or	10,00	10,00	12,00	12,00	12,00	12,00	8,00	8,00	10,00	10,00	21,00	21,00
Estonie	Brut	Franc-or	10,00	10,00	exempt	—	10,00	10,00	exempt	—	exempt	—	non blutée 14,00	14,00
Finlande	»	Mark	100,00	13,05	75,00	9,79	75,00	9,79	25,00	3,26	exempt	—	blutée 21,00	21,00
France.....	Brut, sauf pour la farine taux d'extraction 70% et moins	Franc	80,00	16,24	21,00	4,26	15,00	3,05	30,00	6,09	24,00	4,87	non blutée 125,00	16,32
													blutée 150,00	19,58
													taux d'extraction + 70%	
													128,00	25,99
													60 à 70% 160,00	32,49
													— 60% 185,00	37,56
Grande-Bretagne.	Net	Liv. st.	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—
Grèce ³	»	Drachme-or	10,50	10,50	8,75	8,75	7,00	7,00	7,00	7,00	8,75	8,75	18,72	18,72
Hongrie.....	Brut	Couronne-or	6,30	6,30	5,80	5,80	2,80	2,80	4,80	4,80	2,00	2,00	13,00	13,00
Irlande.....	Net	—	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—
Italie	Brut	Lire-or	16,50	16,50	4,50	4,50	4,00	4,00	4,00	4,00	1,15	1,15	23,70	23,70
Lettonie.....	»	Franc-or	7,00	7,00	exempt	—	3,00	3,00	3,00	3,00	exempt	—	non blutée 10,00	10,00
Lithuanie.....	Net	Litas	30,00	15,55	20,00	10,37	20,00	10,37	20,00	10,37	20,00	10,37	blutée 25,00	25,00
Norvège ⁴	»	Couronne	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—	90,00	46,65
Pays-Bas.....	»	Guilden	exempt	—	exempt	—	exempt	—	exempt	—	exempt	—	1,05	1,46
Pologne.....	»	Zloty	17,50	10,17	11,00	6,40	11,00	6,40	11,00	6,40	6,00	3,49	exempt	—
Portugal ⁵	»	Escudo-or	—	—	1,20	6,72	1,20	6,72	1,20	6,72	0,70	3,92	25,50	14,83
Roumanie.....	Brut	Lei	160,00	4,96	45,00	1,40	40,00	1,24	36,00	1,12	36,00	1,12	400,00	12,40
Suède	Net	Couronne	3,70	5,14	3,70	5,14	3,70	5,14	exempt	—	exempt	—	6,50	9,03
Suisse ⁶	Brut	Franc	0,60	0,60	0,60	0,60	0,60	0,60	0,50	0,60	0,50	0,50	4,50	4,50
Tchécoslovaquie.	»	Couronne	30,00	4,51	38,00	5,83	34,00	5,22	36,00	5,53	18,00	2,76	70,00	10,75
Turquie.....	Net	Livre papier	6,30	17,65	4,50	12,61	4,00	11,20	4,00	11,20	4,50	12,61	9,50	26,61
Yougoslavie	Brut	Dinar	5,00	5,00	5,00	5,00	3,00	3,00	3,00	3,00	2,50	2,50	8,00	8,00

¹ L'importation du maïs fait l'objet d'un monopole d'Etat.

² L'importation du froment, du maïs et de la farine de froment est prohibée ; les droits sont indiqués pour mémoire.

³ Les droits indiqués comprennent les droits de base et les droits supplémentaires de 75%.

⁴ L'importation des céréales fait l'objet d'un monopole d'Etat.

⁵ L'importation du froment et de la farine de froment fait l'objet d'une législation spéciale.

⁶ L'importation du froment et du seigle est soumise au contrôle de l'Etat ; toute importation effectuée en dehors de ce contrôle est soumise à la perception d'un droit supplémentaire allant jusqu'à 20 francs par quintal. L'importation de la farine de froment fait l'objet d'un monopole d'Etat.

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LEAGUE OF NATIONS

25

Economic and Financial Section of the Secretariat.

SURVEY

of the

DIRECT AND INDIRECT MEANS AT THE DISPOSAL OF
FOREIGN BUYERS TO ENABLE THEM IN A NUMBER
OF COUNTRIES TO ASCERTAIN THE QUALITY OF THE
GOODS ACQUIRED BY THEM.

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PREFACE

A. PREVIOUS HISTORY.

In 1922, His Excellency M. Cesar ZUMETA, Venezuelan delegate to the third ordinary session of the League Assembly, drew the Economic Committee's attention to "the harmful effect on legitimate trade of the manufacture and sale of products which, though not infringing the regulations governing trade-marks and patents, are nevertheless a form of fraud owing to the various devices intended to disguise their real nature".

The Economic Committee submitted to the Council, in 1923 and 1924, two reports on this question. In the former, it laid stress on the fact that the protection of the consumer against worthless goods is primarily a matter for national legislation, and that it is important, from the point of view of international trade, that any measures taken with this object should not be of a kind to discriminate between imported goods and similar goods of national origin or to impose undue burdens upon international commerce.

The Economic Committee subsequently showed that the method of Customs prohibitions or restrictions is quite unsuitable as a means of overcoming the difficulties with which the buyer is faced owing to the defective quality of the goods. It examined the various means suggested as a remedy for the situation to which the Venezuelan delegate had drawn its attention, and concluded that, in the first place, it was necessary for the buyer himself to exercise care in his choice of suppliers; it also found (*a*) that in many countries there are more or less effective guarantees the existence of which should be made more widely known to the public, and (*b*) that, accordingly, all facilities afforded in the exporting country for ascertaining and testing the quality of goods should in every case be available to the foreign buyer in the same way as to the home consumer.

It is desirable that the public should be better acquainted with national laws or regulations requiring certain goods to conform to a minimum standard as regards type, composition or manufacture, and which provide for inspection and testing, the quality being guaranteed by compulsory certificates or stamps. The public should also be informed of the official, semi-official and private organisations which, at the request of the producer or purchaser, will test certain classes of goods and guarantee the quality by means of marks or certificates. It should likewise be made familiar with the marks affixed to goods conforming to specifications laid down by the competent technical institutions or committees, such as standardisation committees, and with the marks adopted by States or associations to guarantee the origin of certain goods.

If the foreign buyer is able to satisfy himself beforehand that the goods purchased by him are of the desired quality, this will obviously encourage international trade, and will prevent disputes, litigation and difficulties at the time of delivery.

Moreover, it is to the interest of all exporting countries to make known to foreign buyers the available guarantees which enable them to make certain that the article purchased will be of the desired quality.

For these reasons, the League Assembly, at its ordinary sessions in 1924, 1925 and 1926, adopted successive resolutions, all urging the necessity for completing the information collected by the Secretariat and for making this as widely known as possible, for the benefit of the public concerned.

B. NATURE AND OBJECT OF THE PUBLICATION.

The ideal aimed at was a collection of all measures of whatever description and whatever their direct object which help to furnish the necessary guarantees to buyers.

The data collected by the Secretariat for the publication in 1928 of a first edition in accordance with the wishes expressed by the Assembly and the suggestions of the Economic Committee unfortunately fell very far short of this ideal. The information obtained both from official and private sources was very incomplete; certain countries of great importance from the point of view of the question with which we are dealing were not even included in the list of those in regard to which it had proved possible to obtain information, while in other cases the information was not full enough. These defects were due to the difficulty of obtaining the requisite particulars, and the Secretariat hoped that the very incomplete publication issued in 1928 would facilitate the efforts which it had been making for several years to collect the data necessary to enable it to issue a more complete edition.

The object of the first edition was to give a clearer idea of the nature of the information requested and to show its utility. It was intended to indicate that, in many cases, measures adopted with an entirely different object may be of undeniable interest from the point of view

of the protection of buyers. This is the case, for instance, with the provisions adopted by the official and private organisations in certain countries to maintain the reputation of agricultural products abroad. It also applies to standardisation, which has been actively pursued in other countries for some years past with ever-increasing success.

The Secretariat therefore hoped that the Governments of countries in regard to which a certain amount of information was given in the first edition would supplement this and make any necessary corrections.

It also hoped that the Governments of countries in regard to which no information was given in the first edition would furnish data for the second edition.

In reply to the circular letter sent by the Secretary-General on August 28th, 1928, drawing the attention of the Governments to the preface of the first edition of that document, which stated that it was desirable that the Secretariat should obtain the data which were still missing for a number of countries and that it would also be an advantage if certain information on some countries could be supplemented, or, if necessary, corrected, the following seventeen countries which were included in the first edition of this publication sent the information requested: Australia, Austria, Belgium, Canada, Denmark, Estonia, Finland, Germany, Great Britain, Irish Free State, Italy, Netherlands, Netherlands Indies, Roumania, Sweden, Switzerland, United States.

The *Dominican Republic* and *Salvador*, which were not included in the first edition, have also sent information. Unfortunately, the particulars given by Salvador do not come within the scope of this publication.

In the present edition, countries which have themselves supplied their own final text are marked with an asterisk.

The Secretariat found it impossible to collect complete information which would have enabled it at all events to approach the ideal set forth above; however, the present publication has at least two advantages. It shows:

- (1) What has been done in this sphere in certain countries;
- (2) That publications of this kind might with advantage be compiled by the various countries themselves in regard to their national laws and regulations on the matter.

C. CLASSIFICATION OF THE EXISTING GUARANTEES INTO CATEGORIES.

The classification of the information adopted in the first edition has been adhered to in the second edition.

For each country the various data have been divided into five categories, which were only adopted after careful reflection and because they appeared to correspond most closely to the nature of the various measures useful for the protection of buyers.

Category 1: This includes laws and regulations dealing with the manufacture or production of, or trade in, certain commodities—in particular, foodstuffs—the object of which is to protect the health of men, animals and plants by ensuring the observance of certain rules of hygiene or precautions in their manufacture or preparation. In most cases, there is nothing to indicate that the rules have been complied with.

In cases of this kind, a knowledge of these regulations is of great utility, since the origin of the commodity in itself constitutes a reliable guarantee. We would instance the measures relating to foodstuffs, drugs, etc.

The special feature of this category is the *compulsory* nature of the measures, and the absence of anything to show that they have been complied with.

Category 2: In many countries, the production, manufacture, harvesting and even the sale of certain commodities are subject to compulsory official inspection, supervision or grading.

Supervision is usually exercised, either direct by the Government officials appointed for the purpose, or by private bodies entrusted with this duty by the State, or even by competent individuals.

The essential characteristic of these measures consists in an outward sign—an official mark, stamp, seal, etc., placed on the article itself or its outer wrapping, or a certificate may accompany the goods.

A large number of countries have enacted laws of this kind applicable to the most varied commodities; thus, Czechoslovakia has adopted legislation in regard to lucerne, Denmark in

regard to butter, Japan in regard to certain silks, the British Empire in regard to passenger ships, Canada in regard to fruit, Australia in regard to meat, etc.

The special feature of this category consists both in the *compulsory* nature of the supervision and control and *the affixing of an outward sign*, or the issue of a certificate.

Category 3: This category includes collective marks adopted or certificates issued by syndicates, associations or groups of farmers, manufacturers and merchants, the marks being exclusively reserved for their members. The object is to guarantee that goods bearing these marks conform to a certain more or less definite type or standard.

The object of these organisations in adopting such measures is to refuse their protection to goods for the manufacture or preparation of which methods calculated to lower the quality of the article placed on the market are employed.

Examples: The marks of the British Boot Manufacturers' Federation; the "kronmarket" in Sweden for cheeses; the marks employed in the Netherlands by certain private associations for eggs, etc.

The characteristic feature of this category is the fact that the supervision to which the persons concerned voluntarily submit is exercised by private bodies, without Government or official intervention.

Category 4: We have placed in this category all the means existing in each country which enable the purchasers of various commodities, if they so desire, to have them examined, tested or inspected before delivery; certificates are issued at the request of the persons concerned, stating the characteristics of the goods or the data which the purchasers regard as essential — dimensions, composition, degree of purity, strength, impermeability, etc.

In this connection, establishments for the conditioning of silk and thread, testing houses, official or private laboratories for research, testing and analysis, whose work covers a wide range of commodities, are of special importance.

There is an international organisation, the Société Générale de Surveillance, S.A., with headquarters at Geneva, which, together with its affiliated and corresponding bodies, is prepared to make investigations, in return for a fee, into the quantity, quality, packing etc., of raw materials, agricultural produce, manufactured goods, etc., on behalf of persons engaged in foreign trade.

The special feature of the measures included in Category 4 is the *optional* nature of the tests, which are carried out in regard to goods ready for delivery, and not, as in the previous categories, in course of manufacture or preparation.

Category 5: The last category includes civil or penal legislative stipulations providing for the cancellation of contracts if the workmanship or quality of the goods is bad, and imposing penalties on the offenders in cases of fraud.

Standardisation and specification.

The above classification is the result of patient research and repeated trial and, as already stated, was only adopted after careful reflection. Admittedly it is not perfect, but it was considered the most satisfactory.

Its principal defect is probably that it has been established on the basis of criteria which were in some cases rather vague, the result being that it was difficult to include certain measures useful for the protection of purchasers in one or other of the categories adopted.

This applies more especially to the measures adopted in various countries for the standardisation and simplification of production. Special mention should be made of the United States of America, whose position is described more fully in the part of this document dealing with that country. The reason is that this movement in the direction of standardisation and simplification in industrial and agricultural production, which originated in the United States and in England some years ago, is spreading rapidly in the former country, and experience has already shown its great advantages. It is gradually extending to other countries, in which efforts are being made by national committees or international groups to enlist the support of public opinion.

From the point of view of the buyer, and particularly of the foreign buyer, the advantages of the adoption of standards in regard to quality, manufacture, composition or dimensions are obvious. When placing his order, he need only specify the standard to which he wishes the goods to conform. He knows beforehand exactly what they should be like, and, if there is any dispute, it can quickly be settled simply by comparing the goods supplied with the standard.

As regards classification, however, it is sometimes difficult, if not impossible, to include in one or other of the categories adopted measures taken to ensure the standardisation of certain products or commodities. If standards of manufacture are insisted on in the case of certain foodstuffs, for instance, and there is no outward sign to show that the goods in question conform to this standard, the measures should be included in Category No. 1; if the standards imposed in other cases must, in addition, be officially and compulsorily guaranteed by means of an outward and visible sign,

they will naturally come under Category No. 2; lastly, if private groups possess a collective mark and adopt a standard in regard to manufacture or production to which their members voluntarily agree to conform, these measures should come under Category No. 3.

There are other cases, however, in which similar measures adopted for the same purpose cannot strictly be placed in any of these sub-divisions. When, for instance, in the last-mentioned case the association of producers or manufacturers does not possess a collective mark, the provisions in question cannot be included in Category No. 3 or in any of the other categories, although it is advisable that they should be mentioned in view of their utility to the purchaser.

These provisions may be regarded as coming under Category No. 3 in many respects, since the collective mark is usually replaced by the name of the group or association producing the goods, which implies that the latter conform to the standard adopted.

Moreover, the certificate provided for in Category No. 4 could be replaced by an invoice; and, if the buyer took the trouble to ask for it, he would doubtless have no difficulty in obtaining a certificate from his seller to the effect that the goods supplied conform to the standard of the association to which the latter belongs. For this reason, the information given under Category No. 3 for the United States of America, where cases of this kind are particularly numerous, is followed by a list of the principal associations.

Mention should also be made of the standards and specifications officially adopted by the Government, as is frequently the case in the United States, where the Government, after recognising the standards and specifications for certain commodities and publishing them, also states that all goods of the type in question supplied to it must conform to the said standards; otherwise, they will not be accepted. In such a case, the buyer need only specify in his order that the goods supplied must conform to the standard and that they will be checked by that same standard. This is more in accordance with Category No. 4.

ARGENTINE REPUBLIC

CATEGORY 1.

In virtue of the Law of October 3rd, 1923, any person whose regular occupation consists in the purchase of *oxen, sheep or pigs* for internal consumption or for export must, before he can exercise his trade or industry, register with the Ministry of Agriculture.

Similarly, *cattle markets*, frozen meat establishments, slaughter-houses or fairs where live-stock from all parts is sold by auction, may not be carried on unless they have been previously declared at the Ministry of Agriculture.

The declaration mentioned in the above law asks:

(1) To take all sanitary and other necessary measures for keeping the live-stock and its products in a healthy condition and to observe the sanitary regulations relating thereto contained in the laws and decrees;

(2) To inform the Ministry of Agriculture of the processes or operations performed in his establishment, with all details that are asked for and in the form decided upon by the executive power.

Registered persons who commit a breach of the foregoing regulations shall be liable to a fine not exceeding 5,000 pesos. In the case of a second offence, the executive power may, besides inflicting a fine, decide to suspend or cancel the entry in the register.

The Ministry of Agriculture shall also be entitled to take action in connection with the preparation of animal products, not only to ensure the strict application of the sanitary measures, but also, if necessary, to forbid the use of methods calculated to bring Argentine products into disrepute or to endanger foreign markets.

The Ministry shall enforce the law through the technical inspectors of the Meat Department, and shall give all necessary publicity to information relating to production and to the meat trade and industry.

CATEGORY 2.

The preparation of *frozen meat* and other *products of animal origin* is under the strict supervision of the inspectors of the Ganaderia Division (department for the breeding and utilisation of live-stock). Under the terms of the Government Decrees of October 4th and November 15th, 1906, inspectors are attached for this purpose to all establishments which prepare meat or export to foreign countries or consign meat from one province or territory to another.

This inspection commences upon the arrival of the animals at the premises, where they are examined before being placed in the enclosures. When passing through the corridor leading from the enclosure to the slaughterhouse yard they are again examined. Those showing the slightest symptom of any disease are eliminated. The slaughter of the animals takes place under sanitary conditions, in accordance with the regulations in force, this being followed by the macroscopical and microscopical inspection of the carcasses and the immediate seizure of any the consumption of which might be injurious to health.

The carcasses and organs seized are placed in the digester, which extracts the fat (only allowed to be used for industrial purposes), while the quarters seized are sent to special premises under the supervision of an official of the sanitary service.

The carcasses of any animals which die in the enclosures or passages of the factories are examined, the blood being bacteriologically analysed in the laboratory attached to every sanitary inspection service for its scientific investigations.

Prepared products are also analysed in special laboratories and are only allowed to be exported when found to be in a perfectly wholesome condition.

The Frozen Meat and Foodstuffs Factories Section controls every stage in the preparation of meat, and any change is forbidden in the usual procedure without previous permission from the Ganaderia Division.

Meat for export must be accompanied by sanitary labels or marks, and every cargo must be accompanied by a certificate issued by the chief of the competent division, to the effect that it has been properly prepared.

The steamer, when ready to be loaded, is examined by a sanitary inspector.

Not all the animals slaughtered in the frozen meat factories are suitable for "*chilled beef*". It is essential that animals for this purpose should be of good stock, young and well fattened.

When they reach the refrigerating chambers, the carcasses suitable for export are classified and labelled "suitable for chilled meat", or "suitable for frozen meat".

Twelve hours later, the meat, which is kept in the chambers at a temperature of 30° F. (— 1° C.), is placed in the various compartments, where the halves are divided into quarters, and the quarters are wrapped in cotton-yarn sacks, bearing the mark of the firm and that of the sanitary inspection service.

CATEGORY 3.

Apart from Government supervision, consignments are verified by the technical inspectors of insurance companies who, before giving authority to load, examine all the apparatus and machinery, the sanitary conditions of the vessel, the state of the insulating materials which form the partition-walls, etc. Further, each chamber used for chilled meat is provided with an automatic temperature register during the whole voyage.

The refrigerating chambers on the vessels are disinfected and kept at a temperature of 25° F. (— 3.9° C.) before the meat is placed in them; the temperature is brought up to 29° F. (— 1.7° C.) by the meat, and this temperature is maintained throughout the voyage. Before meat leaves the chambers of the factories, its internal temperature must be ascertained: this must always be less than 31° F. for chilled meat and between 6° and 12° F. (— 2° to — 6° C.) for frozen meat.

AUSTRALIA.

CATEGORY 1.

Exportation of the following goods is prohibited:

Margarine containing oil or other product not necessary to the manufacture of the margarine and which makes it resemble butter in colour; also margarine containing the fat of diseased animals or containing fat refined in receptacles other than open steam-jacketed kettles or pots.

Meat, unless it has been certified of sufficient quality for exportation by a Government inspector. Exportation of meat which is mouldy is prohibited or which has spoiled since examination and delivery of the certificate; or, in the case of frozen meat, which is not sufficiently frozen for exportation; or if it is a bad shape or badly packed; or when its packing is unhygienic, soiled or discoloured; or if it is loaded on ships whose holds are unhealthy; or, finally, if according to the inspector, it has not been brought on board the ship under satisfactory conditions.

Fresh fruit, certain *preserved fruits* and *dried fruits*, unless they have been prepared and graded to the satisfaction of a Government official and in conformity with regulations and according to recognised types.

Preparations of milk, before being submitted to inspection for the purpose of verifying whether they conform to certain standards of quality.

CATEGORY 2.

A law of 1905 (Commerce Trade Descriptions Act No. 16) is intended to maintain a high standard of quality for a large number of goods which are exported from this country.

It prohibits, in particular, exportation of certain goods when they do not bear a trade description in conformity with rules laid down in the regulations. Goods which do not bear trade description according to the rules and which are exported or presented for exportation or loaded on a ship with a view to exportation may be confiscated.

Any person who knowingly applies a false trade description to any goods intended for exportation presented for this purpose to the Customs or loaded on a vessel is liable to a penalty of £100. The same penalty is provided in the case of any person who exports or attempts to export.

"Trade description" means any declaration, indication or suggestion, direct or indirect, concerning:

- (a) The nature, number, quantity, quality, purity, class, measure, size or weight of the goods;
- (b) The country or place where the goods were produced or manufactured;
- (c) The producer or manufacturer of the goods or the person who has selected, packed or prepared them in any way whatever for the market;
- (d) The mode of manufacture, production, selecting, or packing or preparation of the goods;
- (e) The materials or ingredients of which the goods are composed or from which they are derived;
- (f) The fact of the application to these goods of a patent, privilege or copyright.

There is included under the name of trade description a Customs entry and any mark which, according to the custom of the trade or in the usual sense, takes the place of an indicative of one or other of the circumstances enumerated above.

False trade description signifies a description which, by reason of any omission or addition, is false or likely to mislead materially as regards goods to which it is applied. It includes any alteration of trade description either by addition, effacement or other means.

A trade description is considered as being applied to goods in the following cases:

- (a) If it is applied to the goods themselves;
- (b) If it is applied to any covering, label, reel or other thing used in connection with the goods;

(c) If it is used in a manner likely to lead to the belief that it describes or designates the goods.

The Customs has the right to inspect and examine all goods covered by these regulations and intended for exportation. It has the right to take samples for the purpose of analysis.

Customs officers may enter any ship, wharf or place, and may open any packages and take all necessary measures to enable them to carry out their duties.

Exporters must inform the Department of Markets and Transport of their intention to export goods covered by the regulations.

5 The goods to which the foregoing provisions apply are: *frozen meat, meat products, rabbits and hares, butter, cheese, condensed milk and preparations of milk, fresh, preserved and dried fruits, and the pulps of fruits, chutneys, pickles and sauces, honey, conserves, jams, fresh and preserved vegetables, seeds, plants, maize, boots and leathers, eggs in shell and egg pulp.*

All these goods must bear on the covering, in addition to an exact trade description, the word "Australia".

6 *Meat and products thereof* are prepared under the supervision of qualified inspectors, who discard from exportation everything which does not correspond to a high standard of quality. Their control covers also sanitary [conditions, [supervision and inspection of the transport; all establishments which are engaged in this trade are compulsorily registered every year.

Every beast slaughtered in the establishments mentioned is examined before and after slaughtering, and the officials of the competent administration also control the observance of hygienic rules.

7 Goods prepared for exportation in these establishments, are: *frozen meat, preserved meat, sausages, edible fats.* They also deal with *non-edible tallow and skins.*

All the edible products must be accompanied on exportation by an official certificate guaranteeing that the products comply with the required conditions.

The grading of meat and meat products by qualities is assured by the private firms themselves, but it is effected under the supervision of an inspector. Products considered as not being under a good average quality bear the seal of the Commonwealth with the words "Approved for exportation" (approved). Those which are not of a quality inferior to the current average bear the seal of the Commonwealth with the words "Accepted for exportation" (passed).

8 *Leather* is also subject to control by the administration. The latter takes for analysis samples of all leather intended for exportation which is prohibited if the leather is intended for human wear and contains: (a) any part whatever of sulphate of barium or other composition of barium; (b) more than 10 per cent of glucose and sugar combined. If the preparation is less than 10 per cent of glucose and sugar combined, the percentage must be indicated in the description only on this condition; (c) more than 3 per cent mineral ash.

9 Any consignment of *butter or cheese* intended for exportation must be examined and must be furnished with a seal of the Australian Government warranting that the required qualities exist.

Trade indications must contain in legible and apparent characters the date of manufacture, the letter "C" or "W", as the case may be, to indicate whether the cheese is coloured or white, as well as the number of the crate or barrel.

Butter and cheese intended for exportation are transported to a certain place for examination. After this examination is made, the goods are put in a special place and subjected to a certain temperature, and cannot be removed without the authority of the competent official.

The officials cannot proceed to the classification of any impure butter or cheese. Any cheese aged less than three weeks cannot be graded without the authority of the official authorised to that effect.

Cheese cannot contain any foreign matter except rennet, salt or such colouring matter as the Minister considers harmless.

Cheese is compulsorily subject to inspection and grading.

The different grades of cheese are as follows: cheese, pure, choicest, from 92 to 100 points; cheese, pure, of the first class from 90 to 91 points; second class from 86 to 89 points; third class from 82 to 85 points.

The official mark corresponding to the class of each piece is affixed to the butter and cheese intended for export by the competent official.

The exportation of butter and cheese is forbidden unless they comply with the following conditions:

(1) They must have been prepared in a factory registered by the Secretary, Department of Markets and Transport, provided that, where registration is effected in conformity with the legislation of a State, this registration may be accepted by the Secretary.

(2) Butter considered as having 92 points and over must be obtained by means of pasteurised cream.

(3) Butter or cheese graded at 92 points and over will bear on the base of the crate which contains it a legible and indelible impression of the mark of standard manufacture

representing a kangaroo and, above, the word "Kangaroo". This mark, which is contained in a circle of three inches in diameter, is affixed after the butter or cheese has been graded by an official or with the approval of the Secretary.

This mark will be affixed in a visible position on the side or extremity of the case or crate which bears the compulsory trade description.

The exportation of cheese containing margarine or other foreign fat substance is forbidden.

It is also forbidden to export butter containing fatty matters other than those of butter, ingredients for preservation other than salt, colouring matter, unless they have been declared non-injurious by the Minister, or which contains more than 16 per cent water or 3 per cent casein or 4 per cent salt, or $\frac{1}{2}$ per cent boric acid, or less than 82 per cent of fatty matter.

CATEGORY 4.

Hides. — Certain countries, such as Canada, require a certificate of origin on the importation of hides attesting that the animals from which they come were free from disease, but there exists no compulsory rule for exportation of hides from Australia. 10

The purchase of *wool* is generally only made after a previous examinations by the experts. 11

Metals, such as *copper, zinc, lead, tin, silver*, etc., are always subject to assays both by the seller and the buyer, according to the usage of the market of the metals. 12

Gold in bars bears the stamp of the mint or is accompanied by assay certificates. 13

Wheat is sold on the basis of the standard F.A.Q. 14

The conditions of exportation of wheat and *flour* are determined by usage of the trade. 15

AUSTRIA.

CATEGORY I.

1 A law dated January 16th, 1896, regulates the manufacture of and the trade in *foodstuffs* and a number of commodities such as *cosmetics, toys, wallpapers, wearing apparel, table and kitchen utensils, scales, measures and other instruments used to weigh or to measure foodstuffs.*

2 The same law also regulates the use of *colours* for house decoration and, finally, the trade in petroleum.

Agents appointed by the administrative or municipal authorities are charged with the supervision of the manufacture of and the trade in these commodities.

Autonomous bodies may also be authorised to appoint special sworn agents for the enforcement of the regulations on the trade in foodstuffs. All such agents must have adequate technical qualifications.

These agents are authorised, and, in fact, are bound, to inspect premises where goods coming under the law are sold, stored, produced or manufactured. They have authority to take samples for the purpose of analysing the substances used in the manufacture of the goods in question, together with samples of the goods themselves when they are offered for sale.

The owner is given compensation if he so requires.

The agents entrusted with the task of supervision must inspect the establishments engaged in the preparation, manufacture and transformation of foodstuffs and the trade therein, even when there is no reason to believe that the law is being infringed.

The Ministries concerned are empowered to take measures to prohibit or restrict:

1. Certain methods of manufacturing, preparing, preserving and making up foodstuffs intended for sale;
2. The sale and offering for sale of certain classes of foodstuffs;
3. The use of certain substances and colours in manufacture, and the use of certain classes of toys, wallpapers, wearing apparel, cosmetics, table utensils, etc.;
4. The sale and offering for sale of certain kinds of petroleum.

The Ministries concerned may also prohibit or restrict the manufacture and the sale or offering for sale of articles for imitating or adulterating foodstuffs, as also the sale and offering for sale of foodstuffs under an incorrect name.

Substances which are not at present used in the manufacture of the articles covered by the law can only be employed for that purpose with the authorisation of the Ministry of the Interior.

A large number of decrees have been issued, based on the Law of January 16th, 1896; these lay down detailed regulations regarding some of the substances coming under this law.

The samples taken by the agents responsible for supervision are analysed in the national laboratories. The latter are bound to file a complaint with the public prosecutor of the competent court whenever the technical analysis of an article of food or a commodity coming under the law gives rise to the belief that an offence has been committed.

3 The Law of October 25th, 1901, concerning the sale of butter, cheese, etc., prohibits the placing of *margarine* on the market unless it bears a distinctive mark and unless its packing is marked with a band of a colour fixed by ministerial decree.

Manufacture of margarine cheese must obtain official authorisation. Such manufacture is prohibited in dairies where ordinary milk cheese is made. A ministerial decree requires the addition of 5 per cent of sesame oil to substances which are used in the manufacture of margarine cheese. Shops where cheese of this kind is on sale must indicate the fact in some conspicuous place.

4 The Austrian Food Code of 1917 supplies the following classification of the percentage of fats: *cream cheese*, containing at least 50 per cent fat in the dry substance; *full-milk cheese*, 40 per cent; *cheese 3/4 milk*, 30 per cent; *cheese half-fat*, 20 per cent; *cheese one-quarter fat*, 10 per cent; skim-milk cheese, less than 10 per cent.

It was decided, moreover, that, for cheeses of the Gervais type, the minimum of fatty substances would be 50 per cent and for Camembert 30 per cent; for "Camembert gras" the minimum is 40 per cent.

5 The use of *white and yellow phosphorus* is prohibited for the manufacture of matches.

6 *Explosives* may not be manufactured, used or offered for sale unless they have been approved by the competent authority. A licence is required for the industrial manufacture of explosives,

and special authorisation must be obtained. The manufacture of *gunpowder* is a State monopoly.

The *Wine* Law dated June 17th, 1925, B.G. Bl.No.217, amended by the Law of July 17th, 1928, B.G. Bl. No.232, stipulates (1) that only processes, dilutions and additions authorised by the law are allowed in the production, transformation and making up of wines, wine musts and fruit wines (cider, perry, etc.) for trade, as also for the improvement of damaged beverages; and (2) that certain names likely to cause misunderstanding are prohibited.

The Amendment of July 18th, 1929, B.G. Bl.No.254, provides that *mixed wines* must be described as such.

In virtue of the Decree of September 24th, 1925, B.G. Bl. No.380, the production of *pharmaceutical specialities* is subject to a special authorisation granted only to pharmacies and wholesale druggists; moreover, the establishment in question must offer all the necessary guarantees. Pharmaceutical specialities may only be bought and sold after being examined by the authorities.

CATEGORY 2.

All *gold, silver* or *platinum* articles and articles which contain an alloy of these precious metals with other metals, if manufactured in the country, offered for sale or exported, must be of a fineness not less than that indicated below. The fineness must be shown on the articles themselves.

For gold articles:

- (a) 986 thousandths
- (b) 800 "
- (c) 750 "
- (d) 585 "

For silver articles:

- (a) 935 thousandths
- (b) 900 "
- (c) 835 "
- (d) 800 "

For platinum articles:

- (a) 950 thousandths.

Settings for white or colourless stones and pearls, consisting of a mixture of platinum and other metals added to gold or silver articles, must not be of a fineness less than 100 thousandths. These settings need not be stamped.

As regards *alloys*, the following may be used until further instructions: for gold—besides silver and copper—platinum, aluminium, cadmium, iron, nickel, zinc and alloys of these metals; for silver, besides copper, also platinum, aluminium, lead, cadmium, nickel, zinc and alloys of these metals. If metals other than silver or copper are used for alloys, and also if a metal cement is used containing volatile metals, such as cadmium or zinc, this must be declared at the Stamping Office when the article is presented for marking. The metals used have to be declared. In the case of platinum, any metals may be used for alloys.

Gold and *silver articles* manufactured in Austria must bear the trade-mark or the name of the manufacturer. The latter must apply to the Stamping Office, which will supply him with a stamp, this must be returned when he gives up business.

It is forbidden to place on gold or silver articles any mark resembling an official national or foreign stamp.

Manufactured products and imported goods must be submitted—classified strictly according to the fineness and the alloy—to the Stamping Office to be certified and stamped. When submitted, they must be accompanied by a declaration made on the prescribed form, giving particulars of the nature, number, weight, fineness and other qualities of the articles.

Articles which have already been inspected, but may have undergone some transformation or further treatment, must be re-examined.

Mixed articles—*i.e.*, platinum articles with gold and silver parts, or conversely—must have their various parts stamped to show the fineness. Where this is impossible, they are, as a rule, marked with a special stamp called the "stamp for mixed articles".

The stamps are as follows:

1. For articles of national manufacture:

- (a) Platinum articles: owl-moth;
- (b) Mixed platinum articles: grasshopper;
- (c) Gold articles of fineness 1, 2 and 3: an elephant's head;

- (d) Gold articles of fineness 4: a horse's head (formerly a bear's head);
- (e) Silver articles of fineness 1, 2 and 3: a hoopoe's head;
- (f) Silver articles of fineness 4: a toucan's head;
- (g) Mixed gold and silver articles: a heron's head (formerly the head of a walrus);

2. For articles of foreign manufacture:

- (a) Platinum articles: a butterfly;
- (b) Mixed platinum: a stag-beetle;
- (c) Gold articles of all four finenesses: a bunch of grapes (formerly a sea-horse);
- (d) Silver articles of all four finenesses: the wing of a bird (formerly a fish);
- (e) Mixed gold and silver articles: the head of a cockatoo.

Gold and silver articles are not only stamped with one of the designs mentioned above, but also bear the mark of the control office and the fineness. Where the same stamp is used for several finenesses, the latter are indicated by a special border. Stamps for platinum articles, as also stamps for mixed articles, have only the Office mark in addition to the design.

The letter of the various offices are:

- W for Vienna,
- L for Linz,
- G for Graz,
- I for Innsbruck,
- K for Klagenfurt,
- N for Wiener-Neustadt,
- S for Salzburg.

13 The Decree of November 19th, 1872, amended by the Decree of August 13th, 1913, makes the verification and inspection of *weights, measures and scales* compulsory. This work is carried out by special official bureaux; they employ a stamp bearing the imperial eagle. Further, each control office has its own number, which is shown on its stamp on the left of the eagle, while on the right there is a star with six points, the distinguishing mark of the Federal Office of Standards and Measures, the supreme technical organ for weights and measures. This Office, which is under the Minister of Commerce and has its headquarters in Vienna, keeps in close touch with the technical control offices that work under its direction, and every year, on the basis of information supplied by these offices, it forwards a general report to the Minister of Commerce on the position of stamping and on its own activities.

14 *Alcoholometers, saccharometers, gasometers and electricity and water meters* must also be passed by these control offices before they can be used.

15 *Maximum thermometers* have to be submitted to official inspection and to receive the certification mark. They are examined and marked by the Federal Office of Standards and Measures.

16 Austria acceded to the International Convention signed at Brussels on July 15th, 1914, regarding *fire-arms*.

The marks of the proof-houses of the countries party to the Convention are deemed to be equivalent to the national proof marks. Those countries are at present Belgium, France, Germany, Hungary, Italy and Spain.

Agreements concluded at an earlier date with Great Britain and Czechoslovakia provide for a reciprocal recognition limited to the proof marks for certain tests.

17 *Pharmaceutical specialities* may not be bought and sold unless they have been previously examined by the proper authorities. In general, they must be registered and each packet, envelope, container, etc., must, apart from the officially approved signature, bear a registration number. Products registered in this way come under a regular system of inspection and the registration has to be renewed at fixed periods. In virtue of a special authorisation, certain specialities may be exempted from periodical registration; they remain, however, subject to supervision. Such pharmaceutical specialities are marked "V.R.b." (Von der Registrierung befreit—*i.e.*, exempt from registration).

18 Apart from these specialities in the strict sense of the term, which are treated in some ways like patents of invention and trade-marks, there are certain other *medicinal preparations, materials for dressings, etc.*, which are *not* specialities, but are nevertheless sold in a standardised form. Manufacturers may, if they so desire, submit these products for the inspection and control of the official institutes mentioned in document A.26.1928.II; they are then entitled to place on their products a control stamp, a banderole, etc. It should be pointed out, however, that this distinctive mark does not confer any exclusive right, as in the case of pharmaceutical specialities. It is merely a mark showing that the article in question has been inspected. The acceptance of this form of control, moreover, is optional. The same product can be offered for sale—without the control mark, of course, but quite legally—by any person whatever authorised to engage in this branch of trade.

19 The Federal Institute for the protection of plants at Vienna inspects *nurseries* and also *plants* intended for export, ascertaining whether the plants are healthy, and then issues certificates which are officially recognised. It also controls and issues certificates for a number of *products* intended for the protection of plants.

20 The Federal Institute at Vienna for *plant-growing* and the analysis of *seeds* issues certificates showing the actual results of its examinations and analyses; these certificates are officially recognised.

The customary sealing of *clover seeds* and the verification of the guaranteed value of *seeds* resulting from a so-called "verification control" are carried out by the Ministry of Agriculture. 21
The Federal Experimental Forestry Institute at Mariabrunn deals with the *seeds of forest trees*. Its certificates are also recognised officially. 22

CATEGORY 3.

There are a large number of registered marks and signs which indicate the usual trade quality of the articles on which they are placed; for example, iron and steel are marked to show their hardness, density, elasticity, chemical composition, etc.

The "Oesterreichische Gesellschaft für Technik im Haushalt" (Austrian Company for Domestic Technique) has a sign registered "Te-Ha". This may be placed by producers and traders on household articles which the company has tested and thought worthy of recommendation on account of their good workmanship and practical utility.

CATEGORY 4.

A law passed in 1910 gave a number of autonomous technical experimental stations set up by the State, corporations, associations or private individuals the right, subject to certain conditions to issue official certificates showing the results of the examination, testing and verification of goods carried out by them. These stations are described as "authorised" testing stations. Their respective technical functions and powers are clearly defined. The competent Ministry has to approve the appointment of the directors of these stations and the scale of charges.

The provisions of the aforesaid law are enforced by the State Bureau for Technical Tests, consisting of a number of officials and a board of experts whose work is directed by the chairman.

This bureau possesses all the data required for a unification of the basic rates chargeable for tests, and for the issue of certificates and opinions. The rates charged by the authorised testing stations are calculated on this basis. The bureau has to revise some of the basic figures from time to time.

A large number of testing stations have been established; they ensure complete supervision of the goods from every point of view.

The State establishments known as the Institute for Chemical and Pharmaceutical Analyses and the Institute for Experimental Pharmacological Analyses of the Public Health Office at Vienna, independently of their functions in the technical supervision of *chemical and pharmaceutical products, drugs and other medicaments*, verify the products of private individuals or industrial undertakings if the latter ask them to do so. They even exercise a permanent control if a request is made to this effect. 23

As regards *foodstuffs* and *certain articles in general use* which come under the Law of 1896 (*vide* Category 1), general official institute for the analysis of foodstuffs have been established at Vienna, Graz and Innsbruck, each having an area of its own. 24

Special official institute for the analysis of foodstuffs and for chemical-agricultural tests are also in existence at Bregenz and Klagenfurt.

All these general and special institutes carry out analyses at the request of private individuals and of the authorities on payment of a fee; they issue official certificates.

The Federal Agricultural and Forestry Institutes issue official certificates regarding the nature or composition of the goods at the request of the parties concerned.

The Federal Chemical-Agricultural Testing Institutes of Vienna and Linz undertake strictly scientific researches into *animal and vegetable production*, examinations and analyses directly bearing on practical agriculture, the analysis and supervision of the various *fertilisers and jadders*, and physiological and microscopic analyses. 25
26

The provincial chemical-agricultural testing Institutes at Graz, Klagenfurt and Bregenz work under precisely the same conditions, but are specially adapted to local requirements.

The Federal Institute for the protection of *plants* at Vienna, which we have already mentioned above (see Category 2), is authorised to issue certificates in regard to the technical examinations and analyses which it is entitled to perform if requested to do so, within the limits of its functions as laid down in its statutes. 27

The Federal Institute for plant-growing and seed analyses at Vienna has also already been mentioned (*ibidem*). It should be noted that *seed* merchants can make an arrangement with the Institute by which their commodities may be inspected if they so desire. 28

29 The Federal Forestry Testing Institution of Mariabrunn serves as a control station for
forest seeds and also carries out tests on the strength of the different kinds of wood. The certificates
issued by it are officially recognised.

30 The Experimental Institute of the Vienna Polytechnic has authority to issue, on receipt
of a fee, official certificates for all branches of the technological analysis of *material, building*
parts and *machinery*.

31 The Experimental Institute for *gas lighting, fuel* and *combustible substances* and *heating*
apparatus is also a branch of the Vienna Polytechnic. In these various fields it undertakes, on
payment of fees, the examination of apparatus, processes and materials submitted to it by
manufacturers and other parties concerned. It also issues officially recognised certificates.

The Technological Laboratory of the Graz Polytechnic carries out, under the same conditions
as the last-named Institute, tests with regard to traction, pressure and hardness, and examines
jointing.

32 The Experimental Station for *Agricultural Machinery and Implements* of the Higher School
of Agriculture in Vienna also issues certificates, under the above conditions, for everything
pertaining to *agricultural machinery* and *implements*.

33 The Laboratory of the Federal Geological Institute at Vienna has the same functions as
the above-mentioned institutes in regard to the analysis of *ores* and *minerals, coal* and *water*, etc.

34 The Radium Research Institute of the Academy of Sciences at Vienna undertakes the
systematic analyses of *spring waters* in order to determine the quantity of radium contained
in these waters and their degree of radio-activity.

35 The Committee for the Verification of Musical Pitch of the Institute of Physics at Vienna
University is obliged to verify *tuning-forks* free of charge and to issue, if necessary, an official
guarantee sheet.

Finally, the chemical laboratories attached to the University Chairs regularly undertake
technical examinations, at the request of private individuals and on payment of a fee, when
such work comes within the province of the Chair in question. They may also issue certificates
showing the results of the examinations. These laboratories are not, however, obliged to undertake
this work nor to issue certificates.

There are, in addition, a large number of experimental and examining centres attached
to scientific and technical institutions, the chief of which are:

Federal Office for the Verification of Weights and Measures, Vienna, III, Friedrich Schmidpl., 3.

Austrian Standardisation Committee for Industry and Trades, Vienna, III, Lothringerstrasse, 12.

Experimental Institute for Building Materials and Mechanical Engineering, at the Techno-
logical Museum of Arts and Crafts, Vienna IX, Währingerstrasse, 59.

Municipal Experimental Institute for Building Materials, Vienna I, Rathaus.

Experimental Laboratory for the Railway Stock of the Vienna Federal Railway Board,
Nord-Est II, Holzhausergasse, 1.

Institute for Paper Testing (Papierprüfungsanstalt) at the Technological Museum of Arts and
Crafts, Vienna IX, Währingerstrasse, 59.

Research Institute and Experimental Institute (recognised by the State) for the textile
industry, Vienna IX, Michelbeuerng., 6.

Silk and Wool Conditioning Institute, Vienna IX, Michelbeuerngasse, 6.

Institute for Calculating the Force of Gravity, Vienna IV, Karlsplatz, 13.

Natural History Museum, Vienna, I, Burgring, 7.

Technical Centre for the Examination of Precious Stones (recognised by the State), Vienna
IX, Michelbeuerngasse, 6.

Experimental Institute for Thermodynamics and Thermotechnology, Vienna III, Strohgasse,
21 A.

Experimental Institute for Heating Apparatus of the Joint-stock Company for Examining
and Insuring Boilers, Vienna III, Strohgasse, 21 A.

Thermal Economy Company, Vienna III, The Industrial House.

Electro-Technical Experimental Institute, Vienna IX, Währingerstrasse, 59.

Radio-Technical Experimental Institute, Vienna, IX, Währingerstrasse, 59.

General Experimental Office, Vienna III, Heumarkt I.

Approved Experimental Institute for Ceramic, Glass and Enamel Ware, Vienna I, Stubenring, 3.

School and Laboratory of the Graphic Arts, Vienna VII, Westbahnstrasse, 25.

General Centre of Chemical Analyses of the Federal School and Institute for the Chemical
Industry, Vienna XVII, Rosensteingasse, 79.

School and Experimental Centre for the Leather Industry, Vienna XVII, Rosensteingasse, 79.

General State Laboratory for the Analysis of Food Products, Vienna IX, Kinderspitalgasse, 15.

Chemistry and Microscopy Laboratory of Dr. Adolf Jolles, Professor, Vienna IX, Türken-
strasse, 9.

Chemistry and Microscopy Laboratory of Dr. Max Stein, Vienna I, Börsendorferstrasse, 4.

Chemical Institute of Herr Ferdinand Wosolobe, Vienna Engineer, VIII, Piaristengasse, 54,
and of Dr. W. Traxl, Vienna V, Kronengasse, 20.

Chemistry and Pharmacology Laboratory, Vienna I, Salvatorgasse, 12.

Laboratory of Pharmacological Experiments, Vienna IX, Währingerstrasse, 13 A.

Laboratory of the General Association of Austrian Apothecaries for the Analysis of Foodstuffs,
Vienna IX, Spitalgasse, 31.

Institute for the Examination of Agricultural Machinery and Implements, Vienna XVIII,
Hochschulstrasse, 17.

Experimental Institute for Automobiles, Vienna IX, Michelbeuerngasse, 8.

Experimental Institute for Hydraulic Engineering, Vienna IX, Michelbeuerngasse, 8.

Experimental Institute for Marine Engineering, Vienna XX, Brigittenauer Lände No. 256.
Experimental Institute of Machine and other Tools, Vienna IX, Währingerstrasse, 59.
Austrian Experimental Institute and School of Brewing, Vienna XVIII, Michaelstrasse, 25.
Austrian Testing Station for the Fermentation Industry, Vienna XVIII, Michaelstrasse, 25.
Experimental Institute for Milling, Baking, Yeast Manufacturing and Allied Industries,
Vienna II, Trunnerstrasse, 3.
General Laboratory for the Analysis of Food Products, Graz, Universitätsstrasse, 6.
Technical Chemistry Laboratory of Herr Karl Lipp, Civil Engineer, Graz, Humboldtstrasse, 12.
Institute for the Examination of the Materials of the Kapfenberg Cast Steel Works, Gebrüder
Böhler und Co., Joint-Stock Company, Kapfenberg, Styria.
Federal School and Experimental Centre for Portable Arms, Ferlach, Carinthia.
General State Laboratory for the Analysis of Food Products, Innsbruck, Liebeneggstrasse, 8.

CATEGORY 5.

In pursuance of paragraphs 870 *et seq.* of the Civil Code, any person who has been tricked into concluding a contract by the other party is not under any obligation to fulfil it.

Paragraph 874 states that, in any case, the person who has brought about the conclusion of a contract by means of a trick must make good the damage caused.

The provisions of paragraphs 922 to 933 of the Civil Code with regard to warranty should also be mentioned. If any person cedes a thing to any other person or persons in return for payment, he is obliged to warrant that the article in question possesses the qualities expressly stipulated or usually considered to belong to that article, and that it can be used or employed in accordance with the nature of the article, or the stipulations specified. If there is a defect which cannot be made good or such as to render the article unfit for its ordinary use, the purchaser may demand the cancellation of the contract (paragraph 932).

In conformity with Article 335 of the Commercial Code, if the contract does not include any precise mention of the nature and quality of the article, the seller is bound to warrant trade goods of average nature and quality. The buyer is not obliged to take delivery of the goods unless they conform to the stipulations of the contract, or, failing any special stipulations, to the requirements of the law (Article 346).

In regard to the provisions of the criminal law, the rules of the Penal Code on fraud should first of all be mentioned (paragraphs 197, 199, (c) and (d); 200, 202, 203 and 205, and also 461 of the Penal Code).

Apart from these general legislative enactments, there is also a large number of special laws laying down penalties for the infraction of their provisions.

BELGIUM.

CATEGORY 1.

1 The Law of August 4th, 1890, gives the Government authority to make rules for the trade in, and the sale or retailing of, *foodstuffs* and commodities used for good fooder, and to see that those rules are enforced.

Nevertheless, the powers conferred on the Government are limited to measures for the protection of the public health or the prevention of fraud and adulteration.

The above-mentioned law also confers on the Government the right to supervise, in the interests of public health, the actual manufacture or the preparation of foodstuffs intended for sale, and to prohibit the use of injurious or dangerous materials, utensils or articles.

For the enforcement of this law the following regulations have been laid down by Royal Decree:

2 Royal Decree providing regulations on the artificial colouring of foodstuffs (December 10th, 1890) This decree forbids the use of any poisonous dyes for the colouring of foodstuffs intended for sale, such as *sweets, comfits, sugar paste, sweetmeats, pastries, food pastes, preserves, jams, syrups, liqueurs, wines, fruits, vegetables, etc.*

The bags or recipients in which painted or artificially coloured foodstuffs are packed for wholesale or semi-wholesale trade must bear in legible characters the name and address of the seller and the style of the firm.

By a Royal Decree establishing regulations with regard to the *utensils, vessels, etc.*, used in the manufacture of and trade in foodstuffs (December 10th, 1890), it is forbidden to employ for the preparation, preservation, or packing of foodstuffs intended for the wholesale or retail trade in these products, vessels, utensils, recipients or other articles the parts of which in contact with these foodstuffs consist of poisonous materials or materials injurious to health, or contain such.

Within the meaning of these regulations the following must be considered, in particular, as poisonous or injurious to health: lead and zinc, as also alloys, tinned material, soldering and enamels containing these metals, arsenic, antimony, or their compounds, and, further, the poisonous colours referred to in Article 1 of the Royal Decree of December 10th, 1890, on the use of dyes.

3 A Royal Decree (April 30th, 1897) regulating products intended for the feeding of animals stipulates that *composite substances* consisting of mixtures of industrial food products or by-products with substances of a different nature intended for the feeding of animals may not be delivered or conveyed for sale or delivery in quantities exceeding 25 kilogrammes unless they are accompanied by invoices, waybills or other documents indicating the nature and the relative proportions of the various ingredients of the mixture.

Industrial food products or by-products containing non-injurious foreign organic or mineral substances in the form of natural impurities (for instance, linseed oil-cake containing other seeds collected with the flax) are treated as mixtures if the impurities in question exceed 12 per cent.

Such articles of food may not be described as pure unless they contain less than 2 per cent of natural impurities.

4 Royal Decrees of January 29th, 1894, and December 30th, 1896, embodying regulations for the manufacture of and trade in *beer*, strictly prohibit the use of products containing substances injurious to health in the manufacture and preparation of beer. For the purposes of these regulations, the following, in particular, are considered as injurious to health: antiseptics such as salicylic acid, sulphurous acid, or their saline compounds. Nevertheless, sulphurous acid is allowed in beer if it does not exceed 14 milligrammes per litre, since its presence may be due to a careful disinfection of the barrels.

Casks, bottles or other recipients in which beer is placed for the wholesale or semi-wholesale trade must bear in clear characters the name or title of the firm, and also the address of the manufacturer or merchant.

5 Any properly registered trade-mark may be used instead of the particulars prescribed above. A Royal Decree regulating the trade in *coffee* (September 28th, 1891) prohibits the sale and offering for sale, and the holding or transporting with a view to sale under the name of coffee, of any product other than the husked seed of the coffee plant, either simply dried (green coffee) or roasted or ground after roasting.

Coffee substitutes, such as chicory, the seeds of cereal and leguminous plants, figs, acorns, dates, etc., or mixtures of coffee with coffee substitutes or with any foreign substance whatsoever, may not be sold or offered for sale or held or transported with a view to sale, except under a name

not containing the word "coffee" or derivatives, compounds or homonyms thereof, or the name of any place of origin of natural coffee. If such products are in the form of berries, such berries must be cylindrical in shape.

Similarly, a Royal Decree of November 18th, 1894, relating to the trade in *chicory*, prohibits the sale and offering for sale and the holding or transport with a view to sale, under the name of chicory, of any product other than the root of wild chicory, properly cleaned, roasted, ground into grains of a more or less fine powder, and kept protected from undue moisture, without the addition of foreign matter or the removal of its essential constituents.

The following in particular are considered not to come under the above definition: (a) chicory which at 100° C. would lose more than 15 per cent of its weight; (b) chicory which, if dried at that temperature, would leave, on being burned, more than 10 per cent of mineral substance (ash) in the case of powdered chicory, or more than 8 per cent in the case of chicory in the form of grains; (c) chicory whose content in essential principles soluble in boiling water would be less than 50 per cent (dry substance).

The bags or recipients in which chicory is offered for sale or delivered by manufacturers and wholesale or semi-wholesale merchants must bear in clear characters the name or title of the firm and also the address of the manufacturer or seller, or, failing that, a properly registered mark.

The Royal Decree of December 22nd, 1905, with regard to *brandies, prepared spirits, and alcohol* reads as follows:

"It is forbidden to manufacture, sell or offer for sale or to hold or transport with a view to sale, spirits containing a proportion of superior alcohol (calculated in amyl alcohol), of aldehydes (calculated in ethyl aldehydes) or of essential oils, exceeding 3 grammes in all per litre. The maximum proportion is reduced to 2 grammes when the spirits contain absinthe."

The same prohibitions apply to spirituous liquors containing more than 1 decigramme of hydrocyanic acid, whether free or in combination, per litre.

Under Article 561, Section 2, of the Penal Code (Article 5 of the Law of August 4th, 1890), brandies or prepared spirits are declared to be injurious if any proportion whatsoever of the following substances has been added to them:

- Nitrobenzene (essence of mirbane); salicylic aldehyde, methyl salicylate;
- Toxic alkaloids, such as poppy heads and opium, coca, nux vomica and St. Ignatius's bean, belladonna and stramonium, tobacco, sabadilla;
- Irritants or drastic substances, such as peppers and pimento, mustard, pyrethrum, grain of Paradise, intoxicating rye-grass, Indian berry, cantharides, colocynth;
- Wood spirit (methyl alcohol), raw or refined, phenols and cresols, pyridine bases, chloroform;
- Toxic mineral compounds, such as compounds of lead, zinc, copper, aluminium, barium;
- Mineral acids and oxalic acid;
- Salicylic acid or other antiseptics;
- Impure glucose, the sale of which for use in foods is prohibited by the regulations on this product.

None of the above-mentioned substances may be used in brandies or prepared spirits.

It is forbidden to affix or to retain on the bottles, jugs or other vessels containing the liquids referred to in the first paragraph of Article 2 labels with the words "without alcohol", "exempt from licence duty", or any other inscriptions implying that they do not contain alcohol.

All casks, bottles or other recipients containing brandies, prepared spirits, or alcohol for consumption must, if used in the wholesale or semi-wholesale trade or for the sale of the above products, including the retail trade, bear in clear characters the name or title of the firm and the address of the manufacturer or merchant, or, failing that, a properly registered trade-mark.

Royal Decrees regulating the preparation and trade in *flour, bread and other farinaceous foodstuffs* (September 28th, 1891, amended on June 5th, 1928). These decrees relate to the preparation and sale of flour. As regards the preparation of flour, it is absolutely forbidden to add to any kinds of flour intended for general consumption any mineral substance, however small the quantity, in particular: pipeclay, china-clay, chalk, calcined bones, sulphate of baryta, sulphate of lime, alum, sulphate of copper, sulphate of zinc, carbonates or bicarbonates of potash or of soda, hydrocarbonate of magnesia.

With regard to the sale of flour, the term "flour" is understood, for the purpose of the provisions that follow, to mean the product obtained from the grinding of wheat grain.

Any flour, other than that obtained from wheat, must bear the name of the plant from which it comes (rye flour, barley, flour, oatmeal, flour from horse beans, peas, beans, kidney beans, rice, maize, potatoes, etc).

Every flour mixture must bear a special name indicating its composition (meslin) or the name of the several constituents.

Royal Decree regulating the trade in *yeasts* (February 19th, 1894). Yeast mixen) with any foreign substance may not be sold in the wholesale or semi-wholesale trade, or be offered for sale, or held or transported with a view to sale, even in the retail trade, unless provided with a label indicating clearly in uniform and conspicuous characters, after the word "yeast" the foreign substances

Nevertheless, yeast to which only fecula or starch has been added may also bear the recognised label for mixed yeast.

The labels prescribed for yeast to which amylaceous substances or other foreign substances have been added must be put on every lump or portion of yeast or on every recipient containing yeast sold in the wholesale or semi-wholesale trade, or offered for sale, or held or transported with a view to sale, including sale in the retail trade.

The indications on these labels as to the addition of foreign substances have to be reproduced on invoices, waybills, or bills of lading when the goods are shipped.

10 The Royal Decree of April 27th, 1896, prescribing regulations for the trade in *honey* reads as follows:

“ The simple name of honey is reserved for the sweet substance made by bees from the nectar of flowers, or from other juices extracted from plants.

“ Honey supplied by bees fed specially (apart from the winter supply) on sugared substances other than the above juices must bear a name indicating the sugared substance used—for example, sugar, honey, glucose honey, or be described as mixed honey.

“ Honey substitutes and mixtures of honey with honey substitutes or any foreign substances whatever must be described as artificial honey or honey mixed with the particular foreign substance (for example, with sugar), or else be given a name not including the word ‘ honey ’ ”.

11 Royal Decree prescribing regulations as to *fish, molluscs, crustaceans*, etc. (September 27th, 1899). It is forbidden to sell or offer for sale, or to hold or transport with a view to sale or delivery, fish, molluscs, crustaceans, turtles, etc., whether fresh, prepared or preserved, containing any substances in addition to spices, condiments, aromatics, jelly made from gelatine or gelose, or substances derived from a process of smoking, unless they bear a label showing in conspicuous lettering the nature of the foreign substance which has been added.

Preserves shall bear a label showing in conspicuous lettering the kind of fish, crustacean, etc., and also, when necessary, the kind of oil or fat which has been used.

Under Article 561, Section 2, of the Penal Code, modified by Article 5 of the law of August 4th, 1890, the following fish, molluscs, etc., are declared to be harmful:

- A. Those caught by means of Indian berry or other poisonous substances;
- B. Those treated with antiseptics.

It is forbidden to use these substances in the preparation or preservation of fish, molluscs, etc., and to add to the fish in question any substance that is injurious or dangerous to health.

Recipients containing preserved fish, crustaceans, etc., for sale or delivery will bear the name or title of the firm and the address or, failing that, the mark of the manufacturer or seller.

12 Royal Decree relating to the trade in *butter, margarine* and *alimentary fats* (October 20th, 1903). Margarine and alimentary fats intended for sale must be thoroughly mixed during the churning process with at least fifty parts of sesame oil and at least two parts of dry trade fecula which has been diluted in oil for every thousand parts of the weight of fats and oils used in their manufacture.

Sesame oil may be added during the process preceding churning; the fecula must be added to the raw material immediately after they have been put into the churn.

Alimentary fats prepared without churning must have sesame oil and fecula added during the process which makes them alimentary fats in the legal sense of the term.

The product has to be packed in recipients bearing at least on the outside wrappings, besides the word “ margarine ” and the address of the manufacturer, the words “ for export only ”, placed on the top part of the recipient and satisfying all the conditions required by law for the inscription “ margarine ”.

The product must be actually exported or returned to the factory within fifteen days after leaving the factory.

13 The Royal Decree providing regulations for the sale of *tapioca* (August 30th, 1897) states that the name tapioca must be reserved for the food product prepared exclusively with fecula derived from the manioc plant.

Tapioca substitutes or mixtures of tapioca with other substances may not be sold or offered for sale or held or transported with a view to sale or delivery, unless they bear a label in which there is no mention of the word tapioca; no commercial document relating to these products may describe them by the name tapioca.

14 The Royal Decree regulating the official inspection of *butcher's meats* (March 23rd, 1901), since it deals specially with the supervision of butcher's meats for consumption in Belgium itself, is not of any interest to the foreign buyer.

The same applies to the Royal Decree of May 28th, 1901, with regard to the trade in prepared meats and meat derivatives.

15 Royal Decree regulating the trade in *vinegars* (January 30th, 1893). Recipients in which vinegars are sold or offered for sale, or held or transported with a view to sale, must bear in a conspicuous place and in clear and uniform lettering, in addition to the name or title of the firm and the address of the manufacturer or seller, an inscription, either immediately after or below the word “ vinegar ”, an indication of the raw material used in the manufacture of the product: vinegar from wine, cider or apples, pepper, beer, grain or malt, dates, dried grapes, glucose, alcohol, acetic acid, etc.

Vinegar from acetic acid may also be called diluted acetic acid. It may not contain more than 8 grammes of monohydrated or crystallisable acetic acid per every 100 c.c. at a temperature of 15° C.; liquids containing a larger proportion of acetic acid must be described differently from those mentioned, either as acetic acid or concentrated acetic acid.

When the vinegars are shipped, the names must be specified on the invoices, waybills, or bills of lading.

It is forbidden to sell or offer for sale or to hold or transport with a view to sale as vinegars under any name whatever:

1. Solutions of acetic acid which have been imperfectly purified—in particular, acetic acid not rectified by distillation;

2. Liquids containing any one of the following substances: (a) acids other than acetic acid and, in certain cases, small quantities of various organic acids (malic, lactic, tartaric, citric, etc.) the presence of which may be due to the raw material or materials whose name the product bears; (b) chlorides, sulphates or other impurities, such as salts of lime or soda, in proportions greater than those resulting from the use of the raw material or materials whose name the product bears; (c) compounds of lead, zinc or arsenic, or other substances injurious to health.

The Government may also order measures to prevent the adulteration of *medicinal substances* 16 and to ensure the preparation, offering for sale, sale or retail sale of high-grade *medicaments*. 17 Further, a law of 1858 set up an official pharmacopœia.

A law of February 24th, 1921, relating to the trade in *poisonous, soporific, narcotic, disinfectant* 18 or *antiseptic substances*, has led to a number of regulations, one of which guarantees that the products on sale have effective disinfectant and antiseptic properties.

The *cheeses* that may be bought and sold are defined by Royal Decree. 19

Those containing substances not included in the definition may not be offered for sale unless they bear a label showing clearly what foreign substance has been added.

The manufacture of and trade in cheese, moreover, come under the provisions of the Penal Code regarding the adulteration of foodstuffs.

Meat. — Animals are slaughtered in a special slaughterhouse approved for the purpose and 20 supervised by experts appointed by the Government.

The wrappings of the product offered for sale or the recipients in which it is contained must, in certain cases, indicate clearly and conspicuously the exact nature of the product. Occasionally, indeed, these indications must be given on the van transporting the product. Moreover, the carrying on of different businesses on the same premises is sometimes forbidden (the sale of butter and margarine, horse flesh and other meat).

The State checks the quality of the chemical fertilisers sold, so as to protect the interests of farmers. Fertilisers for export, however, are not subject to this supervision.

CATEGORY 2.

Meat. — Meat recognised as suitable for consumption has to bear a special mark. 21

In the case of the export to England of young pigs slaughtered in Belgium, the ordinary mark for this class of meat is replaced by a label answering the requirements of the market of destination and certifying that the meat has been examined and declared to be suitable for consumption.

The export of *horses, asses and mules, horned cattle and swine* is allowed only after an inspection guaranteeing the absence of contagious diseases. 22

Nurseries and other establishments where *plants* are grown for sale are regularly inspected 23 by the phyto-pathological service. The latter does not grant the necessary export certificate to establishments in which the plants are diseased or have been attacked by noxious insects. In addition, consignments may not be exported unless they have been examined immediately before they leave the country.

A law of 1888 instructs the Proof-House to test the strength of all *fire-arms*. They are then 24 marked to show that they have satisfied the necessary conditions, the marks differing according to the nature of the test. The recognition of foreign marks is the subject of international agreements.

Manufacturers of miners' lamps and so-called "safety" explosives are authorised to mark their products with the letters S.G.P. or S.G.P.C., indicating that they are considered as safe in fire-damp and coal-dust, after being tested at the Government Station at Frameries.

Steam boilers, before being used, must be tested by the mines Administration; this condition 25 is not required, however, for exportation. The same applies to the testing of containers for compressed or liquefied gases; the tests are carried out by the industrial inspectors.

CATEGORY 3.

26 Independently of the Government supervision of the sale of high-quality *medicaments*, a private body, the "National Codex", undertakes to examine and verify in the interest of the pharmaceutical profession the composition of pharmaceutical specialities offered for sale. It places its stamp on all products which it has inspected and found up to standard.

27 The Stock-Breeding Society, called "*Le Cheval de Trait Belge*", keeps a stud-book, which makes it possible to distinguish pedigree animals. The same system obtains in other countries for other animals.

28 The Belgian Electro-Technical Committee has drawn up standardisation rules for *electrical material*. A wire, which manufacturers of insulated wires and cables are authorised to put in their products when the latter fulfil the conditions required by the Committee responsible for supervision, serves as a distinguishing mark.

29 The construction of *steam boilers* may, at the request of the buyer, be supervised by associations for the inspection of steam apparatus. These are recognised associations, though private in character. They stamp the sheet iron used in the manufacture of the boilers. They also supervise the construction of other apparatus.

30 The National Dairy Company, a private body, inspects *butter* if requested to do so, and marks it. A large number of private technical bureaux and consulting engineers make a speciality of supervising manufacture for third parties.

31 With regard to *cements*, the "Professional Artificial Portland Cements Group of Belgium" assumed on June 3rd, 1925, the legal form of an association not working for profit; it includes twenty-eight out of the thirty-three existing artificial Portland cement factories in Belgium.

The Belgian artificial Portland cement manufacturers grouped themselves in this association with the idea, in particular, of ensuring that their products would maintain a constant standard of quality, this being an indispensable condition for the safe and satisfactory employment of the various kinds of cement.

The desired result is achieved by careful supervision of the products turned out of the works belonging to this group.

In order that buyers and consumers may have a guarantee of the quality of the cements delivered by the affiliated factories, the technical service of the group, on its own initiative, takes samples, either at the works, from the silos, from bags or barrels ready for delivery, from carts or boats about to leave, etc., or else on arrival from the building yard and at the time the cement is loaded on sea-going vessels, etc. These samples are subjected to physical tests, and, in some cases, to a chemical analysis so as to ascertain whether they possess the necessary qualities. Independent of, and in addition to, this supervision, which is due solely to the initiative of the laboratory, samples may be taken and tests made at the request of the buyer or consumer.

Besides the registered manufacturers' marks, there is a special mark which may only be used by the factories affiliated to the professional group to show that the cements have been duly inspected.

The first result of the group's investigations has been the classification of cements in three grades according to quality:

- (1) Normal artificial Portland cements (P.A.N.);
- (2) Artificial Portland cements of great strength (P.A.H.R.);
- (3) Rapidly hardening Portland cement (P.A.D.R.).

The conditions which have to be fulfilled are set forth in the specification of the State Administration.

CATEGORY 5.

An article of the Penal Code imposes penalties on any person placing on manufactured articles the name of any dealer or manufacturer who is not the actual maker, or the title of a firm other than the real firm of manufacturers, and also on any person selling or offering for sale articles marked with fictitious or altered names.

Mention may be made more particularly of the following articles of the Penal Code:

- 498, relating to fraud with regard to the identity, nature or origin of the thing sold;
- 499, relating to the quantity of things sold;
- 500, to 503, relating to the manufacture of commodities;
- 32 561, paragraph 2 and 3, concerning the offering for sale of *foodstuffs* unfit for consumption, or adulterated foodstuffs;
- 561, paragraph 4, relating to the use of false weight and measures in stores, shops, etc.

33 Mention should be made, lastly, of the law of March 30th, 1926, which regulates the retail sale of *real lace*. This law defines the articles which may be offered for sale under the name of real lace, hand-made lace, real "Brussels lace". Persons infringing these regulations are fined; in some cases their shops are closed for a period not exceeding one month.

BRAZIL.

CATEGORY 1.

Any *wine* containing a substance extraneous to its normal composition or obtained by artificial methods shall be considered as adulterated and withdrawn from consumption. Executive regulations define the normal composition and determine the methods of treatment for preserving, clarifying and improving wine; they also stipulate what substances may be added to wine. 1

Wine obtained from fermenting the juice of fruits, plants, etc., may be sold if the name of the fruit juice is added to the word " wine ".

Wine warehousemen and merchants are obliged to gum a label stating the origin of the wine, the vintage year and the manufacturer's name on each receptacle.

In the State of Rio Grande do Sul products obtained by the partial or total alcoholic fermentation of wholesome and ripe grapes or grape juice may be sold under the designation of wine.

All wine growers, merchants, exporters and, in general, all persons engaged in the wine trade are subject to sanitary supervision. They must be entered in the register of commercial firms kept by the State Health Department. They will be granted the necessary licence for dealing in wines and vine bye-products. The wine growers may not sell their products without an authorisation from the Health Commission, which conducts the preliminary analysis. The wine growers' syndicate of Rio Grande do Sul may not authorise any commercial transaction in wine without the presentation of the laboratory's certificate regarding the preliminary examination. The receptacles containing wine must state its origin.

The red wines of Rio Grande do Sul produced from pure grapes or from grapes of different qualities are classified in accordance with the percentage of alcohol and the volatile and total acidity, in the following classes: first class: " special "; second class: " superior ", and third class: " for ordinary consumption ".

Wines of a composition differing from that of the so-called wines for ordinary consumption shall be consumed by the producers, who may convert them into vinegar. *Special wines* of the type of *Rhine wines*, *Barbara wines*, *claret*, *champagne* and similar wines, must be exported or put on sale in bottles bearing a suitable mark in order to be exempt from classification. The corks and the labels affixed to the bottles containing special wines shall state the type of wine, the year of production, the name of the producer and the place of production and the words " Rio Grande do Sul, Brazil ". The class and quality of the wine, the name of the consignor and of the consignee living outside the State shall be stated on the barrel. It is prohibited to improve fermenting " must " by means of molasses. Wine growers may not keep in their cellars any products or substances which can be used for adding to wines. It is also prohibited to put plaster in to wine. 2
3

CATEGORY 2.

The Government may establish official parks to protect the national *wine* and *lard* industries. 4

CANADA.

CATEGORY 1.

- 1 Any cask of *salt* sold or offered for sale must contain 280 lb. of salt and each cask or bag of salt sold or offered for sale shall be marked in a legible and indelible manner with the gross weight, and the net in the case of a cask.

If a cask contains bags of salt, the number of bags and the total weight of salt must be marked on a stave of the cask. In addition, the name or trade-mark of the packer of the salt, if packed in Canada, and the importer's name and address in the contrary case, must be marked on each cask or bag of salt sold or offered for sale in Canada.

- 2 Each ball of *twine* sold or offered for sale in Canada must be labelled with the name of the dealer or manufacturer and the number of feet in a pound of twine.

Only twine manufactured for export and not to be used in Canada is exempt from this obligation.

Any person found in possession of unmarked balls of twine must prove that these are not intended for use in Canada.

If inspectors find in a lot of twenty balls a single ball not marked in the prescribed manner, it will be presumed that the whole lot is not marked in accordance with the legal regulations and it will be for the dealer to prove the contrary.

Inspectors or anyone deputed to supervise the enforcement of these regulations may enter the premises of manufacturers or vendors and examine all packages of twine wherever they may be.

- 3 It is prohibited to offer for sale *potatoes* designated as No. 1 quality which include specimens that are not sound, practically free from dirt or other foreign matter, or affected with frost, injury, sunburn, or damage caused by disease, insects or mechanical or other means.

The minimum size of potatoes is determined by their shape, whether they belong to the round or long varieties.

Five per cent by weight of any lot may be under the prescribed size and six per cent by weight of any such lot may be below the remaining requirements of the grade.

For the No. 2 quality, the potatoes must be practically free from dirt or other foreign matter, or frost injury, and free from serious damage caused by sunburn, disease, insects or mechanical injury.

The minimum size for the round or long varieties of this grade is smaller than the size of No. 1 potatoes.

The tolerance with respect to dimensions and quality is the same as for the No. 1 grade.

A barrel containing as nearly as practicable 7,056 cubic inches is a standard container for potatoes.

- 4 *Onions* are also required to be marketed under grade designations according to size, and shall include only sound, well-cured specimens of similar characteristics, free from doubles and scallions, not sprouted nor peeled nor with root growth; practically free from dirt, leaves or other foreign matter, and without damage caused by disease, insects, mechanical or other means.

Five per cent by weight may be under the prescribed size and an additional three per cent by weight may be under the remaining requirements of the grade.

The Act also provides for the sale of potatoes, onions and turnips by weight, and the marking of packages containing such vegetables with the grade and the name and address of the packer.

- 5 The Agricultural Pests Control Act, 1927, regulates the manufacture, importation and sale of *poisons*. "Poison" is defined in the Act as "any substance or admixture of substances represented as a means for preventing, destroying, repelling or mitigating any and all fungi, weeds, insects, rodents, or other plant or animal pest collectively or individually affecting agriculture".

Before any person may manufacture, import, advertise, or in any manner offer for sale in Canada any poison as defined above, he must register such poison under the Act. Application for registration may be made by the manufacturer, importer, or vendor, on forms which are supplied by the Department. Renewal of registration is required each year. The fee for registration or renewal is twenty dollars per brand of poison.

The application for registration must contain the following particulars: the name and address of the manufacturer; the name and address of the applicant, and if the applicant is non-resident

in Canada, his agent or representative in Canada must sign an undertaking to be responsible for due compliance with the provisions of the Act; the brand name; the formula; and a statement of analysis.

The Minister is given power to refuse registration if the poison is deemed to be misleadingly named, unsuitable for the purposes sold, or detrimental or seriously injurious to domestic animals, public health or vegetation (except weeds), when used according to directions. Cancellation of a registration is provided for if the Act is violated. Importation may be prohibited if the sale of the poison would constitute an infraction of the Act.

Every package of poison sold or offered for sale in Canada must bear a label with the following information: the name and address of the manufacturer; the brand name; the registration number; the word "poison" and symbol thereof (skull and crossbones), if harmful to human life in any sufficient degree; the antidote printed in both English and French; the guaranteed analysis; in such form as may be prescribed by regulation; and the net quantity in imperial gallons or avoirdupois pounds.

An advisory board consisting of manufacturers, practical agriculturists and departmental technicians, meet on occasion to discuss problems relating to the Act and its enforcement.

Provision is made for the inspection and analysis of poisons, and penalties are prescribed for infractions of the law.

Regulations have been established to assist in the enforcement of the Act. They prescribe the form of application for registration, the method of making application and what information is required; how the guaranteed analysis shall be stated, and how samples may be taken for analysis.

The Department of Agriculture maintains an inspection and analytical staff for the taking of samples and making chemical analysis.

All *cured fish*, excepting such as are preserved by cooking and heating and packed in hermetically sealed containers, such as tins and glass jars, are subject to inspection and are inspected under the authority of the Fish Inspection Act. The act is administered by the Department of Fisheries, and its officers act as inspectors. No official stamp is used to signify inspection or guarantee quality. Packers are compelled to pack in accordance with the standards laid down in the regulations, excepting in the case of dried and salted codfish and suchlike fish, the inspection of which is voluntary. 6

When an inspector finds the product which must undergo compulsory inspection not up to standard it is officially marked "Below quality" or "Below weight" as the case may be, and the packer becomes liable to prosecution for violation of the Act. The method of inspection is described in the Fish Inspection Act and Regulations made thereunder.

Fish preserved by cooking and packed in hermetically sealed containers are, together with all places where such are packed, subject to inspection, and are inspected under authority of the Meat and Canned Foods Act. No official stamp is used to indicate inspection, but packers are compelled to comply with the requirements of the Act, and, in the event of their failing to do so, they become liable to prosecution for each violation. The fish inspection part of this Act is also administered by the Department of Fisheries, and its officers act as inspectors.

The preparation of this class of foods is carried on under the Meat and Canned Foods Act and the regulations made thereunder. In the enforcing of these laws inspectors regularly visit the canning factories and examine the raw materials, control the sanitary conditions and methods of manufacturing. All labels must be approved before use.

CATEGORY 2.

All cream *butter* and *cheese* of Canadian origin intended for export must be graded before being exported. 7

Each package containing butter or cheese and each piece of cheese must be marked on the premises where they were manufactured, with a number corresponding to the vat or churning from which they were taken.

In grading, the official shall take from each consignment a cheese from one vat or a packet of butter from one single churning and grade the whole shipment in accordance with the result of his inspection of the sample taken.

In estimating the quality of cheese for grading purposes, graders are guided by the following rules: taste 45 points, texture 25, compactness 15, colour 10, finish 5; total 100 points.

Cheese of the special grade must score at least 94 points, 41 of which are allotted to taste. To be classed in the first grade, 92 to under 94 points must be scored, with a minimum of 30 for taste. In the second grade 87 to under 92 points must be scored, with a minimum of 37 points for taste. The third grade can have a total of less than 87 points and under 37 points for taste. In addition, graders are bound to pay attention to certain rules regarding texture, compactness.

colour, finish, packing, dimensions of cases, and must see that these are numbered to correspond with the vats.

In butter-grading the maximum is also 100 points: 45 for taste, 15 for texture, 10 for moisture, 10 for colour, 10 for salt content and 10 for packing.

Special grade. Butter classed in this grade must be made from pasteurised cream offering no reaction to tests by the "Storch" method. It should score 94 points or more with a minimum of 41 points for taste.

First-grade butter should obtain from 92 to under 94 points with a minimum of 39 points for taste.

Second-grade butter should score from 87 to under 92 points, with a minimum of 37 points for taste.

Third-grade butter may have less than 87 points, with under 37 points for taste.

As in the case of cheese, graders follow certain statutory rules regarding the texture, moisture, salt content and packing. There are special requirements as regards the cases which should always, moreover, be numbered to correspond with the churning.

Grading officials issue a certificate on special forms for each lot of cheese or butter graded. The certificate also shows the numbers of the vats or churnings of cheese or butter as the case may be.

In the case of pasteurised butter the grading official stamps the word "Pasteurised" across the certificate.

In order to be graded, butter and cheese must bear the trade-mark of the premises from which they come or another mark enabling such premises to be identified.

A grader will not grade cheese until it is sufficiently matured to permit of the quality being correctly determined. The package or box containing the butter or cheese may not be changed after the contents have been graded.

It is also forbidden to remove from a package containing butter or cheese, which has been graded, the factory brands, forwarding or other distinctive marks.

Certificates relating to butter made from pasteurised cream are stamped by the proper official with a seal across the face of the certificate reading: "This certificate is not valid six weeks after date of issue", and in the case of unpasteurised butter: "This certificate is not valid three weeks after date of issue". A lot of butter the certificate for which is no longer valid is deemed to be ungraded and must be regraded before it can be exported. If the re-examination shows a difference of grading, the official concerned will cancel the mark previously affixed by putting an x over it.

The official marks used consist of two or three concentric circles with the figures 1, 2 or 3 in the centre of the first circle, indicating first, second or third grade, respectively, and the letter S for special grade or the letter X for produce not coming under one of the above grades.

In addition, the words "First grade", "Second grade", "Third grade", "Special grade", "No grade" are stamped between the first and second circles and the word "Canada" placed below.

In the case of butter the mark also contains between the second and third circles the words "Pasteurised" or "Not pasteurised" for butter manufactured from pasteurised cream or unpasteurised cream, as the case may be.

8 *Eggs.* — Canadian eggs for export and those intended for domestic consumption, but not including eggs intended for incubation, must be compulsorily branded according to quality and grade and be candled.

"Firsts" refers to eggs which have not been held at a temperature of 40° F. or less, except in transit, when they have been subjected to artificial preservation.

This class includes the following grades: (a) "specials"; (b) "extras" with the sub-grade "pullet extras"; (c) "firsts"; (d) "seconds".

Each of these grades is classified in accordance with the size, weight, appearance of white and yolk, air cell, state of shell and other details.

Class (2), "storage", refers to eggs which have been held at a temperature of 40° F. or less. This category also includes "preserved eggs" which have been subject to any process, liquid or otherwise, intended to preserve their quality. It includes the following grades: (a) "extras"; (b) "firsts"; (c) "seconds"; (d) "cracked and dirty eggs".

The distinctions between these various grades are based on the same principles as those governing grading in the first category. An essential condition for the sale of eggs of both categories is that they must be suitable for human consumption.

Every case containing Canadian eggs intended for export must bear a mark showing the class and grade of the eggs contained therein and the words "Canadian eggs". Such mark may be accompanied by other authorised trade designations or brands, but these may not be marked more conspicuously than the mark prescribed in the regulations.

Every case containing eggs that is to be shipped from one province to another in lots of 100 cases or more must be marked on both ends with the name of the class and grade of the eggs

contained therein, according to the Canadian standards, and with the name of the country of origin when other than domestic products.

Every case shipped or delivered by persons who receive eggs on consignment or buy eggs for re-sale shall be marked, labelled or tagged in a legible manner on both ends with the name of the class and grade of the eggs contained therein, according to the Canadian standards, provided that any producers or dealer may delegate his right to candle and grade to the first wholesaler or retail dealer to whom the eggs are shipped or delivered. In each case the markings, labellings or taggings shall consist of the words "Ungraded Eggs For Shipment Only". This regulation shall not apply when the shipment is made direct from producer to consumer.

Every case containing eggs that is exposed for sale for direct purchase by consumers in a public place shall be marked, labelled or tagged in conspicuous letters with the name of the class and grade of the eggs.

A case containing eggs shall be considered to be properly marked when it contains not more than 6 ½ % of eggs below the grade stated.

Complaints on this point must be made to the vendor within twenty-four hours of receipt of the eggs.

In all places of retail sale, the vendor must display in a prominent place a card setting forth the classes and grades of eggs as defined by the Canadian standards.

It is forbidden to offer for sale or to ship eggs contained in cases marked with the name of any class or grade, unless the quality and weight is equal to, or better than, such class or grade.

The re-forwarding of ungraded eggs must be effected within forty-eight hours.

Inspectors may enter any premises for the purpose of ascertaining that every case or package containing eggs has been correctly marked in respect of class and grade.

Canadian eggs for export must be packed in accordance with very strict regulations in standard cases protected against shocks at both ends. Each standard case shall be made to contain 30 dozen eggs and must be constructed of clean, dry and odourless wood.

Even the thickness of the boards is regulated. The internal packing must also comply with certain requirements and the eggs must be kept in a cool, dry, dark or semi-dark place, free from odours.

Cases containing eggs for export in lots of 25 cases or more, and cases intended for shipment from one province to another in lots of 100 or more, shall not be shipped until they have been examined by an inspector and certificates issued. Certificates for export shall be marked across the face with the words "Export certificate".

The Government mark of approval to be placed on each case of eggs by the inspector includes the Maple Leaf emblem and the words "Canadian eggs" and "Government-inspected", together with the inspector's number. Before placing this mark on the case, the Inspector must draw samples from at least 5 % of the cases and examine at least half of the eggs in each case thus selected.

Cases shall not be marked unless they are placed in clean and sanitary warehouses or premises. The Customs authorities shall only allow the export of cases bearing the Government official and other statutory marks. Further, any shipments of 25 cases or more must be accompanied by the required certificates.

Eggs imported for domestic consumption but not intended for incubation are subject to inspection and marking at the port of entry.

After inspection cases must be marked by the inspector with the words "Foreign eggs" and "Government-inspected".

The premises of exporters engaged in the packing of *meat* and articles of food derived therefrom are subject to inspection by the Ministry of Agriculture and the mark bearing the words "Canada—Approved" shows that packing has been carried out under sanitary conditions and that the produce is fit for human food.

The "Canada Grain Act" contains extremely detailed provisions relative to the control and supervision of the *grain* trade. Considering the importance of the grain export trade of Canada, it was deemed advisable to give a summary of the main provisions of this Act, as well as the administrative mechanism which it established.

The Administration of the Canada Grain Act is under the Department of Trade and Commerce at Ottawa. It is entrusted to the Board of Grain Commissioners for Canada with headquarters at Fort William, Ontario, who report to the Minister of the above department through its Deputy Minister.

For purposes of inspecting and grading grain, there are two inspection divisions defined in the Act as "The Western Inspection Division" and "The Eastern Inspection Division", both of which are in charge of the Dominion chief grain inspector, who has general supervision and control of all inspection staff offices. Grain inspectors and deputy grain inspectors are appointed to assist the chief grain inspector, only after having passed a rigid practical examination which is conducted by a competent Grain Examining Board appointed by the Board of Grain Commissioners and the Civil Service Commission. The duty of these inspectors is to inspect grain when called upon to do so by the owner thereof or his authorised agent, and to issue certificates stating the grade of the grain inspected.

The Canada Grain Act, Sections 94 to 105, divides grain into five general classes, which it defines as "No Grade", "Condemned", "Rejected", "Commercial Grade" and "Statutory Grade".

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“ No Grade ” means all good grain that has an excessive moisture, being tough, damp or wet, or otherwise unfit for warehousing.

“ Condemned Grain ” means all grain that is in a heating condition or is badly bin-burnt, whatever grade it might otherwise be.

“ Rejected Grain ” means all grain that is unsound, musty, dirty, smutty or sprouted, or that contains a large admixture of other kinds of grain, seeds or wild oats, or, from any other cause, is unfit to be classed under any of the recognised grades.

“ Commercial Grade ” means grain which, because of climatic or other conditions, cannot be included in the grades provided for in the Act. More particularly it means that the grain of one year may vary from that of the preceding year, and that a proportion of it therefore cannot be dealt with under the grades laid down in the Act, and must be provided for by grades defined by the Standards Board.

“ Statutory Grades ” means grain of the highest grades which are defined by Parliament, embodied in the Grain Act, and do not vary with the crop. Thus the statutory definitions can only be changed by Parliament. They do not vary with the crop, but are constant. The commercial grades, on the other hand, are fixed by the Standards Board, and may vary from year to year.

Very little, if any, of the grain grown in the eastern inspection division is sold for export. Canada's exportable wheat surplus consists of the grades of wheat grown in the western inspection division which are known as the “ Statutory ” and “ Commercial ” grades.

The “ Statutory Grades ” defined in the Act are known as No. 1 Hard, No. 1 Northern, No. 2 Northern and No. 3 Northern.

The “ Commercial Grades ” the standards for which are set by the Western Grain Standards Board are known as No. 4, No. 5 and No. 6. Any of the six grades of wheat mentioned above may fall under the general category of “ No Grade ”, “ Condemned ” or “ Rejected ”.

For the guidance of grain inspectors and deputy grain inspectors, the chief inspector shall each year, as soon as samples are available, select samples of the different grades of grain which are known as the official standards for the statutory grades.

The Board of Grain Commissioners has appointed a Grain Standards Board for the purpose of establishing, each year, standards for the commercial grades when, as a result of climatic or other conditions, a considerable portion of the grain, other than oats, cannot be included in the classifications provided by the Act. Inspecting officers are required and instructed to grade, in accordance with the Act, all grain defined therein, and to grade all classes of grain which cannot be graded according to the Act, in accordance with the commercial samples so selected by the Grain Standards Board.

Grain grown in the western inspection division and shipped East is first inspected at Winnipeg and again at the terminal points, Fort William and Port Arthur. Grain grown in the western inspection division and shipped West may be inspected either at Calgary or Edmonton; or at Vancouver or Prince Rupert.

Every inspector of grain must keep proper books, in which must be entered an account of all grain inspected, such books being eventually used for verifying purposes.

Nothing in the Grain Act prevents any person from selling or buying grain by sample regardless of its grade.

The bushel is determined by weighing and the weight of the bushel shall be 48 lb. for barley and buckwheat, 56 lb. for flax-seed and Indian corn, 34 lb. for oats, 60 lb. for peas, 56 lb. for rye and 60 lb. for wheat.

The Minister appoints for each division a chief weighmaster and a weighmaster in each locality where it is deemed necessary. They supervise and have exclusive control of the weighing of grain inspected or subject to inspection, or received into or shipped out from any public elevator. They give, upon demand, a certificate under their hands showing the amount of each weighing, the number of each car or cargo weighed, the initial of the car, the place where weighed, the date of weighing and the contents of the car or cargo. Such certificate shall be evidence of the facts therein contained. All weighmasters keep a correct record of all weighing done by them.

It will therefore be noted that the inspection and weighing of grain is controlled by officers employed by the Board of Grain Commissioners for Canada, who are authorised to issue Dominion grade and weight certificates for each parcel or lot of grain weighed or inspected. If, while proceeding with an inspection, the inspector is satisfied that the grain has been improperly loaded for the purpose of deception, he must not make the grade of any lot of grain inspected by him above that of the poorest quality found therein.

The standards fixed by the chief inspector for the statutory grades of grain and the standards fixed by the Standards Board for the commercial grades are used by inspecting officers for comparison purposes only in the course of the inspection of any grain. The owner or possessor, or his agent, may, if dissatisfied with the grade given at the time of the first inspection, request a

re-inspection by the chief inspector and, if still dissatisfied, he may make application to the Board of Grain Appeal, whose decision is final and binding.

This Board of Grain Appeal is composed of one qualified grain inspector who acts as chairman, and seven other members who are well-qualified judges of grain. Three members of this Appeal Board constitute a quorum but a representative of the producer must be present at each appeal.

According to the provisions of the Canada Grain Act and the rules and regulations of the Board of Grain Commissioners, all grain must be officially inspected and officially weighed in and out of all public and private terminal elevators. On grain moving through Pacific ports the inspection, when being loaded into boats at Vancouver or Prince Rupert, is final, and shipments are made direct from these ports to Great Britain and the Continent without the necessity of the grain so loaded being transhipped in any manner whatever.

Western-grown grain being shipped East for export receives its final inspection at Fort William and Port Arthur when being loaded on vessels or cars for delivery to eastern public transfer elevators. The identity of each lot or parcel of Western-grown grain shipped to a public transfer elevator in the eastern inspection division shall be preserved, but different parcels or lots of the same grade may be binned together when there is not sufficient space in the elevator to keep the parcels or lots separate. Under no circumstances shall grain of different grades be mixed together while in store in these public transfer elevators in the eastern inspection division.

All grain marked by the inspecting officer for cleaning shall be cleaned under his supervision and he may condemn any cleaning machine which in his opinion is not doing satisfactory work and may order machines installed which will satisfactorily clean such grain to its proper grade. Where grain rejected for dirt is ordered to be cleaned by the owner, the cleaning shall be subject to the provisions of the inspecting officer.

In the case of unclean grain inspected in the western inspection division the inspector shall state in his certificate the percentage of dirt necessary to be removed in order to clean the grain to the grade certified.

In each case the certificate delivered by the inspectors must accompany the grain to destination.

The Board of Grain Commissioners requires all track buyers and owners and operators of elevators, warehouses and mills and all grain commission merchants and primary grain dealers to take out annual licences before commencing operations and fixes also the amount of bonds to be given by each of them.

The Board of Grain Commissioners supervises also the handling and storage of grain, in and out of elevators, cars and boats. Persons licensed under the Act are required to keep books in form approved by the Board. The Board enforces rules and regulations made under this Act and receives and investigates all complaints in writing, under oath, of any violation of any provision of this Act, or any rule or regulation made in pursuance thereof.

The Board has all the powers of a Commissioner in this connection and applies such remedy as is provided by statute. It is also the duty of the Board to receive and investigate all complaints of any shortage in grain upon the delivery of same from an elevator to a vessel, or from a vessel to an elevator, and it has the power to assess or apportion the loss arising from such shortage amongst the elevator operators and water carriers, and the finding of the Board certified under the hand of its majority is final and enforceable in any Court of competent jurisdiction.

Every terminal elevator warehouseman shall receive for storage any grain tendered to him in a dry and suitable condition for warehousing in the ordinary and usual course of business. This grain shall, in all cases, be inspected and graded by a duly authorised inspector and shall be stored with grain of a similar grade. No grain shall leave an elevator without being officially weighed and the official certificate of weight shall be final.

Every warehouseman of a public elevator in the eastern inspection division shall receive for storage Western grain tendered him through the ordinary channels of transportation and received in the usual course of business.

Every warehouseman shall keep a true and correct record of all operations, the origin and destination of grain, in order that they may always be identified. Every terminal warehouseman in the western inspection division shall clean all grain received by him on which the inspector has set dockage for cleaning, except all rejected grades and "No Grades", which shall be cleaned only on the request of the owner.

Every terminal warehouseman in the western inspection division shall insure against fire, with companies satisfactory to the Board, all grain received.

Upon the owner or consignee of grain stored surrendering the original shipping receipt accompanied by evidence that all charges have been paid, the warehouseman shall issue to him a warehouse storage receipt for every individual car-load lot or parcel of grain. This receipt shall state the date of the receipt of the grain in store and also the quantity and inspected grade of the grain. The grain is deliverable upon the return of the receipt properly endorsed by the person to whose order it was issued, and upon payment of proper charges for storage and transportation, if any, due to the owner of the elevator. These receipts are numbered and no two receipts bearing the same number shall be issued from the same elevator except in case of a lost or destroyed

receipt, in which case a duplicate is given which shall be plainly marked on its face " duplicate ". The receipt shall state the number of each car or vessel from which the grain was received. They are delivered only after actual storage of the grain.

Upon the delivery of grain from store and when the receipt is surrendered, such receipt shall be plainly marked across its face with the word " cancelled ", and in cases where a part of the grain only is delivered out of store the receipt is also cancelled, but a new receipt for the remainder may be delivered. This new receipt shall bear the date on which the whole quantity was *originally* received into store and shall state that it is the balance of receipt of the original number.

Upon the return of any receipt by the holder thereof such grain shall be delivered within twenty-four hours after demand has been made and vessels therefor have been furnished for this purpose. In the case of the shipping of grain by railway, the warehouseman shall make demand in writing upon the railway company for the necessary number of cars, and for any delay in the delivery of grain imputable to his neglect he has to pay damages.

Every warehouseman is required before August 15th of each year to file with the Board a table or schedule of rates for the storage, cleaning, handling and fire insurance of grain in such elevator during the ensuing year, which rates shall not be increased.

A terminal warehouseman shall, unless he gives public notice that some portion of the grain in his elevator is out of condition, or becoming so, deliver upon all receipts presented grain of quality equal to that received by him. Should the grain be out of condition, or becoming so, in a western inspection division, the warehouseman shall immediately consult the resident inspector, and, if the latter is of the opinion that by re-elevating the grain it can be brought back into condition or its further deterioration can be prevented, he may order the warehouseman to re-elevate the grain at the expense of the owner. If it is found, after such examination, that the condition of the grain is such that its further deterioration cannot be prevented by re-elevation, the warehouseman shall give notice of the facts to the Board and to the owner, if the owner's address is known. Should this occur in a public elevator of the eastern inspection division, the warehouseman shall immediately give notice of the facts to the shipper of the grain and any other interested party indicated upon the bill of lading or railway shipping receipt. This notice is given by registered letter and telegram. In both cases public notice of the facts shall be given by posted notice in the elevator and also in the Grain Exchange at Winnipeg while, as regards grain in a public elevator in the eastern inspection division, also in the Grain Exchange at Toronto and the Grain Exchange at Montreal.

Upon surrender of the documents the grain found to be out of condition shall be delivered to the owner or the party entitled thereto.

Nothing shall be held to relieve a warehouseman from exercising vigilance in preserving grain after such publication of its condition, but such grain shall be kept separate and apart from direct contact with other grain.

When the grain out of condition has not been removed from store by the owner within one month, the warehouseman may sell the grain at the expense and for the account of the owner. Public notice of the intended sale shall be given in newspapers.

The inspector may also, if he sees fit, order the transfer of the grain out of condition to a hospital elevator equipped for the treatment of unsound grain. He shall, at all times, be at full liberty to examine all grain stored in any terminal elevator, and all proper facilities shall be extended to him. No terminal warehouseman shall, in the receipt, disclaim the whole or a part of his legal responsibility.

No terminal warehouseman shall be held responsible for any loss or damage to grain arising from irresistible force while the grain is in his custody, provided reasonable care and vigilance is exercised to protect and preserve it.

No terminal warehouseman shall be held liable for damage to grain by heating if it is shown that he has exercised proper care in the handling and storing thereof, and that the heating was the result of causes beyond his control. He shall be responsible for damages caused by his neglect.

" Country elevators " mean country elevators which receive grain for storage before such grain has been inspected under the Act, and which are situated on the right-of-way of a railway or on any siding or spur track connected therewith.

Any person desirous of erecting a country elevator shall make application to the railway company for a site, and, in case of dispute, such dispute shall be referred to the Board. On the allotment of any site for a new elevator, the railway company notifies the Board and it shall furnish before October 1st of each year a list of all elevators and warehouses on its lines.

Each year the Board makes and promulgates all suitable and necessary rules and regulations for the government and control of country elevators and the receipt, storage, insurance, handling and shipping of grain therein and therefrom, and the maximum rates of charges therefor in cases where handling includes cleaning grain, and also where it does not.

The person operating a country elevator shall receive the grades of grain established by this Act without discrimination as to persons delivering grain. He shall also insure the grain while so stored, keep a true and correct account in proper books of all operations and issue, in the form prescribed, a dated receipt for each individual load, lot or parcel of grain delivered at such country elevator. The manager of every country elevator equipped with grain cleaners shall clean the grain before it is weighed and the result shall be mentioned on the certificate given the seller by the purchaser.

The receipts issued by the managers of the country elevators follow the same lines and contain the same information and obligations as in the case of terminal elevators.

The grain shall be delivered under the same conditions and shipped within twenty-four hours after a call has been made by the manager upon the railway company for cars to be supplied.

When grain has been delivered at any country elevator and a cash purchase ticket issued therefor and that his paying agent within twenty-four hours after demand by the holder refuses to retain such cash purchase ticket the holder may, upon its surrender, demand in exchange therefor a warehouse storage receipt bearing same date and place of issue, and for similar grade and net weight of grain. However, the holder of such a ticket shall not be deprived of his right to payment or redemption of the same as against the warehouseman or his surety.

On the return of the storage receipts, if the shipment or the delivery of the grain at a terminal point is requested by the owner thereof the person receiving the grain shall deliver to the owner a certificate in evidence of his right to such shipment or delivery. This certificate shall be returned in exchange for the railway shipping receipt and certificates of weight and grade.

Upon giving forty-eight hours' notice to the owner or his local agent, the operator of any country elevator may forward any grain stored in his elevator to any terminal elevator in the western inspection division on the same line of railway, and on so doing shall be liable for the delivery thereof to its owner at such terminal elevator in the same manner and to the same extent in all respects as if such grain had been so forwarded at the request of the owner thereof. The grain when so delivered at terminals shall be subject to freight, weighing and inspection charges and all other charges.

Whenever the person operating a country elevator agrees with the owner of any grain to store it in such a manner as to preserve its identity by storing it in a special bin, in such case only the weights, insurance and preservation of the identity of the grain shall be guaranteed by the said operator, and he shall mark on the storage receipts the words "Special Bin", and the numbers by which such special bin or bins are known in the elevator. In every case a sample is drawn in the presence of the owner and preserved in a suitable receptacle which shall be sealed and the key of which the warehouseman retains. This sample is preserved until after such grain has been shipped and the owner thereof notified the warehouseman that he is satisfied the identity of the grain has been preserved.

If, after the shipment has been inspected, the owner is of the opinion that the identity of the grain has not been preserved, he shall notify the warehouseman in writing and both parties shall forward the sample sealed to the chief inspector to be compared with the shipment. The decision given by the chief inspector is final.

Regulations similar to those which have been mentioned, when grain is out of condition, or becoming so, are applicable in the case of grain preserved in special bins. The liability of the warehouseman is identical.

In case there is a disagreement between the purchaser and the person in the immediate charge of receiving the grain and the person delivering the grain to such elevator for sale, storage or shipment at the time of such delivery as to the proper grade or dockage for dirt or otherwise, except as to conditions, a proper sample shall be drawn in the presence of the person delivering the grain and forwarded in a suitable sack, properly sealed, to the chief inspector with the request that he examine the sample and report on the grade for dockage, the said grain is in his opinion entitled to and would receive if shipped to the terminal points and subjected to official inspection. The chief inspector shall make out in writing his finding, which shall be conclusive.

Where such a disagreement arrives on the sale of the grain from a farmer to a country elevator, the farmer shall be paid on the basis of grade and dockage offered him by the elevator, but the final statement shall be made on the basis given by the chief inspector. The Act contains many provisions intended to ensure the efficiency, the safety and the rapidity of all handling and transportation of grain by the railway companies. As an example, the Board may, on a written application by ten farmers residing within twenty miles of the nearest shipping point and on approval of the application, request the railway company to erect and maintain at such point a loading platform, and maintain there an agent to keep open for the use of shippers at all times a car order book in which applicants for cars shall make order, to seal loaded cars, to provide shippers with the regular form of grain shipping bill and, when it is properly filled out, to hand it to the conductor of the train.

Cars shall be awarded according to the order in time in which such orders appear in the order book. The rights of the applicants are strictly determined in order to expedite, as much as possible, the shipments. During a car shortage the Board may direct the railways to make an equitable distribution of empty cars to all stations or sidings in proportion to the amount of grain available for shipment. The Board may also order cars to be supplied to elevators that are in danger of

collapse, to places where grain is damp and liable to become damaged, for the purpose of distributing seed grain, or in cases where some portion of the grain in an elevator is heated and requires treatment.

The inspectors, upon the arrival of any car containing grain at certain points, shall ascertain the condition of such car and determine whether any leakages have occurred in transit. They shall make a record of any leakage found and report the facts connected therewith to the Board.

Any person desiring to carry on the business of grain commission merchant shall make application to the Board for a licence and the Board shall fix the amount of a bond to be given. The grain commission merchants shall report their sales to the consignor within twenty-four hours. All complaints must be made in writing by the consignor to the Board.

No person shall carry on the business of a track buyer without first having obtained a licence so to do from the Board and entered into a bond, with sufficient sureties, for such amount and in such form as is approved by the Board.

Every person licensed as a track buyer shall, on demand, within twenty-four hours after the receipt of the expense bill and certificates of weight and grade, account to and pay over the vendor the full balance of the purchase money then unpaid, and shall furnish duplicate certificates of weight and grade with car number and date and place of shipment. He shall keep true and correct account in writing in proper books of all grain bought by him in such carload lots and shall deliver to the vendor of each such carload lot of grain a grain purchase note, retaining himself a duplicate thereof. This note shall bear on its face the licence season, the licence number of the track buyer's licence, the date and place of purchase, the name and address of such track buyers, the name and address of the vendor, the initial letter and number of the car purchased, the approximate number of bushels and kind of grain contained therein, and the purchase price per bushel in store at Fort William, Port Arthur or other destination.

The grain purchase note shall also express an acknowledgment of the receipt of the bill of lading issued by the railway company, the amount of cash paid to the vendor in advance and also that the full value of the purchase money shall be paid to the vendor immediately the purchaser shall have received the grade and weight certificates and the railway expense bill. Such a grain purchase note shall be signed by the track buyers and the vendor shall endorse his acceptance of the terms of the sale as well as his receipt for payment of the money advanced him.

All persons desiring to carry on the business of primary grain dealers shall first obtain a licence so to do from the Board, and enter into a bond, with sufficient sureties, for such amount and in such form as is approved by the Board. All their contracts shall be made according to the provisions of the Act.

According to the provisions of the Act, the delivery of grain to any country, terminal, public or other elevator for storage, although it be mingled with other grain, and the shipping or removing of grain from its original place of storage in any of the elevators aforesaid, shall be deemed a bailment and not a sale.

AMERICAN GRAIN SHIPPED THROUGH CANADIAN PORTS.

Inspecting officers shall, when required, inspect grain of United States production passing through Canadian ports in transit to Great Britain or to a foreign country and issue a grade certificate therefor based on standard samples which are established yearly by the Grain Standards Board of the district of Montreal.

Standard samples of the different grades of American grain passing through the port of Montreal are fixed yearly by the Grain Standards Board and specimen samples are forwarded together with standards for the commercial and statutory grades of western-grown grain, to the principal Corn Exchanges and Canadian Government Trade Commissioners in Great Britain and on the Continent.

- 11 The *fresh fruit* trade is controlled and regulated by the Fruit Act, 1928.
Grades are provided for practically all fruits packed in closed packages—that is, packages in which the contents cannot be seen when the package is closed.
- 12 For *apples and pears* packed in barrels, half-barrels and hampers there are four grades—namely, No 1, No 2, Domestic and No. 3. Each of these grades requires the apples or pears to be hand-picked and to possess certain qualifications with respect to colour, size and freedom from defects.
For apples and crabapples packed in boxes the grades are Extra Fancy, Fancy, "C" grade, and Household. Each specimen must be hand-picked and possess qualifications according to grade. In all grades except Household the apples must be wrapped and the package marked with the number of specimens contained therein.
- 13 Grades are also provided for *plums, peaches, field tomatoes, cherries, grapes and cantaloups*
All packages containing fruit must be marked in a plain and indelible manner by the person or firm packing same or selling or offering the fruit for sale with the words "Packed by" and with the initials, surname and address of the person or firm. When the fruit is packed in a closed package the package must also be marked with the variety and grade of the contents.

When any fruit for which grades are provided are packed in fruit baskets the basket must be marked with the word " Ungraded " unless marked with a grade designation provided by the Act.

The marking on packages must be stamped or placed thereon before they are taken from the place where packed.

When fruit is packed in an open package bearing a grade mark the contents must meet the requirements of the grade.

By such system of marking it is possible to trace any person or firm responsible for packing any particular package.

When the contents of any package of fruit is of inferior quality to the requirements of the grade marked on the package the inspector has authority to mark the package " below grade " or to place thereon the correct grade designation.

When *peaches, plums, pears* or *grapes* intended for sale are packed when immature, the words " Immature Fruit " must appear in a clear and indelible manner on the package before it is taken from the premises where it is packed. 14

It is prohibited to sell or offer for sale fruit packed in any package and arranged in such a way as to give a false representation of the contents of the whole package. For example, it is considered a false representation when more than 10 % of the contents is of smaller size or of inferior quality or of different variety than the shown surface.

It is prohibited to offer for sale any fruit in any package that is so diseased, wormy or otherwise depreciated as to render it unfit for consumption; also no person shall sell or offer for sale at original point of shipment packages which are not well and properly filled.

The Act also specifies the dimensions for fruit packages. Barrels for apples or pears must have a capacity measurement of 7,056 cubic inches and the half-barrels 3,528 cubic inches.

Apple boxes must have a capacity measurement of 2,174 cubic inches, except in boxes having a separate compartment for each apple.

Apple crates must have a capacity measurement of 2,174 cubic inches; boxes for pears or crabapples, 1,760 cubic inches; peach boxes must be of one or other of the following dimensions: 932, 828 or 725 cubic inches; plum or prune boxes 672.75 cubic inches; cherry boxes 729 or 364.5 cubic inches; boxes for strawberries, raspberries and other berries 67.2 or 33.6 cubic inches. Fruit baskets must have a capacity of 1 bushel, 20 quarts, 11 quarts, 6 quarts and 2 quarts.

The regulations with respect to the manufacture of packages do not apply to packages manufactured for sale outside of Canada.

Any person charged with the enforcement of the Act may enter upon any premises to make examination of any packages of fruit suspected of being packed in violation of the Act. An inspector may detain for the time necessary to complete his inspection any shipment of fruit with respect to which he has reasonable grounds for believing there is a violation of the Act. Such fruit is at all times at the risk and charges of the owner, and the inspector detaining the fruit must notify the owner thereof.

A certificate issued by an inspector is *prima facie* evidence of the truth of the statements contained therein.

All imported fruit must be marked in a plain and indelible manner with the words " Imported By " followed by the initials, name and address of the person or firm importing same.

There are also regulations containing full details for the manufacture of barrels or boxes intended to contain fruit. This regulation covers the materials to be used and the dimensions of each part constituting the package. In addition, each box or barrel must bear the name of the manufacturer.

Regulations are also provided whereby no person shall export from Canada any apples, pears or plums grown in Canada unless same have been inspected and an export inspection certificate issued stating that the fruit complies with the requirements of the Fruit Act and is of the grade designated. The certificate is intended to cover shipments in continuous movement, but when a shipment is held in storage or sufficiently delayed that the condition of the fruit is liable to change, the fruit must again be inspected or a release permit in lieu thereof obtained.

Inspection of *canned, preserved and dried foods* and establishments where these are manufactured is made in accordance with the provisions of the Meat and Canned Foods Act, 1907, and regulations made thereunder. 15

The regulations govern only such products as are intended for export including inter-provincial trade.

Canned or evaporated fruits and vegetables or fruit and vegetable products must be the product of sound, clean, wholesome fruits and vegetables manufactured under sanitary conditions as defined in the regulations. 16

All products must be labelled to give (a) a true and correct description of the contents and (b) the name and address of the packer or first dealer.

Standards of quality have been defined in terms of " Fancy Quality ", " Choice Quality ", " Standard Quality " and " Second Quality " and must be declared on the label in letters not less than 3/8ths of an inch in height. These standards have been defined for such fruits as apples,

apricots, various kinds of berries, peaches, pears, plums, etc., and for such vegetables as peas, tomatoes, beans, asparagus, etc.

All fruits must be labelled to declare whether the product has been packed in " Heavy Syrup ", " Light Syrup ", or " Without Sugar " or " Packed in Syrup ... % Sugar ", this declaration to be shown in letters not less than 1/4-inch in height.

17 Canned *peas* must also be labelled to declare the size, as " Size 1 ", " Size 2 ", " Size 3 ", etc.,. These sizes are defined in the regulations and the declaration must be shown on the label in letters not less than 1/4-inch in height.

18 *Jams, jellies, marmalades and pickles*, etc., must be labelled to meet with the requirements for these products made under the Food and Drugs Act and must, unless packed in standard containers, be labelled to declare net weight.

Quality standards are defined for evaporated or dehydrated apples which shall contain not more than 25 % moisture, and the grade designation must be marked on the containers.

All shipments of canned, preserved or dried foods intended for export must be accompanied by a certificate issued by an inspector of the Department of Agriculture stating that the goods are marked in accordance with the various requirements.

All shipments of any of these products which are imported into Canada, are carefully examined, samples taken and submitted to this office for inspection, and such shipments must be labelled or marked to meet with the requirements of the regulations as to quality, etc.

19 The *Seeds Act* regulates the testing, inspection and sale of seeds in Canada for the purpose of seeding.

20 *Clover, grass, seed grain and fodder-seeds* when offered for sale in Canada must be labelled with the following information:

- (a) The name and address of the seller;
- (b) The name of the kind or kinds;
- (c) The brand name, if any;
- (d) The name of variety, when known;
- (e) The name of the grade of seed, which shall be one of the following:

(1) for the general seeds of commerce, No. 1, No. 2, No. 3;

(2) for seed derived from an inspected seed crop that was pure as to variety and was registered by the Canadian Seed Growers' Association, Registered No. 1, Registered No. 2, Registered No. 3, to which grade names there may be added such further word or words as may be prescribed by regulation to describe such damage to the seed as may not impair its utility value for seeding;

(3) for mixtures of grass, clover, or other fodder or forage crop seeds, No. 1 Mixture, No. 2 Mixture, No. 3 Mixture;

(f) The serial number of the control sample certificate or the letter and serial number of the seed inspection certificate;

(g) The origin of production for the kinds and in the manner as may be prescribed by regulation.

21 *Rape, field root and garden vegetable seeds* in lots of over two ounces may be sold under grade and labelled in accordance with the above provision, or must conform to the minimum standard of purity and vitality that may be prescribed by regulation and be labelled with the following information:

- (a) The name and address of the seller;
- (b) The name of the kind and variety;
- (c) The percentage of germination when such germination is below the minimum percentage of germination prescribed by regulation for seed of the kind;
- (d) The origin of production for the kinds and in the manner prescribed by regulation.

22 *Field root, garden vegetable or flower seeds* in lots of two ounces or less when offered for sale in Canada must conform to the standards of purity and vitality that may be prescribed by regulation and be labelled with the following information:

- (a) The name and address of the seller;
- (b) The name of the kind and variety;
- (c) The percentage of germination when such germination is below the minimum percentage prescribed by regulation for seed of the kind;
- (d) The origin of production for the kinds and in the manner prescribed by regulation.

In the case of flower seeds only (a) and (b) apply as percentages of germination and origin of production have not been prescribed by regulation.

The use of false or spurious variety names for any agricultural or garden vegetable seed is prohibited. New varieties must first be tested in Canada and licensed for sale before new variety names may be used. In the case of cereal grains the Minister of Agriculture may refuse a licence for a new variety if found to possess such inferior qualities or characteristics as to impair its value for commerce. This provision aims at protecting the reputation of Canadian grain from having the grades lowered on account of inferior varieties being grown and mixed with the present high quality grains.

Provisions are contained in the Act in regard to truth in advertising, prohibiting the sale of seeds of a quality inferior to grade No. 3 or No. 3 Mixture, and to minimum standards of purity that may be prescribed by regulation for seeds of rape, field root or garden vegetable.

Agricultural and garden vegetable seeds named in this Act imported into Canada for the purpose of selling or seeding must be branded or marked or coloured in accordance with the provisions of the Act and conform to the regulations thereunder.

Seeds purported to be graded for export shall be labelled with the following information:

- (a) The name and address of the seller;
- (b) The name of the kind or kinds;
- (c) The name of the export grade the quality of which may be defined by regulation under the following grade names: Registered Extra, Registered No. 1, Registered No. 2, No. 1, No. 2 and No. 3;
- (d) The letter and number of the seed inspection certificate;
- (e) The origin of production for the kinds and in the manner as may be prescribed by regulation.

The Minister of Agriculture is empowered to appoint an advisory board which may, at his request, prepare and recommend to him such regulations as it is of opinion should be established under the Act. This board, composed of seedsmen and farmers nominated by their respective organizations, with the Seed Commissioner as Chairman, meet annually, and the regulations now included under the Act are based on their recommendations.

Exemptions to the Act are provided as follows:

- (a) Seed that is sold to be cleaned or graded before being offered for sale for the purpose of seeding;
- (b) Seed that is held in storage for the purpose of cleaning or grading, provided that the place of storage is not accessible to purchasers of seed or the seed is labelled "held for recleaning";
- (c) The seeds of cereal grains, buckwheat, field peas, field beans and corn that are grown, sold and delivered by any farmer, on his own premises, for seeding by the purchaser himself, unless the purchaser of the said seeds obtains from the seller at the time of the sale thereof a certificate that the said seed is supplied to him subject to the provisions of this Act;
- (d) The sale of Elite stock seed that may be produced and sold by any plant breeder to a seed grower, unless such seed be again sold.

Penalties are provided for violations of the Act: forging or altering any certificate of grade, falsely marking or using the serial number of any certificate issued under the provisions of this Act; wilfully lowering the quality or value of seeds by mixing any other seeds or material therewith after the seeds have been tested and marked, or wilfully obstructing an inspector charged with the enforcement of the Act while in the discharge of his duties.

The Dominion Department of Agriculture maintains inspection and laboratory staffs to test and grade all seed offered for sale in Canada to which this Act applies, and to keep a check on the quality of the seed offered for sale to ensure its conformity with the Act and regulations.

An inspector shall have the power to inspect before export to any foreign country, or shipment within the Dominion, any plant, and to grant a certificate according to the requirements of any country demanding such, or for domestic purposes.

All certificates so issued must bear a copy of the official seal of the Plant-disease or Insect-pest Inspection Service carried on under this Act.

In the case of *potatoes* for which such certificates are required no person shall be allowed to sell or offer, advertise, expose, or hold in possession for sale, for seed purposes, any potatoes in any manner or form described or designated as certified, inspected, registered, selected, or disease-free seed potatoes unless such potatoes are contained in sacks, barrels, or other containers, to each of which shall be durably attached a certificate stating that any such potatoes contained therein have been inspected in the field and after harvest by an inspector under the Destructive Insect and Pest Act and have been found sufficiently vigorous and free from serious diseases, other pests, foreign varieties, mechanical injury, or other blemishes, to warrant them being classed as Extra No. 1 Certified Seed Potatoes. All such certificates shall bear the grower's name or number as well

as a copy of the official seal of the Plant Disease Inspection Service of the Department of Agriculture, Canada.

24 The Feeding Stuffs Act regulates the sale and inspection of commercial *feeding stuffs, flour mill by-products from wheat, and chop feeds* sold or offered for sale in Canada for the feeding of live-stock or poultry.

“ Commercial feeding stuffs ”, which include all ready-mixed feeds except those defined as chop feeds, and all by-product materials except those from wheat, must, for sale in Canada, be registered with the Minister of Agriculture and tagged or labelled by the manufacturer with the following information:

- (a) The name, brand or trade mark of the contents;
- (b) The full name and address of the manufacturer;
- (c) The specific name of every ingredient contained in the feed; (Many by-product feed materials are defined by regulations and the correct specific names therefor indicated);
- (d) The registered number;
- (e) The analysis as guaranteed by the manufacturer, which shall show the percentage content of protein, fat and fibre respectively.

“ Chop feeds ” include the mixed or unmixed meals made directly from or consisting of the entire clean grain of wheat, rye, barley, oats, Indian corn, and flax-seed, used separately or in any combination desired. Every container of mixed chop feed must be tagged or labelled with a statement of the ingredients used in the mixture.

All by-products obtained in the milling of flour from wheat must be free from added screenings or other adulterants and are standardized in name and composition as follows:

Name	Minimum Protein	Minimum Fat	Maximum Fibre
Bran.	15	3.5	11.5
Shorts	16	5	8
Middlings.	16.5	3.5	4.5
Feed Flour	—	—	2

Wheat flour by-products, singly or combined, may not constitute more than 50 % by weight of any mixed feed, and may not be combined in any proportions with screenings, scourings, scalplings, oat hulls, oat feed, buckwheat hulls, peanut hulls or shells, peat or moss. They must be labelled for sale to show the name of the by-product, the name of the manufacturer or the name and address of the importer, and the place where the by-product was manufactured.

No feeding stuff, except screenings, may be sold in Canada which contains in excess of one-half of one per cent by weight of weed seeds and materials injurious to the health of live-stock or poultry, including: Darnel (*Lolium temulentum L.*), Purple cockle (*Agrostemma Githago L.*), Wild Mustard (*Brassica species*), False flax (*Camelina species*), Wormseed mustard (*Erysimum cheiranthoides L.*), Stinkweed (*Thlaspi arvense L.*), Tumbling mustard (*Sisymbrium altissimum L.*) Hare's-ear mustard (*Conringia orientalis (L.) Dumort*), Ergotised grains. Screenings when sold separately may contain up to one per cent of such injurious weed seeds. No ground-feeding stuff may contain in excess of five viable weed seeds per ounce.

The Department of Agriculture maintains inspection and laboratory staffs and facilities to check feeding stuffs for compliance with the Act, and penalties are provided for violations, including refusal to allow inspections, the sale of adulterated or improperly, incorrectly or misleadingly labelled feeds, or the forging of registration numbers.

25 When a manufacturer of *canned fish* wishes to make an export shipment, application must be made for a certificate. An inspector is sent, who issues the certificate upon the production of a signed declaration by the packer that the contents of the tins conform to the description shown on the label. The officer examines the consignment, and, if he finds it correctly labelled, he issues the certificate and takes samples for further examination as to grading and quality.

The process of manufacture is governed by regulations which require, in the first place, a sound raw product, and sanitary handling during manufacture, as also the grading for quality, which are carefully defined in the appended regulations.

The qualities are as follows:

- (1) Fancy Quality;
- (2) Choice Quality;
- (3) Standard Quality;
- (4) Second Quality.

All exports, as also imports, are governed by these requirements and must conform to the definitions laid down in the above-mentioned regulations.

Under the provisions of the Live Stock and Live Stock Product Act of 1927 regulations are in effect for the grading and marking of *dressed poultry* according to standards of quality, grades, and weights as laid down by the Federal Department of Agriculture. The regulations as well require that all boxes shall be marked or branded to designate the grade and shall only be shipped after a certificate has been issued. 26

Under the Live Stock and Live Stock Products Act under dates of March 1924 and September 1927, regulations are in effect respecting the grading of *hogs* for commercial purposes. All hogs offered for slaughter are subject to grading by the Federal Department of Agriculture under standards and grades as set forth in the regulations. The standards are intended to bring about the production of a type of hog most suitable for the markets to which Canada has access, and the grades have been based on a strict interpretation of consumer demand, with special reference to the requirements of the British bacon trade. 27

It might be mentioned that under the authority of the Live Stock and Live Stock Products Act steps have been taken to inaugurate a system of identification of certain grades of *beef*. 28

CATEGORY 4.

The Inspection and Sale Act establishes and defines grades for *hay* and *straw* of various kinds and provides penalties for putting foreign material into bales of hay or straw intended for sale, which would improperly increase the weight or prejudicially affect the quality. The use of these grades is optional and they apply only where contracts are made "subject to inspection". The inspection and certification is done by Department of Agriculture officials at a charge to cover the approximate cost of such inspection. 29

The grade classifications for hay grown in the provinces of Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island are as follows:

"Prime timothy", "No. 1 timothy", "No. 2 timothy", "No. 3 timothy", "No. 1 clover", "No. 2 clover", "No. 1 clover mixed", "No. 1 dyke", "No. 2 dyke", "Mixed hay", "No grade", "Rejected", "Shipping grade".

The grades for hay grown in the provinces of Manitoba, British Columbia, Saskatchewan, Alberta and the North-West Territories are as follows:

Tame grasses — "Choice timothy", "No. 1 timothy", "No. 2 timothy", "No. 3 timothy", "No. 1 timothy clover mixed", "No. 2 timothy clover mixed", "No. 1 rye grass, brome, orchard grass or alfalfa", "No. 2 rye grass, brome, orchard grass or alfalfa", "No. 3 rye grass, brome, orchard grass or alfalfa", "No established grade".

Wild grasses — "Choice prairie hay", "No. 1 prairie hay", "No. 2 prairie hay", "No. 3 prairie hay", "No. 4 prairie hay", "No grade hay", "Rejected hay".

The grade classifications for straw are as follows:

"No. 1 straw", "No. 2 straw", "No grade straw", "Rejected straw".

CATEGORY 5.

According to information supplied by the various provinces, particularly Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan, the provisions of the civil and criminal law, whereby contracts can be cancelled for defective quality or penalties be imposed for fraud, are the same as those in force in England, particularly the Act of July 15th, 1870, with the subsequent alterations and amendments.

CZECHOSLOVAKIA.

CATEGORY 2.

- 1 In accordance with the Customs Convention of March 1st, 1924, between Italy and Czechoslovakia, *essential oils* exported to Italy must be accompanied by a certificate of analysis.
 - 2 Under the Commercial Treaty between Italy and Czechoslovakia of March 23rd, 1921, *beer* exported to Italy must be accompanied by a certificate of analysis recognised by the Italian authorities, provided it has been issued by one of the duly-authorized institutions a list of which was mutually agreed to. These certificates must show the quantity analysed, the percentage of alcohol and of dry extract, and the saccharometric degree of the wort from which the beer was manufactured.

The certificates must also specify that the beer has been prepared solely from malt, hops, yeast and water, without any glycerines, salicylic, boric or oxalic acid, or other bitter substances not naturally contained in the beers.
 - 3 The Law of August 12th, 1921, regulating the marking of *hops*, in Czechoslovakia, prohibits any exports of this article not bearing the official mark, warranting not only the district of origin and the purity, but also the quality.

A Decree of November 12th, 1920, imposes a still stricter Government control in Czechoslovakia on the trade in *clover* and *lucerne* seeds. Inspection is carried out by three official organisations, which make an analysis, seal the wrappings, affix marks and issue transport permits. There are special marks and stamps for export consignments, and, when the latter are passing the frontier, Customs offices are bound to take samples. These are forwarded for further examination to the proper office.

When lucerne and purple clover are imported, each consignment must be reported by the Customs authorities to the competent organisation, and the Customs office of entry must, at the same time, forward a sample taken from the consignment.
 - 5 Under a Law of 1891, all *portable fire-arms* must undergo a compulsory test at a Government establishment; a Decree of 1899 introduced an optional test for smokeless-powder fire-arms for sporting purposes. In this case a special additional mark is added to that affixed as a result of the original test.
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DENMARK.

CATEGORY 1.

- With regard to this category, special mention should be made of the Law of April 18th, 1910, relating to the inspection of *foodstuffs*, etc. I
- The object of this law is to ensure that goods of inferior quality and damaged or adulterated goods should not be offered for sale.
- Pursuant to the instructions of the Minister of Justice of March 15th, 1911, issued in execution of the law, the police are entitled to purchase samples of all *foodstuffs*, including *table waters*, *patented pharmaceutical preparations* and *certain articles of consumption*. The samples are then forwarded for examination to a laboratory ("Steins Analytisk-Keniske Laboratorium"), with which the State has concluded an agreement. 2
- Such purchases are permissible even when there is no reason to believe that the law has been broken.
- The law in question authorises the Minister of Justice to issue regulations determining the commodities that may be sold under the different names used for foodstuffs, and he may forbid the adulteration of these commodities with any substances likely to have an injurious effect on health, either immediately or in the long run. Among these substances are colouring matter and preservatives.
- In virtue of his powers, the Minister has imposed the following regulations:
- (a) Order of June 10th, 1913, defining what may be sold under the name of *wines and spirits*; 3
 - (b) Order of the same date prohibiting the addition of colouring matter or preservatives to *foodstuffs* intended for sale; 4
 - (c) Order of May 12th, 1916, defining what may be offered for sale under the name of *alimentary fat* and *alimentary oil*; 5
 - (d) Order of May 17th, 1918, relating to *flour contained in sausages* intended for sale; and 6
- Order of June 10th, 1921, defining what may be offered for sale under the name of *milk, cream and other produce*. 7
- The Law of April 14th, 1905, prohibits the use of *artificial sweetening substances* having a nutritive capacity less than that of refined cane or beet sugar, unless in the case of products intended for invalids. 8
- The *Pharmaceutical Law* of April 29th, 1913, contains a number of provisions intended to prevent the advertising of goods of inferior quality. It is forbidden, without authorisation from the National Health Office, to advertise surgical treatment, *electric belts*, apparatus for curing deafness, treating eye trouble, etc. The National Health Office may prohibit any advertising of remedies described as being guaranteed to cure or to disinfect, or declared to be effective against disease. 9
- On the proposal of the National Health Office, the Minister of Justice may also prohibit the sale of remedies the composition of which is not indicated (patent medicines). 10

CATEGORY 2.

- Precious metals*. — Formerly, all gold and silver articles had to be stamped in Denmark, but the Law of April 5th, 1888, prohibits the stamping of gold articles of a fineness less than 585 per thousand (14 carats), or silver articles of a fineness less than 830 per thousand (Copenhagen silver standard). II
- The stamping of gold and silver articles of the fineness indicated is optional; but, if the articles are stamped, the fineness must be shown in thousandths, and they must also bear a mark indicating the name of the manufacturer. This mark has to be registered.
- These rules also apply to gold and silver articles not manufactured in Denmark; but in that case the name of the seller is substituted for that of the manufacturer.

* * *

There are a fair number of legal provisions in Denmark relating to various commodities, applying partly to all forms of trade in these commodities and partly to the export trade.

The use of the official Danish mark, the "Lurmark" or "horns-mark" (*vide* Category 3) was regulated for the first time by the Law of March 30th, 1906. The provisions now in force with regard to this mark are contained in the Law of April 12th, 1911, relating to the trade in butter and foreign agricultural produce, and in the Royal Executory Decree of November 17th, 1911, as also in the Decree of the Ministry of Agriculture of July 24th, 1925.

12 "In accordance with these provisions, it is forbidden to export from Denmark Danish butter without the 'Lur' mark, with the exception, however, of Danish *butter* in hermetically sealed containers (*vide infra*). The 'Lur' and the words 'Dansk Smør', or a translation (generally 'Danish butter'), must be on the outside wrappings of the butter (if the butter is in barrels on two opposite staves, and, if in boxes, at the two ends). The 'Lur' must be printed or (though this is exceptional) branded on all cases made of wood."

If the butter is made up in packets of five kilogrammes or less, not only must the boxes bear the "Lur" mark, but each slab must be wrapped in parchment paper bearing this mark. If the packets are larger, two control certificates with the "Lur" must be placed on the butter, one above and one below. The "Lur" on the packing, and also on the marked paper and the control certificates, must be accompanied by control numbers corresponding to a system known only to the State Control Office ("Statskontrollen"; see below, section on control). This enables the office to distinguish the dairy from which the butter comes.

Dairies wishing to use the "Lur" mark must make a declaration to that effect to the police, and satisfy the latter that they possess the necessary equipment to ensure pasteurisation at 80° C. These dairies are registered by the State Control Office, and application for wrapping materials and control certificates bearing the "Lur" mark must be made to the State Service for Butter-Marking Control (Statens Smørmaerketilsyn) at Copenhagen, which is alone entitled to supply them.

Butter bearing the "Lur" is controlled for quality by the State Laboratory of Agricultural Research. When the butter from a dairy is recognised as being below a certain quality, and when this defect cannot be repaired within a short period with the help of Government experts, the dairy loses the right to use the mark.

The following provisions apply to all butter bearing the "Lur" mark:

It must be prepared with pasteurised cream—that is to say, cream brought to a minimum temperature of 80° C. It must contain not more than 16 per cent water and not less than 80 per cent butyric.

The butter must not contain any preservative other than common salt, nor any aniline dye.

If not in packets of five kilogrammes or less, it must bear some indication of the date when it was made. This date must appear on the control certificates and the outside wrappings, which should also show the net weight of the butter.

Danish butter may not be packed in hermetically sealed containers, except by special authorisation from the Ministry of Agriculture. No butter except that bearing the "Lur" may be packed in this way.

Adulteration of butter is invariably punished by imprisonment.

Foreign butters imported into Denmark must have on their packing the word "Udenlandsk" (foreign) in black lettering on a light ground. The letters must be 20 mm. high and must be easily readable. Re-exported foreign butter must bear the same marks as when imported. The Minister of Agriculture may authorise the repacking of foreign butter in Denmark for export in hermetically sealed containers. Such authorisation is subject to certain special conditions; among others, each container must bear an indication of the origin of the butter in stamped characters 10 mm. high. The boxes in which the hermetically sealed containers are exported must bear the same indication in characters 60 mm. high.

13 The Law of April 1st, 1925, may be mentioned here, on the manufacture of and trade in *margarine*, etc. It contains the following provisions:

1. An exact definition of what is to be understood by *margarine*.

2. This product may not contain more than 16 per cent water, less than 80 per cent fat, wax, paraffin, vaseline and similar substances, colouring matters derived from coal, substances injurious to health.

It is forbidden to use any other preservative than common salt. Nevertheless, the Minister of Agriculture may in certain cases, where the *margarine* is to be exported, authorise the use of preservatives to the extent to which these are allowed in the countries to which the *margarine* is to be sent.

Any person preparing or selling *margarine* must notify the police.

14 *Margarine* must be packed in a special way, different from that in which butter is packed. It must be marked "Margarine" and bear the name of the manufacturer and the place where it was made. *Margarine* must always contain sesame oil as a distinguishing substance.

15 The rules in force with regard to the export of prepared *milk* were laid down by the law of May 4th, 1927, to which was annexed the Circular of the Ministry of Agriculture dated October 26th, 1927.

By *prepared milk* is meant milk or *cream* which, by a process of *sterilisation*, the addition of sugar and *condensation*, or by *evaporation*, has been treated so that it will keep for a long time. 16

Milk prepared in Denmark may not be exported unless it comes from establishments which have been duly authorised by the Ministry of Agriculture. Wholesome, good quality milk and no other must be used in these preparations, and the milk or cream used must be *pasteurised* at a temperature not below 80° C. Prepared milk may not be described as full milk unless milk containing at least 3 per cent fat has been used in its preparation. The description "cream" may be applied to a product only when it has been prepared with the fatty parts separated from milk, and containing at least 9 per cent fat. *Powdered milk* must contain not more than 8 per cent water, and it may not be described as full milk unless it contains at least 23 per cent lactic fat. 17

On every box there must be a mark showing that the product has been prepared in Denmark. The number of the licence granted to the factory, the nature of the product and, in the case of condensed milk, the degree of condensation, must also be specified. The commodity must not have any other substance added to it except sugar, although in the preparation of powdered milk a very small quantity of bicarbonate of soda may be added.

Prepared milk of foreign origin may not be exported from Denmark unless the packing bears an indication of the country of origin.

If the milk or cream comes from any animal other than the cow, this must also be indicated.

Foodstuffs containing fatty substances other than milk may not be sold under names which include the words "milk" or "cream" unless this is specially authorised by the Ministry of Justice.

Cheese. — The rules that apply here were laid down in virtue of the Law of March 11th, 1921, and appear in the Ministry of Agriculture's Circular of June 2nd, 1928. 18

Anyone wishing to make cheese intended for sale must give notice to the State Control Office (*vide infra*); not more than six kinds of hard cheese and not more than three kinds of soft cheese may be made. The fat content of the dry substance in each cheese must amount to 45, 40, 30 and 20 per cent respectively and, for cheese made from skim-milk, 10 per cent. The water content of the cheese must not exceed 50 per cent in the case of Class 1 cheese, and a corresponding percentage for the other kinds. Cheeses of the Emmenthal (Gruyère) and Cheddar type will be considered as coming under Class 1, and cheeses of the Gonda and Eida types as coming under Classes 1, 2, 3 or 4, etc.

Among soft cheeses, the Danish cheese of the Roquefort type must contain not less than 50 per cent fat in the dry substance, and not more than 52 per cent water. The other soft cheeses of Classes 7, 8 and 9 must contain 45, 30 and 20 per cent fat respectively in the dry substances and not more than 60 per cent water.

On being made each soft cheese must be marked with a figure indicating the minimum percentage of fat in the dry substance which is prescribed for that class of cheese, and also with the dairy control number and the number to indicate the week when it was prepared. The mark of the percentage of fat and of the control number must be enclosed in a triangle, for Classes 1 and 5, and in a hexagon, square or circle respectively for Classes 2, 3 and 4. Hard cheeses may not be exported until they are at least four weeks old.

The wrappings of soft cheeses must show the dairy control number and, except where a certain fat content is prescribed for the cheese in question, the minimum percentage in fat of the dry substance which is prescribed for the type of cheese in question.

Eggs. — The rules that apply to the export and import of eggs are found in the Law of March 31st, 1928, and in the Decree of the Ministry of Agriculture of April 30th, 1928. 19

Only exporters who have been duly authorised may export eggs from Denmark. The export of second-quality Danish eggs is prohibited; the boxes in which Danish eggs are exported must bear marks which indicate (1) their Danish origin, (2) their quality (fresh, preserved, etc.), and (3) their assortment weight (weight per ten dozen). In addition, all "Danish fresh eggs" intended for export must have on them an oval figure with the word "Danish" inside it. The marks on the eggs must be in red, and on the boxes in brown. The method of marking must always follow certain prescribed rules. In respect of quality, the eggs are carefully and strictly controlled, and the assortment weight must be the same for every box.

Foreign eggs imported into Denmark must have a mark on each egg and also on the boxes, indicating the country of origin. These indications must be made in black indelible characters. The same rules as to marking apply in the case of export.

The above rules regarding butter, margarine, prepared milk, cheese and eggs are enforced by a special control service with the help of the police and the Customs administration. This service is in the charge of a chief inspector, who has under him four inspectors and thirteen supervisors. These officials have access to all buildings where the products in question are prepared, packed, preserved or offered for sale, as also to stations, ports or ships. They are authorised to take samples and examine the books containing the indications with regard to preparation and wholesale trade which the establishments concerned are required to keep.

The Law of April 12th and the Regulations dated November 18th, 1911, also contain rules for the trade in *foreign agricultural products*. For instance, it is laid down that certain of these products—such as eggs, honey, bacon, suet and meat, including preserves, sausages and other

food products prepared with meat—must, if they are of foreign origin and are sold in Denmark and afterwards re-exported, be marked “foreign”, so that there can be no possible confusion between Danish and foreign produce.

- 20 The principal provisions with regard to the export of *meat* are, however, contained in the Law of May 27th, 1928. That measure authorises the Minister of Agriculture to take the necessary steps to prevent the export under unsatisfactory conditions of meat, slaughter-house products, or prepared horse flesh, cattle, sheep, goats and pigs.

A Royal Decree prescribes the marks to be applied to meats of Danish origin when they are exported. The Minister of Agriculture also lays down the rules for the use of these marks and for the supervision of the slaughter-houses. It is forbidden to make or import copies of these marks without the permission of the Minister.

- 21 In the exercise of his powers, the Minister of Agriculture has published a number of notices—the latest are dated December 20th, 1924, and May 22nd, 1929—regarding the export of *meat* and other products from *horses, cattle, sheep, goats and pigs*.

The export of meat is restricted to meat and offal from animals slaughtered in the slaughter-houses duly authorised by the Ministry of Agriculture, which provides each of them with a registration number and appoints to each slaughter-house one or more veterinary surgeons and one or more inspectors, who together supervise the operations. The veterinary surgeon or the inspector must be present throughout the operations, and he must see that the rules laid down are observed. The veterinary surgeon examines the animals before and after slaughter, and all their organs, grades them in accordance with the regulations issued by the Ministry of Agriculture, and then marks the meat and offal with a stamp or a label according to the prescriptions of the Royal Decree of November 5th, 1908.

Meat from healthy animals is marked with a blue stamp, the shape of which is an oval with the words “Danmark. I. Kl. Statskontrol” inside it, and the registration number of the slaughter-house. The prescribed number of marks is stamped on certain parts of the slaughtered animal. Packings containing offal or other edible parts, and in certain cases unstamped meat, are labelled “Class I” and bear the signature of the veterinary surgeon. The stamps and labels must be affixed by the surgeon himself or under his supervision. The labels must be affixed with a seal by the veterinary surgeon or the inspector. As a general rule, the marks are stamped on the slaughtered animal; but, if the foreign importers so desire, the stamp may be replaced by a label.

- 22 First quality *pork* and *pork offal*, where there is no trace of rickets or tuberculosis in the meat or the organs, and where no part of the pleura or the peritoneum has been removed, are furnished with a certain number of red marks, stamped on the meat, consisting of the “Lur” mark, the word “Denmark” and the registration number of the slaughter-house.

By the Decree of June 1st, 1929, slaughtered pigs exported to Great Britain and Ireland must bear, in addition to the “Lur” mark, the word “Danish”, and also a stamp showing the date when the animals were slaughtered.

Meat and offal exported to countries where the regulations do not allow of complete inspection are supplied with a special label affixed by means of a seal.

Meat and offal with the oval stamp mentioned above may be exported to all countries. Pork and pork offal, however, for Great Britain and Ireland, may not be exported unless they bear the “Lur”. Nevertheless, melted fat, including lard, and meat in barrels, may be exported to Great Britain with the blue oval stamp or the corresponding label.

Meat and offal stamped “second class” must not be exported.

In order to ensure the observance of the regulations of June 1st, 1929, regarding the cutting-up and preparation of gammons of bacon exported to Great Britain and Ireland, the Ministry of Agriculture arranges for the necessary examination and also for the inspection of the authorised export slaughter-houses.

- 23 Any person manufacturing *meat preserves, sausages and other prepared meat* intended for export must be duly authorised by the Ministry of Agriculture. The latter appoints a veterinary surgeon and an inspector to supervise the making of these products, and they proceed according to the rules mentioned above with regard to the veterinary surgeon and inspectors in the slaughter-houses. Every establishment is given an official number. The containers must bear on the lid a stamp in the shape of a crown surmounting the word “Denmark” and the official factory number. For sausages, there must be a lead seal with a crown on it, together with the number of the factory. Other prepared meats bear a label on which are printed the word “Staatskontrol”, the official number of the establishment and the word “Denmark”.

Two veterinary inspectors and an official (“Veterinaerfuldmagtig”), coming under the Head of the Veterinary Service, see to it that the veterinary surgeons and inspectors appointed to slaughter-houses and other authorised establishments observe the prescribed rules.

Finally, no preservatives, apart from salt, sugar and saltpetre, may be used in connection with any of the commodities specified in the law, whether butcher’s meat or prepared meat.

- 24 There is also Government control over the export of *living domestic animals*, the object of which is to prevent the export of animals possibly suffering from a contagious disease through having been in an isolated zone.

The Law of February 25th, 1876, gave authority to the Minister of Agriculture to take whatever steps he might think necessary to this end. In the exercise of his powers, the Minister laid down a number of rules defining the conditions for the issue of export licences for living domestic animals. The rules at present in force are contained in the Regulations of April 12th, 1924, and March 31st, 1928, relating to the export of cattle, sheep, goats and pigs.

These animals may not be exported unless they have been inspected and certified as suitable for export. This examination is undertaken by specially authorised veterinary surgeons, and, if the results are satisfactory, a certificate is issued by the surgeon. In addition, a metal label, on which are printed a crown, a letter and a number, is attached to one of the animal's ears.

Certificates may not be granted if the animals are excessively lean, if they show any symptoms of disease or are actually diseased, or if they have been in contact with other animals which might have transmitted infectious diseases.

In order to prevent *animals* which may have been exposed to infection from being presented for export, it is laid down in the Decree of October 20th, 1927, that the period of isolation of a farm, owing to the presence of anthrax or infectious glossopharyngian paralysis of cattle, must be extended for six weeks after the disappearance of the disease; also, that an isolation zone with a radius of two kilometres should be defined round every farm where there has been an outbreak of foot-and-mouth disease, swine plague, or other malignant epizootic disease of a virulent character (except swine measles), and that no animal likely to contract the disease in question may be taken outside the zone until six weeks after the disappearance of the disease. The Head of the Veterinary Service, two veterinary inspectors and two administrative officials of the Veterinary Service (" Veterinaerfuldmagtig ") will be responsible for seeing that the rules laid down by the Ministry of Agriculture are observed by the veterinary surgeons employed by the Ministry for the purposes indicated above. 25

CATEGORY 3.

The Law of April 9th, 1913, protecting collective trade-marks, and the Law of March 20th, 1918, on unfair competition and the marking of goods, together with the Regulation of December 21st, 1918, published in execution of the latter law, for establishing a Registry of Companies, make it possible to give effective protection to private enterprise.

The opportunity thus afforded has been widely used; but, in the majority of cases, the collective mark is applied to goods intended for internal trade and home consumption.

The most important collective mark is the " Lur " (*vide* Category 2, paragraph 12), which is registered, not only in Denmark, but in those countries whose law allows the registration of collective marks. The " Lur " consists of four horns intertwined. (The " Lur " is a bronze trumpet discovered in Denmark in the kitchen-middens and used in olden days by Danish warriors.)

An important firm for the trade in *eggs* is the " Dansk Andels-Aegeksport " (Danish Co-operative Society for the Export of Eggs), which collects eggs from farmers throughout the country, the country being divided into districts for the purpose. 26

Each district and each of the supply firms has a special number which is stamped on each egg. The central establishment of the firm subjects all the eggs collected to a light test. Thanks to the system of marking, it is able to distinguish from which place the inferior quality eggs come, and therefore to impose a penalty on the supplier in accordance with the prescriptions laid down in the statutes of the society.

CATEGORY 4.

A Law of July 1st, 1927, relating to the trade in *living plants* and *potatoes* states that the Minister of Agriculture is entitled to take whatever measures he may consider necessary to prevent the spreading of infectious plant diseases. 27

In conformity with this law, two sets of regulations were issued on July 1st, 1923, with regard to the export of living plants and potatoes. They laid down that, in the event of such plants being exported to countries that insist on sanitary inspection, all consignments must be examined before dispatch by the department of the Ministry responsible for the control of infectious plant diseases, and the plants must be certified by this department as free from certain specified diseases.

Another Law of March 29th, 1924, and Regulations of March 31st of the same year, state that potatoes, before being exported from Denmark, may, if a request is made by the exporter, be examined by a Committee appointed by the Ministry of Agriculture. If the result of the examination is satisfactory, the Committee's inspector issues a certificate to show that measures of control have been taken in conformity with the Regulations of the Ministry of Agriculture.

There are in Denmark institutes which, if so requested by the Danish public or by foreigners undertake the examination or analysis of different commodities and then issue certificates showing the result of the analyses. As a general rule, however, application is seldom made to those institutes for the purpose of the export trade. Nor, indeed, was that the object for which they were established.

One of these establishments is the State Experimental Institute, which was formerly a private institution, but which, since 1909, has been administered by the State. On request, and subject to the payment of a fee the amount of which is fixed by the Minister, this establishment undertakes the examination of most classes of goods, with the exception, however, of foodstuffs and fertilisers.

In a very small number of cases, articles for export must have been submitted for examination by, and have obtained certificates from, this institute; this applies, for instance, to cement going to the Argentine, since the Argentine Government has imposed this condition on the importation of Danish cement.

28 There is an important organisation which ought also to be mentioned—namely, the Danish State Testing Station for *seed*, set up by private enterprise in 1871 and taken over by the State in 1891. This station tests seeds, which are produced in large quantities in Denmark—in particular, the seeds of grasses and turnips, and also imported seeds. The tests take place, on the one hand, in the laboratories, where an enquiry is made into the place of production, the degree of purity, the proportion of foreign seeds and rye-grass, the rapidity of germination, the germinative capacity, the weight of the seed, the water content, etc.; and, on the other hand, on control-farms, where the species and the stock are verified and an examination is made to see if the seeds are free from disease. Samples are sent to the station by seed producers and seed merchants.

By the terms of the contracts voluntarily concluded, owing to the existing competition, by seed merchants with the station, the latter, by means of the so-called “automatic control”, sees to it that the firms in question, when delivering their commodities to farmers, observe the guarantee given with regard to the degree of purity of the seeds, the maximum content of rye-grass, the germinative capacity, the place of production, the species and the stock. The station also takes steps to ensure that the firms in question compensate farmers for products delivered which do not correspond to the guarantee figures specified in the compensation rules of the station.

A similar control is exercised over wheat for sowing and seeds intended for export when the buyer stipulates this as a condition of the same and makes a special arrangement with the station. The Swedish Government, among others, has made an arrangement of this kind for turnip seeds of the Danish species and stocks which are produced in Denmark and exported to Sweden.

29 In conclusion, the Law of March 26th, 1898, on the trade in *fertilisers*, etc., should be mentioned,
30 as also the Regulations of January 31st, 1922, providing that any person selling fertilisers or *fodder* which have been industrially treated (if the quantity exceeds 100 kilogrammes) must furnish the buyer with certain definite indications regarding the goods, either in the contract of sale or in a special document of guarantee. The buyer is then entitled to take samples of the goods supplied and send them to a recognised laboratory for a report. Both seller and buyer are entitled to appeal against the report to the Royal Veterinary and Agricultural College.

Penalties are imposed if the prescribed document is not delivered or contains inaccurate indications, and also if adulterated samples are sent.

CATEGORY 5.

The law contains several provisions imposing penalties on persons selling *inferior quality or adulterated goods*, and also persons who sell goods under a name which is not their proper name. For instance, a penal Law of February 10th, 1866, punishes with imprisonment on bread and water for at least five days, or with a maximum period of two years in a penitentiary (in serious cases as much as six years), persons found guilty of adulterating goods or of improperly marking goods with a seal or current mark used to guarantee the quality of goods, or placing marks on goods which do not correctly indicate their quality.

The same penalties apply, in virtue of a Law of April 18th, 1910, to any person fraudulently imitating or adulterating foodstuffs which he intends to sell, or subjecting damaged foodstuffs to any treatment designed to conceal the damage, and also to anyone who, with intent to defraud, offers for sale foodstuffs which he knows to have been treated in this way.

In virtue of the Law of March 20th, 1918, on *unfair* competition, a fine is imposed, and for a second offence imprisonment, on any person who makes an incorrect statement in invoices, labels, etc., with the object of influencing demand (for example, in respect of the country of origin, the nature, composition, properties of the goods, etc.), or who gives information intended to give the buyer a wrong impression of the goods in question or other goods, or who falsely declares that the goods have been examined, controlled or recommended by public authorities or protected by patent.

The law also provides penalties for the unauthorised use of names, titles, etc., for commercial purposes.

In addition, all the laws generally impose penalties for the non-observance of the rules laid down.

In virtue of the Law of April 6th, 1906, a buyer who receives seriously defective goods may either cancel the contract or else demand redelivery or a proportional reduction in price.

The buyer is also authorised to cancel his order if there should be any considerable delay in delivery. In addition, under such circumstances, the buyer generally has the right to claim damages.

DOMINICAN REPUBLIC.

CATEGORY I.

- I The export of *agricultural products* is prohibited:
- (a) When the condition of the product is such as to induce fermentation, mouldiness or rotteness;
 - (b) When it is attacked or damaged by insects capable of destroying it;
 - (c) When it is adulterated by being mixed with foreign substances or parts of the product which are unfit for use;
 - (d) When the packing is impregnated with any substance which is injurious or likely to be detrimental to the quality of the product.
- 2-3 The export of products of inferior quality, such as *separate tobacco leaves*, *coffee* containing black and other berries which can be used to manufacture cheap industrial products, may be authorised, but only if the certificate from the inspector of fruit, and all the other papers, together with the packing, state clearly that the article in question is of inferior quality.
- In order to prevent green coffee berries being mixed with ripe berries, a circumstance which would affect the quality and the price of the product and thus be detrimental to the economic interests of the country, the berries must not be gathered until they are absolutely ripe and must not be dried on the bare ground.
- 4 A *fruit* or a *product* is considered as defective when it is soiled, damp or mixed with foreign substances; when it is green, damp or rotten or is fermenting; when it contains stones and other substances, and when the boarding does not conform to the size and shape fixed by law, or when plugs or wedges are employed to conceal defects or holes in the wood.
- The Customs inspectors do not allow products to be loaded on vessels unless accompanied by the certificate of an inspector of fruit.
- 5 (a) *Tobacco leaves* must be hung up in a loft or shed used as a drying-room for at least forty days, so that they may be properly dried. When they are sufficiently dry, they must be put together in small bundles and graded by the producer in one of the following categories:
- 1. "FF", dry leaves which are intact, which show no trace of deterioration of the edges, not showing any large holes, and of a minimum length of four decimetres.
 - 2. "F", dry leaves which are intact, without trace of deterioration on the edges, although with small holes or stains, three decimetres at least in length.
 - 3. "A", all dry leaves at least two decimetres in length not included in the "FF" and "F" categories.
- (b) Leaves which are of inferior quality, etiolated, yellow, scorched or faded (by contact with the soil) do not come within any of the above-mentioned categories, though they may be prepared for sale under the name of "*separate leaves*" for "*tobacco cut for smoking*" (*Picadaura*).
- 6 When the tobacco leaves have been put together in small bundles and sorted, they have to be divided into heaps at least one metre high. They are then left for at least thirty days.
- Only tobacco leaves prepared in the manner described above may be bought or sold.
- The tobacco leaves must not be wetted at any time before they are offered for sale.
- The packings in which tobacco is offered for sale must indicate in words the category of the tobacco they contain, and the tobacco must satisfy the conditions of the category in question.
- 7 Since September 1st, 1928, every producer of *cocoa* has been obliged to arrange for the complete fermentation of the whole bean crop, except where circumstances render this absolutely impossible, and to dry it afterwards with the necessary regard for cleanliness, so that the product may satisfy the required conditions for export.
- No buyer may accept *cocoa* unless it is dry, healthy and free from foreign substances or parts of the fruit which cannot be used.
- Cocoa intended for export has to be divided into two categories: "*fermented*" and "*current*"; every package must indicate the category to which the contents belong.
- 8 Any dealer in *seeds* or *berries* attacked by insects must have his goods fumigated before declaring them for export; the process of fumigation must be concluded at least forty hours before shipment.
- The premises or silos used for fumigation must be constructed or arranged in such a way as to prevent any escape of the gas used in the operation.

CATEGORY 2.

The inspectors of *fruit* will place their seal on packages containing articles intended for export and will issue certificates to the forwarding agents. These certificates must be presented to the appropriate Customs services before the loading of the goods can be authorised. 9

Even when the export certificate has been issued and the inspector's seal has been placed on the packages, the official appointed by the Secretary of State for Agriculture and Immigration may examine the condition of the fruit after it is placed on board if he considers this necessary or expedient. Should it be found in the course of this inspection that the fruit is in bad condition, the inspector of fruit will prevent its dispatch and will draw up an official report in duplicate on the condition of the fruit. He will confiscate the consignment and will have it kept in bond as evidence pending the decision of the competent tribunal.

He will send one copy of the report to the Secretary of State for Finance and Commerce, and the latter will transmit it to the Public Prosecutor of the area to which the port belongs from which the shipment was to be made. The Public Prosecutor will summon the shipper and the inspector of fruit and the court will impose the penalties prescribed by the law. The other copy will be deposited in the archives of the State Department for Agriculture and Immigration.

CATEGORY 5.

Any person attempting to ship fruit in bad condition is liable to the penalties laid down in Article 413 of the Penal Code, and, in the event of a subsequent conviction, the goods intended for shipment are confiscated. 10

Any inspector approving the export of defective fruit is sentenced to two years' imprisonment.

In cases brought against inspectors of fruit, the following are accepted as conclusive evidence:
(a) the testimony of the Customs supervisor; (b) the results of the verification of the products.

ESTONIA

CATEGORY 1.

- 1 The general principles of the supervision of *foodstuffs* are set forth in the Public Health Law (Collection of Laws, Vol. XIII, paragraphs 658 to 676). There are, besides, special laws for the supervision of the production of, and trade in, most foodstuffs from the point of view of health.
- 2 The law on slaughter-houses and the inspection of *meat* provides for permanent supervision and control of all public and private slaughter-houses and the industries preparing meat products. The general control is exercised by the Central Veterinary Administration, the local authorities being responsible for the direct supervision. The local authorities must take the necessary steps to erect slaughter-houses and establish services for the inspection of meat in towns, suburbs and working-class centres. The animals are inspected by veterinary surgeons before and after slaughter. So far as buildings, installation, internal organisation and veterinary supervision are concerned, all slaughter-houses, whether working for the export trade or not, must satisfy all the requirements of the law on slaughter-houses and meat inspection, and also the regulations issued by the Minister of Agriculture and the local administrations on the basis of that law.
Only meat and meat products recognised as sound may be sold as food; unsound meat is destroyed or used for technical purposes after suitable treatment.
- 3 The manufacture and offering for sale of *butter, cheese and artificial alimentary fats* come under a permanent system of control as prescribed by various laws and special regulations. This control is exercised by the Ministry of Commerce and Industry and by the Central Health Administration. The manufacture, importation, offering for sale, or sale of artificial butter containing more than 16 per cent water and less than 82 per cent fat are prohibited. With a view to facilitating analysis, artificial butter manufactured, imported or offered for sale must contain at least 10 per cent sesame oil, or not less than 0.1 per cent and not more than 0.3 per cent fecula. The above-mentioned products are analysed in the laboratories of the Weights and Measures Service or in the laboratories of local administrations.
- 4 The offering for sale, sale and manufacture for sale of any *mixture of wheat and maize flour and semolina* are prohibited by a special law, the enforcement of which is supervised by the Customs administration and the police.

CATEGORY 2.

- In Estonia, the principal articles of export are subject to previous control by expert officials. Those which do not come up to the requirements may not be exported. In certain cases, only the best commodities obtain the necessary authorisation.
- 5 *Flax* exported from Estonia must bear a distinctive mark in Estonian and in English: "Eesti line" and "Estonian flax". This mark must also include the name or the trade-mark of the firm and a precise indication of the kind of flax.
Estonian flax is divided, according to the area in which it is grown, into six kinds, and each of these is again divided into six different types. The kinds are designated by the letters P, W, PS, T and XX, P and XX corresponding to the areas from which they come. The only flax which has no special mark is "Livonian flax".
The different types are also designated by letters: G, R, HD, D, OD, and LOD, which are added to the letters signifying the kind, for instance, the D type of Werro flax bears the mark "WD". Flax for export is graded by an official appointed by the Ministry of Commerce and Industry.
 - 6 *Linseed*. — In conformity with paragraph 4 of the Decree of the Estonian Government, confirmed on November 3rd, 1926, linseed for sowing, which it is proposed to export from Estonia,

has first to be inspected. It must then be despatched in clean bags, bearing the following inscriptions in Estonian and English:

Eesti linaseeme Estonian linseed	Puhtus } % Purity }
Külvisseeme Crownseed	Puhtus } % Purity }

Only linseed with a purity of 97.5 per cent may be exported under the name of "crownseed". Its germinative capacity must be at least 83 per cent between September 1st and February 1st and at least 87 per cent between February 1st and September 1st. Humidity should never be more than 11.5 per cent. Seed not fulfilling these requirements must bear on the bag the inscription, in clear lettering: "Oliseeme"—"Oilseed".

As a general rule, neither consignments for the home trade nor those intended for export are accompanied by certificates indicating the quality of the seed. At the request of the consignor or the buyer, however, the official seed control station issues such certificates. At the same time, the station has authority, if requested to do so, to seal consignments of any kind of seed, including linseed, and in that case the goods must fulfil certain conditions. The quality of the seeds is guaranteed by certificates issued by the same authority.

Clover Seed. — The export of clover seed is only allowed in sealed bags bearing the inscription "Estonian clover seed", in conformity with the certificate issued by the seed control station of the Ministry of Agriculture, or in unsealed bags without the certificate of the control station, but only if the bags and the bills of lading are marked, "Clover seed of unspecified origin". 7

Potatoes. — Potatoes intended for countries which require a certificate showing that they are free from disease are not authorised for export unless accompanied by a special certificate from the Ministry of Agriculture. 8

The sacks and boxes are sealed by the control official, and each box or sack is accompanied by a form supplying the necessary particulars. These forms are transmitted to the control service by the produce department of the Ministry of Agriculture. In every case potatoes for export must be free from gangrene and come from areas free from that disease.

No consignment may include more than 4 per cent of potatoes affected by frost, damaged in handling or showing any traces of rot, covered with warts, or subject to bacteriological action.

Meat and Meat Products. — The export of meat is authorised only when it is recognised as fit for human consumption and marked with a stamp showing its food value. 9

The export mark with which the meat must be furnished bears the signature of an authorised veterinary surgeon and is sealed with his official seal. The mark takes the form of a square piece of brown cardboard attached to the package by an iron wire and a lead seal. If the meat is exported without packing or in a packing which cannot be completely closed, the mark is fastened direct to the goods. One side of the export mark is in Estonian, the other in English, French or German, showing where the animal was slaughtered and on what date the meat was declared fit for consumption and export was authorised.

Salted ribs must be marked with an oval-shaped stamp bearing on the upper edge the inscription "Eesti-Estonia", in the middle the slaughter-house sign, and on the lower edge the words, "Under Government control".

Sausages and other meat products must bear a seal indicating the name of the factory, its registered trademark and its address. 10

Butter exported from Estonia must be wrapped in parchment paper, put into new and clean kegs made of boxwood and fitted with eight hoops, or in boxes made of some wood which does not give the butter any taste or damage it in any way. 11

Underneath the lids of the kegs—that is to say, on the butter—there must be a control mark in tissue paper. On the lids of the kegs or boxes there must be the red mark of the exporter and the serial number of the keg or box.

Two kinds of butter are exported: best quality butter must bear, in addition to the above-mentioned indications, a special inscription stamped on the control mark: "Pure Estonian Butter, Valitsusi kontroll Reg. No. 192... Under Government Control".

The control mark also specifies the registration number of the farm and the date on which the butter was made.

No butter intended for export may contain more than 16 per cent water. No harmful colouring matter may be added, and only salt may be used as a preservative.

It must have been prepared with pasteurised cream at a minimum temperature of 80° C.

Cheese. — Cases of cheese for export have to be furnished with control marks, iron wire and a lead seal by the Control Commission. 12

Rich cheeses must contain at least 45 per cent fat; cheese three-quarters fat, 35 per cent; half-fat, 25 per cent; and quarter-fat, 15 per cent.

Cheese containing less than 15 per cent fat is ranked as skim-milk cheese. The Emmenthal type must be at least four months old. Any persons or firms exporting butter and cheese must first obtain a licence from the Government. Only butter and cheese prepared in registered dairies and approved for export may be exported.

All cheese intended for export must have a rind which is intact and must possess the taste, smell, consistency and other qualities required for each type of cheese. Each type of cheese has to be packed in a prescribed manner. The percentage and quality of cheese intended for export are determined by a committee consisting of an export controller appointed by the Ministry of Agriculture and a dairy expert.

- 13 Eggs of poultry exported from Estonia must be packed in cases in such a way that they are not damaged in transit.

The cases are sealed, and on each case and on each separate part of it a label is fastened showing in English the kind of eggs, whether they are new-laid or preserved, and the weight in kilogrammes per ten dozen.

Best quality eggs have a blue label, second quality eggs a red label, and others a yellow label.

The export inspector puts his seal on the label in such a way that a part of it is printed on the label and the other part on the box.

Eggs are not accepted for export when they are dirty, broken, under 48 grammes in weight, non-transparent or not clear, when the yolk of the egg touches the shell, or when they are marked with dark stains.

- 14 The export of *apples* is officially controlled. Apples for export and their packing are "standardised" on the basis of special laws and decrees. They are graded according to quality (size, taste, appearance, purity, healthy condition) in three classes:

I. "Prima": superior quality apples of very large size and weighing not less than from 90 to 220 grammes, according to the kind.

II. No. 1 Selected: good quality apples but not so good as the "Prima" (with a minimum weight of 70 up to 180 grammes, except for the Aport kind, which must weigh at least 250 grammes).

III. No. 2 Selected: good quality apples, but inferior to No. 1 Selection, with a minimum weight of 50 up to 150 grammes, an exception again being the Aport kind, which must weigh at least 180 grammes.

"Prima" apples are packed in cases 30 by 40 cm., with a net weight of 10 kilogrammes. Nos. 1 and 2 Selected are packed in cases 40 by 60 cm., with a net weight of 20 kilogrammes.

Apples for export are controlled by inspectors of the Ministry of Agriculture. The cases containing apples suitable for export are sealed and marked with the trade-mark and control stamp.

CATEGORY 3.

- 15 There is no special control for the export of *wood*. Export firms are obliged, however, to put their seal on sawn or cut timber, and the seal must be registered with the Ministry of Commerce and Industry.

- 16 The Estonian Society for the Improvement of Seeds ("Eesti Sordiparanduse Selts") inspects seed in the fields, and, at the grower's request, places its seal on the bags containing *seed* gathered in those fields. Samples of seed are taken in duplicate, so that they may be analysed at the official seed control station and the testing station belonging to the society (to determine the species).

The Society issues certificates indicating the quality of the seeds.

- 17 *Butter* exported by the "Estonia" Union of Agricultural Co-operative Societies bears a special mark.

- 18 *Bacon* exported by the slaughter-houses of the "Estonia" Union also has a special mark.

CATEGORY 4.

- 19 The Weights and Measures Department under the Ministry of Commerce and Industry is responsible for the inspection and stamping of *gold and silver* articles intended for sale or made to order, and for the inspection and stamping of scales and weights.

In Estonia, the Weights and Measures Department is authorised to investigate scientific and technical questions relating to industry, commerce and other branches of economic activity. This department, either on its own initiative or at the request of officials, firms or private individuals, carries out mechanical, physical and chemical experiments, analyses and tests; it examines and regulates measures and *machinery for use in industry*. 20

Pharmaceutical, cosmetic and dietetic products, and also *foodstuffs* and *spices*, are inspected by the Public Health Administration in co-operation with the Institute for the Control of Pharmaceutical Products, a body working in connection with the University of Tartu. The State bears two-thirds of the costs of inspection, and the owner of the goods one-third. 21

The *seed* trade is supervised by the seed-testing station attached to the Ministry of Agriculture, which carries out analyses and experiments concerned with the purity of seeds, their yield, etc. 22

Besides the above-mentioned institutions and establishments, the chief towns maintain laboratories which carry out similar analyses and experiments.

There is a law under which the packing of *chemical fertilisers* offered for sale in Estonia must bear a trade-mark showing the origin, trade name and percentage of fertilising substance (P_2O_5 , K_2O , N) contained in the product. 23

The buyer is entitled to require from the seller a written certificate showing the composition of the fertiliser and the weight, and certifying the accuracy of the indications on the packing and to the genuineness of the trade-mark. The regulations concerning the control of the trade in fertilisers specifies the minimum quantities of P_2O_5 , K_2O , and N which any chemical fertilisers placed on the market must contain, namely:

Superphosphate of lime	16	per cent	P_2O_5	soluble in water.
Gypseous superphosphates	30	"	"	" " citric acid.
Phosphates, precipitated	30	"	"	" " " "
Dephosphorisation slag	15	"	"	" " " "
Natural phosphates	24	"	"	under all conditions.
Bone meal	15	"	"	" "

Potassium fertilisers:

Potassium salts	30	per cent	K_2O	soluble in water.
Kainite	10	"	"	" "

Nitrogenised fertilisers:

Sodium nitrate ($NaNO_3$)	15	per cent	N	in general.
Nitrate of lime, so-called Norwegian ($CaNO_3$) ₂	12	"	N	" "
Calcium cyanide ($CaCN_2$)	18	"	N	" "
Sulphate of ammonia (NH_4) ₂ SO_4	20	"	N	" "
Chloride of ammonia (NH_4)Cl	22	"	N	" "
Saltpetre — ammoniac — sulphate	26	"	N	" "
(NH_2) ₂ CO	45	"	N	" "
Desiccated blood	12	"	N	" "
Guano	{ 10	"	P_2O_5	in general
	{ 7	"	N	in general.

Special inspectors are responsible for supervising the places where the trade in fertilisers is carried on in order to ensure that the products comply with the statutory requirements as regards quality. Samples of the fertilisers are analysed in the State laboratories.

CATEGORY 5.

Estonian civil law and Baltic private law determine the circumstances and conditions under which a buyer may demand cancellation of a sale if the seller is guilty of fraud or other infringement of the law. Provisions of this kind are, in particular, contained in Sections 2979, 3243 *et seq.*, 3369, 3890 and 3893 of the above mentioned laws.

The law prohibiting the inaccurate description of goods, which came into force in 1923, renders it illegal to import, warehouse, export, manufacture, sell or offer for sale goods bearing, either themselves or on their packings, descriptions or inscriptions containing indications which are directly or indirectly erroneous as regards the origin, quality, nature or properties of such goods. The Penal Code lays down the penalties imposed on sellers, manufacturers or other persons who make or sell articles of food unfit for consumption, who do not comply with the requisite sanitary conditions, who adulterate goods, or, in general, who contravene the laws and regulations concerning the manufacture and sale of *foodstuffs*. 24

The same Code also fixes the penalties imposed on persons who unlawfully use registered trade-marks.

FINLAND

CATEGORY 1.

- I Any person manufacturing or offering for sale *foodstuffs* or *beverages* must allow the authorities to carry out an examination in order to ascertain whether the articles in question are injurious to health and whether, in general, they are suitable for consumption.
- 2 *Fabrics, upholstery, and toys*, whether made in Finland or imported, must be examined if there are grounds for suspecting that they contain materials injurious to health.
- 3 In virtue of the Prohibition Law of June 1st, 1922, the use of *alcohol* is forbidden and the purchase, sale, manufacture, or importation of articles of consumption containing more than 2 per cent (volume) of alcohol are prohibited.
- 4 *Milk* obtained from an animal suffering or suspected to be suffering from tuberculosis may not be used as food unless it has been previously sterilised.
- 5 *Edible fats* must bear a name indicating their nature—*e.g.*, lard, beef fat, coco fat.
The words "milk" or "cream" may not be added in any form to the names applied to
6 *artificial edible fats*. If two or more different kinds of fat have been mixed and the mixture resembles
7 *lard*, it must be called "artificial lard".
- The communal authorities control the trade in articles of food; they have, for example, issued regulations for the trade in milk and cream.
- 8 The importation of, and trade in *seed* is governed by a Law dated December 30th, 1919, and by a series of decrees promulgated by the Council of State, making it unlawful to import prohibited seed and providing for the testing of seed as regards quality, germinative capacity, percentage of impurities, etc.; in the case of *fodder, artificial fertilisers, and certain other agricultural commodities* a system of inspection has been instituted in order to guarantee the quality and prevent the admixture of worthless or harmful substances.
- 9 In the case of products sold in chemists' shops, the Finnish pharmacopœia insists on a standard of purity which is determined by experimental tests.

CATEGORY 2.

- 10 *Meat* (beef, mutton, goat, horse, pork, reindeer) from animals killed in slaughter-houses or places with a population of over 4,000, or meat imported into or prepared in such places, must, before being sold as food or placed in storage, be examined and passed as fit for consumption.
The examination is carried out by a Government inspector, and the meat is stamped if sound. The stamp is blue for first-grade meat and red for second-grade meat.
Meat passed for consumption after undergoing special treatment, and also meat which has been salted, smoked or otherwise preserved, must be sealed with lead seals.
Imported meat is inspected, and, if passed, is stamped with the word "tuontilihaa" (imported meat) in red.
- 11 An inspector, approved by the competent Health Board, is attached to every undertaking which manufactures *sausages* or *other meat products*. He exercises regular supervision over the operations of such undertaking in accordance with the following principles:
Meat or meat products, whether fresh, salted, smoked, or otherwise preserved, may only be exported provided that the animal from which the meat is obtained was killed in a slaughter-house certified to conform to the statutory requirements concerning meat inspection; that the meat was passed for human consumption and stamped as first or second grade meat; and that the sausages and meat products were prepared in accordance with the statutory regulations on this subject.
If such products are for export to a country which insists on special conditions as regards the importation of meat, these conditions must be fulfilled at the time when the exports are inspected and stamped.
All meat for export must bear an export mark giving the name of the slaughter-house in which the animal was killed and the establishment in which the product was prepared. The mark must also show that the meat, when inspected, was passed as fit for human consumption.

The export mark must be signed by an inspector or superintendent. It must be in the prescribed form and contain the words "Suomi" and "Finland". On the reverse side, it must bear in French, English or German: "Finland. Accepted for export in conformity with the provisions of the Law concerning the inspection of meat, dated August 22nd, 1922".

This export mark may not, however, be placed on bacon intended for export; this must bear a blue stamp or a branded mark of the prescribed form and contain the words "Suomi" and "Finland", and the registered mark of the slaughter-house.

The export of *butter* and *cheese* is subject to official control. The State Inspection Office carries out the measures of control and the grading of the products. The Customs authorities and police see that no butter or cheese is exported unless it has been duly approved and stamped by the Inspection Office.

Any person desiring to export butter or cheese must notify the State Inspection Office.

Finnish butter may not be exported unless it is graded by the State Inspection Office and marked to show the quality. Other butter may only be exported subject to conditions fixed by the Ministry of Agriculture. Since September 1st, 1929, the only butter accepted for export is that which has obtained not less than nine points (scale 1-15) when graded by the State Inspection Office.

The dairy producing the butter must place within each cask, on the surface of the butter, a label measuring 5 by 8 centimetres and bearing the words "Pure Finnish Butter, under Government Control", as well as a letter indicating the printed series of the label and the number of the dairy. This label shows that the product was made in Finland and is a pure butter for the export trade.

Butter passed as a high-grade product by the Inspection Office and bearing the mark of origin must also obtain from this office a mark of quality, which is placed cross-wise between the two upper hoops of the cask. The chief feature of this mark is a parallelogram measuring 5.5 by 26 centimetres with the words: "Finnish Butter, Suomi Brand".

Before being given the standard-quality mark, the butter must have obtained not less than 10.7 points when graded by the Inspection Office; this means that it will remain wholesome for a normal period and that it satisfies the following conditions:

- It is of Finnish origin, is not adulterated, and is provided with a mark of origin;
- It is prepared from raw material pasteurised at not less than 80° Centigrade;
- It contains not more than 16 per cent of water;
- It contains not less than 80 per cent of fat;
- It contains no preservatives or aniline dye;
- It is carefully packed in clean casks, properly labelled;
- Neither the butter nor the cask shows any mould spots.

Any unsalted butter containing from 16 to 18 per cent of water may also be given the mark of standard quality if in other respects it satisfies the above-mentioned conditions, and if a guarantee is given to the Inspection Office that the butter will be forwarded to a country permitting the aforesaid water content.

Casks containing butter for export which fail to obtain the standard-quality mark, but whose export is permitted in virtue of the above-mentioned authorisation from the Ministry of Agriculture, are furnished with a special circular mark measuring four centimetres across and bearing the letter "T".

Provided that the Inspection Office for Butter has passed them for export in accordance with the principles laid down by the Ministry of Agriculture, the following *cheeses* may be exported from Finland: *Emmental cheese* of Finnish manufacture weighing not less than 65 kilogrammes with a fatty content in the dry state of not less than 45 per cent and other Finnish cheese for which the percentage is not less than 30 per cent. Cheese other than that mentioned above may only be exported as raw material for industrial purposes.

Large-size *Emmental and other cheeses* of Finnish origin intended for the export trade and containing not less than 45 per cent of fat are branded at the producing dairy with a triangular mark of origin measuring 7 by 7 centimeters, with the figure "45 per cent" inside the triangle and the number of the dairy under it.

Small-size full-fat *Edam and other cheeses* for export, having a fatty content in the dry state of not less than 45 per cent (40 per cent in the case of Edam cheese) are furnished at the dairy with a triangular mark of origin, each side 4 centimetres long and the words "Finnish Gov. Control"; in the middle of the triangle is the figure "45 per cent (40 per cent)" showing the minimum percentage of fat, together with a serial number and the number of the dairy. Small cheeses for export which are not full-fat are indicated by a square mark of origin, each side measuring 2.5 centimetres, and the same wording as above, as well as the figure "40 per cent" or "30 per cent" denoting the minimum percentage of fat in the dry state, a serial number and the number of the dairy. The marks of origin for small cheeses are printed on sheets of casein and attached to each cheese or placed in any other way indicated by the Inspection Office.

Full-fat cheeses for export, approved as standard-quality products by the Inspection Office in accordance with the principles laid down by the Ministry of Agriculture, and furnished with the mark of origin, must also receive from this office a circular mark denoting standard quality, 19 centimetres in diameter; this is attached to the surface of large cheeses and to the boxes

containing small cheeses. It bears, *inter alia*, the words "Finnish Gov. Control, Suomi Brand", and the figure "45 per cent"; or, in the case of Edam cheese, "40 per cent", denoting the minimum percentage of fat.

When cheese has only been passed for export as raw material for industrial purposes, the large cheeses and the boxes containing small cheeses are stamped with a parallelogram measuring 5 by 25 centimetres and bearing the words "For industry".

The Inspection Office for Butter seals with leaden seals the packages containing cheese which it has passed for export; the heraldic lion of Finland is stamped on one side of the seal and on the other the words "Finnish produce".

These provisions do not apply to goods in transit. The Cabinet may also, subject to conditions laid down by it, dispense with export control provisionally and for a specified period in the case of butter and cheese consigned to Sweden, Norway and Denmark.

14 *Margarine, edible fats and margarine cheese* must contain not less than 82 per cent fat.

This amount may not include more than 10 per cent of milk fat, and the water content may not exceed 16 per cent. Preservatives may not be added to these foodstuffs unless special authority has been obtained.

On the other hand, the admixture, during the manufacturing process, of a harmless substance designed to make the margarine, edible fat and margarine cheese easily recognisable is compulsory; it must not, however, in any way affect the quality or colour.

The packing of the margarine must bear a stamp with the words "Margariini" and the name of the maker. Similarly, the words "Margariini-juusto" (margarine cheese) must be indicated on the surface or the packing of the cheese, which must be dyed scarlet.

If the margarine or the margarine cheese were imported, this fact must be mentioned, together with the name of the importer.

The words "Margariini-juusto" (margarine cheese) must be painted in block letters not less than 2 centimetres high on the upper and lower surfaces of the margarine cheese.

The production of and trade in margarine, edible fat and margarine cheese are subject to supervision by the Government Institution for the Inspection of Butter.

The export of margarine and margarine cheese is not authorised unless these goods fully comply with the conditions laid down in the regulations, and especially with the condition that a harmless substance rendering these products easily recognisable must be added at the time of manufacture.

15 The export of hens' eggs is subject to official control. This is carried out by the Government Office for the Inspection of Butter, acting with the police and Customs authorities, as already described in connection with butter and cheese exports.

The export of Finnish eggs which weigh less than 50 grammes, or which are broken or cloudy, or with the yolk attached to the shell, or with an air chamber more than 8 mm. in depth, is prohibited.

Fresh eggs for export which have been kept at a temperature not below 42° Centigrade during storage and transport, and which have transparent or slightly visible yolks, transparent whites of regular consistency and air chambers not more than 4 mm. in depth, are accepted as eggs of standard quality, provided that the shell is clean and of a uniform colour or slightly spotted and that each egg weighs at least 53 grammes.

In addition, preserved eggs which have undergone special preserving processes, such as freezing below — 2° Centigrade or preserving in a liquid, may be exported subject to the conditions laid down by the Ministry of Agriculture.

Eggs of standard quality, other fresh eggs for export and conserved eggs must each be packed separately in export cases, the construction and dimensions of which are fixed by decree; they must be packed in fine shavings or separated from each other by a papier-mâché arrangement which gives each egg a small compartment of its own.

Under the lid of each case containing fresh eggs for export, the exporter places a circular mark of origin with a diameter of 9 centimetres; this is printed on white paper with the words "Finnish eggs, under Government Control", and with a letter denoting the printing series and the registered number of the exporting firm.

Boxes containing preserved eggs are provided with the same mark of origin, but bear in red the word "Conserved".

The top of each case must bear the trade-mark of the exporting firm as approved by the Inspection Office for Butter, together with the serial number of the case reckoned from the beginning of the current year.

The State Inspection Office supplies each case containing eggs of standard quality for export with a standard quality mark, measuring 6 by 25 centimetres, with the words "Finnish eggs, Suomi Brand".

Cases containing eggs bearing the mark of origin and passed as fit for export are closed immediately after grading by the representative of the Government Inspection Office, who uses the lead seals previously described in connection with packings for exported cheese.

In order to be stamped as fresh eggs for export, the eggs submitted to the inspection authorities by the exporting firm must be not more than fourteen days old.

The latter provisions do not apply to goods in transit.

CATEGORY 3.

Private associations are responsible for controlling the quality of *paper, paper-pulp* and *wood-pulp*. The central selling organisations, which handle the bulk of the exported paper-pulp, wood-pulp and cardboard, supervise the sale of these goods. 16

The quality is shown by the mark of the association affixed to the external packing of the goods. The quality is assessed in some cases by the private experts of these associations and in other cases by experts of the "Keskuslaboratorio Oy" (Central Laboratory, Ltd.).

The associations in question are as follows:

Association of Finnish Paper Mills;
Union of Finnish Cellulose Factories;
Union of Finnish Wood-pulp Factories.

There is no general supervision of *saw-mill products*, but most exporters of building timber have their own mark, and the leading firms take particular care to ensure that their goods are of high quality.

Sawn timber is graded according to quality, as shown in the following table, although the rules for grading may vary slightly from one exporting group to another. Generally speaking, the sawmills only sell non-graded goods, apart from those in the fifth category and waste material. It is only a few of the largest sawmills which sell their goods exactly according to the grading—first, second and third categories. Building timber is classified as follows according to dimensions.

Deals	not less than 2 inches thick, not less than 9 inches wide;
Battens	" " " 2 " " " " " 6-8½ " "
Scantlings	" " " 2 " " " " " 3-5½ " "
Boards	" " " 2 " " " " " 6 " "
Slats	" " " 1-1¾ " " " " " 3-5½ " "
Small boards	not less than 5/8 and ¾ inch thick, not less than 4-5½ inches wide;
Slating battens	¾ and ½ inch thick, not more than 3 inches wide;
Slating battens	not more than 1 inch thick, not more than 2 inches wide.

CATEGORY 4.

The following institutions are especially equipped for the analysis and testing of various goods:

Government Laboratory for Agricultural Chemistry, Helsingfors (Helsinki).
Government Institution for the Inspection of Butter, Hangö (Hanko).
Government Seed-Testing Station at Helsingfors.
Institution for the Testing of Materials at the Technical College, Helsingfors.
Institution for the Testing of Materials at the Technical Institute, Tammerfors, (Tampere).
Institution for the Inspection of Machinery, under the Agricultural Department, Helsingfors.
Chemical Testing Station, Abo (Turku).
Chemical Testing Institute, Viborg (Viipuri).
Laboratory for Agricultural and Commercial Chemistry, Viborg.

The Finnish Central Chamber of Commerce at Helsingfors employs specialists who issue expert reports on the quality of goods. These reports have hitherto been made only on imported goods.

CATEGORY 5.

In virtue of paragraph 4 of Chapter 1 of the Commercial Code, defective goods may be returned to the seller, who is obliged to accept them. If it is proved that the seller was aware of the defect without having drawn attention to it, he is obliged to compensate the buyer for the loss incurred. No compensation is payable if he is not aware of the defect. If the buyer undertook to accept the goods irrespective of quality, the contract may not be cancelled.

Chapter 36 of the Penal Code, paragraph 1, provides that any person who, for the purpose of securing unlawful gain for himself or for others, causes loss to another person in kind or in cash by making an inaccurate or misleading statement; or by failing to disclose some material fact, thus creating an erroneous belief or allowing such belief to remain uncorrected; or, lastly, by

selling counterfeit, adulterated or defective goods as genuine, without admixture or defect, is punishable with a fine or imprisonment.

In conclusion, attention may be drawn to the Law of February 8th, 1924, concerning false indications as to the origin or nature of goods, Articles 1 and 2 of which read as follows:

“ *Article 1.* — Any person who places on goods intended for sale, or the coverings in which such goods are to be offered for sale, an indication which he knows to be such as to induce the public to believe that the goods have an origin or are of a kind other than their true origin or kind, or any person who imports or attempts to import into Finland goods to which or to the coverings of which he has knowingly affixed an indication likely to mislead the public, shall be punished with a fine or imprisonment not exceeding six months, in so far as the laws do not provide heavier penalties.

“ The same shall apply in the event of any person offering for sale in Finland goods delivered to him, directly or indirectly, with his knowledge and purporting to have an origin or be of a kind other than their true origin or kind on the strength of indications placed on the goods themselves, or their covering or packings, or contained in posters, advertisements, prospectuses, price-lists, labels, invoices or other like communications.

“ *Article 2.* — Article 1 is not applicable where the name of a given locality is only used in commercial practice to denote the nature of the goods, the method of preparing them or other similar characteristics, or where the goods imported into Finland with false indication as to their origin or kind are not intended for sale. When the trade-mark affixed to any goods or to their packing is worded in a foreign language or includes pictures representing scenes and subjects in a foreign country or in the place of origin of the goods, such fact shall not be considered in itself as likely to create the belief that the goods come from the said country or place.”

FRANCE.

CATEGORY I.

- Under the Law of April 1st, 1905, for the prevention and punishment of fraud in the sale of goods and of the adulteration of *foodstuffs* and *agricultural products*, as amended by the Laws of August 5th, 1908, July 28th, 1912, March 20th, 1919, and May 6th, 1919, any person who deceives or attempts to deceive another as to the nature, essential properties, composition, content of distinctive principles, kind, origin, quantity or identity of goods is liable to imprisonment or a fine. 1 2
- Persons who adulterate, expose, offer for sale or sell *foodstuffs used as food for men or animals, medicaments, beverages and agricultural or natural products*, and likewise persons who cause others to use such commodities by means of leaflets, circulars, prospectuses, posters, advertisements or instructions of any kind are also subject to imprisonment or a fine in virtue of the above law. 3 4
- Persons found in possession of false *weights or measures* or of other inaccurate *apparatus used for weighing or measuring* commodities without good and sufficient reason, are punished with a fine and imprisonment not exceeding three months. 5 6
- The law of February 4th, 1888, concerning the prevention and punishment of fraud in the trade in *fertilisers* provides that persons who, when selling fertilisers or offering them for sale, deceive or attempt to deceive the purchaser either as to their nature, composition or the percentage of valuable ingredients, or as to the origin of the latter, are punished with imprisonment not exceeding one month and a fine not exceeding two thousand francs. 7
- The same law provides that the content of fertilising principles shall be expressed by the weight of nitrogen, phosphoric acid and potassium per hundred kilogrammes of goods, with an indication of the nature and the state of combination thereof.
- Nevertheless, if the sale is made subject to a stipulation whereby the price is determined as the result of an analysis of samples taken from the goods at the time of delivery, no indication of the exact content is required, but mention must be made of the price per kilogramme of the nitrogen, phosphoric acid and potassium contained in the fertiliser as delivered, and also the state of combination of these fertilising principles.
- The Law of August 14th, 1889, the object of which is to inform consumers as to the nature of the product sold for consumption under the name of *wine*, and to prevent fraud in the sale of this commodity, provides that no person may sell or offer for sale as wine any product other than that obtained from the fermentation of fresh grapes, and, in particular, the products derived from the fermentation of the residue of fresh grapes with the addition of sugar and water, irrespective of the proportion of these products mixed with the wine. 8
- The product of the fermentation of raisins with water may not be consigned, sold or offered for sale under any other name than *wine made from raisins*. The same applies to a mixture of this product with wine, whatever be the proportions used. 9
- Casks or receptacles containing *vins de sucre* (wine from the second vat) or wines made from raisins must bear in large letters the words *vins de sucre, wine made from raisins (vins de raisins secs)*. 10
- The same indication must be given in letters, invoices, waybills and bills of lading, according to the nature of the product sold. If any product derived from the fermentation or distillation of figs, carob beans, mowrah flowers, bell flowers, rice, barley and other sweet substances is added to *vins de sucre* or wine made from raisins, either at the time of fermentation or subsequently, such addition constitutes an adulteration of foodstuffs.
- Under the Law of July 11th, 1891, the addition to wine, *vins de sucre, wine derived from grape residue* or *wine made from raisins* of the following substances constitutes adulteration: 11 12
(1) any colouring matter; (2) products such as sulphuric, nitric, salicylic, boric or other similar acids; (3) sodium chloride to an amount exceeding 1 gramme per litre.
- The offering for sale, sale or delivery of *plastered wine (vins plâtrés)* containing more than 2 grammes of potassium or sodium sulphate per litre is prohibited. 13
- Casks or receptacles containing plastered wine must bear an indication to this effect in large letters.
- Letters, invoices, waybills and bills of lading must also contain the same indication.
- The Law of April 6th, 1897, states that the manufacture of *wine made from grape residue* and of *vins de sucre*, and their distribution for sale, are prohibited. 14
- This prohibition applies to *ciders* and *perries*, produced otherwise than by the fermentation of fresh apples, with or without sugaring. 15
- No dealer, warehouseman or retailer of beverages may under any circumstances be in possession of such wines, ciders or perries. Sweet beverages having an alcoholic content of less than 3 degrees are not included under this prohibition.
- The Law of April 25th, 1895, concerning the preparation, sale and distribution of *therapeutic sera* and other similar products, states that *attenuated viruses, therapeutic sera, modified toxins,* 16 17

18 and similar products used for the prophylactic and therapeutic treatment of infectious diseases, and also *injectable substances* of organic origin, not chemically defined and used for the treatment of acute or chronic diseases, may not be given or delivered, either free of charge or for payment, unless their manufacture and origin have been examined by the Government and the latter, after consulting the Advisory Committee for Public Health in France and the Academy of Medicine, has given the necessary authorisation.

Persons who deceive others as to the nature of the said substances, which they know to be adulterated or tampered with, and persons who deceive or attempt to deceive others as to the quality of the articles sold are punishable in the courts.

19 Under Article 53 of the Law of March 30th, 1902, any person who knowingly exposes, offers
20 for sale or sells foodstuffs, *beverages*, *preserves*, *syrups*, etc., mixed with products such as *saccharine* or any other *synthetic sweetening substances* possessing sweetening properties greater than those of cane or beet sugar, but without their food value, is liable to a fine not exceeding ten thousand francs.

The Decree of December 19th, 1910, in execution of the Law dated August 1st, 1905, concerning the prevention and punishment of fraud and adulteration and dealing with various products, provides as follows:

21 *Sugar*. — The name "*refined sugar*" is reserved for *granulated sugar*, *sugar loaves*, *sugar cubes* or *lumps*, containing not less than 99.5 grammes of saccharose per 100 grammes of product, and for the broken and powdered sugar obtained from the foregoing.

22 The name "*white crystallised sugar*" is reserved for sugar containing more than 98 per cent and less than 99½ per cent of saccharose.

23 The name "*low-grade sugar*" (*sucré roux*), "*reddish sugar*", is reserved for sugar containing more than 85 per cent and less than 98 per cent of saccharine.

24 "*Brown sugar*" is used only for unrefined cane sugar.

25 The name "*sugar candy* or *barley sugar*" is reserved for saccharose obtained in the form of large crystals by the slow crystallisation of sugar solutions.

26 "*Vergeoise*" and "*bâtarde*" are names reserved for inferior products in the solid state obtained in the process of sugar refining.

27 The name "*molasses*" is reserved for inferior products in the liquid state obtained from the manufacture or refining of cane or beet sugar.

28 The name "*invert sugar*" is reserved for the product obtained by the conversion of sugar into
29 a mixture of *glucose* and *levulose*. The invert sugar must not contain more than 20 per cent of non-invert sugar, 25 per cent of water, or ½ per cent of mineral substances. It must not contain any toxic substances. Its maximum acidity must correspond to 35 centigrammes of sulphuric acid per 100 grammes of product.

30 Under the Law of April 16th, 1897, concerning the prevention and punishment of fraud in the trade in *butter* and in the manufacture of *margarine*, no product which is not made exclusively with milk or with cream derived from milk, or with both of them together, with or without salt or with or without colouring matter, may be described, exposed, offered for sale, sold, imported or exported as butter, whether with or without a qualifying description.

All articles of food other than butter, whatever their origin, place of manufacture or composition, which have the appearance of butter and are prepared for the same purposes as this latter product, may only be described as "*margarine*". Colouring matter may not under any circumstances be added to margarine as thus defined.

31 No person engaged in the manufacture or preparation of butter may make or keep on his premises or in any place whatever *margarine* or *oleo-margarine*, and may not cause such substances to be made or to be kept by any other person in premises which he occupies. The same prohibition applies to butter warehousemen, dealers and retailers.

Margarine and oleo-margarine may only be sold at the places specially designated for this purposes by the municipal authorities.

The amount of butter contained in margarine offered for sale may not exceed 10 per cent whether this quantity is obtained by the churning of the milk or cream with the oleo-margarine, or whether it is due to an addition of butter.

Any person desiring to engage in the manufacture of margarine or oleo-margarine is required to notify his intention in Paris to the Prefect of Police, and in the departments to the *maire* of the commune in which he wishes to set up his factory.

Margarine and oleo-margarine factories are subject to supervision by inspectors appointed by the Government. These inspectors are required to check the actual making, the raw materials received, their quality, and the margarine and oleo-margarine leaving the factory. They ensure the strict observance of the regulations laid down by the Government on the advice of the Committee for Public Health.

The inspectors may at any time enter the premises of the margarine or oleo-margarine factories for the supervision of which they are responsible, the warehouses, cellars, stores or lofts connected therewith or belonging thereto, and all stores and shops in which margarine or oleo-margarine is kept or retailed.

All casks, cases, boxes or receptacles containing margarine or oleo-margarine must bear on each side in prominent and indelible letters the words "*Margarine*" or "*Oleomargarine*". The ingredients used in the preparation of the margarine must be indicated on the labels.

In the wholesale trade, the receptacles must indicate in very prominent letters the name and address of the maker.

In the case of margarine for export, the maker is authorised to substitute for his trade-mark that of the purchaser, provided that the latter mark includes in prominent letters the work "*Margarine*".

In retail trade, margarine or oleomargarine must be sold in the form of cubes stamped on one of the surfaces with the word "Margarine" or "Oleomargarine"; it must be placed in a covering which bears in prominent and indelible letters the same description, together with the name and address of the seller.

The above-mentioned inspectors, and, if necessary, special experts appointed by the Government, may enter premises where butter is manufactured for sale or where it is prepared or sold, and take samples of the goods manufactured, prepared, exposed, offered for sale or sold as butter.

They may similarly take samples at the Customs houses, ports or railway stations. As far as possible, samples are to be taken in the presence of the owner of the goods or his representative. The samples are sent to the laboratories designated by ministerial decree for chemical analysis and microscopic examination.

Glucose. — The name "*massed glucose*" is reserved for the sweet substance obtained by the saccharification of amylaceous substances with an acid having a maximum acidity corresponding to 5 decigrammes of sulphuric acid per 100 grammes of product and containing not more than 25 per cent of water, 15 per cent of dextrine and 1½ per cent of mineral substances, and no toxic materials. 32

The descriptions "*crystal glucose*" and "*crystal syrup*" are reserved for the sweet substance obtained by the saccharification of amylaceous substances with an acid having a maximum acidity corresponding to 2 decigrammes of sulphuric acid per 100 grammes of product and containing not more than 25 per cent of water, 45 per cent of dextrine and 1 per cent of mineral substances, and no toxic materials. 33

The name "*maltose*" is reserved for the sweet substance obtained by the saccharification of amylaceous substances by biological methods. 34

Honey. — The name "*honey*" is only applicable to honey made by bees. 35

If, however, the bees were fed with sugar or sweet substances other than honey during the normal honey-making season, the product thus obtained may only be described as "*sugar honey*". 36

The description "*honey*" may not be used for honey caramelised by heating or containing more than 25 per cent of water. 37

The addition to honey of edible sweetening substances does not constitute adulteration, provided that such substances are pure. Such a mixture may only be described as "*artificial honey*" or "*fancy honey*". 38

The only honey which may be described as "pure" or be given the name of a district of origin is honey produced by bees, other than sugar honey.

Confectionery. — The confectioners' product to which the provisions under this heading apply are *preserved fruits*, *fruit pastes* and *sweetmeats*. 39

By "*sweetmeats*" are meant all edible preparations in which sugar is the predominating ingredient excluding preserves, jellies and jams.

The following do not constitute adulteration in the case of products included under the present heading :

1. The use of sweetening substances other than saccharose (honey, invert sugar, massed glucose, crystal glucose, maltose), provided that nothing in the name used or in the accompanying indications can suggest that the products have been prepared exclusively with sugar;

2. The use of talc to an amount not exceeding one gramme per kilogramme of product, provided that this substance is only used to powder the surface;

3. The presence of small quantities of wax, spermaceti, vegetable oils, pure vaseline or paraffin, fecula or starch, owing to their use in treating the surface of the manufacturing apparatus which comes into contact with the products;

4. The use, in the preparation of *sugared-almond sweetmeats* (*dragées* and *pralines*), of starch, dextrin or amylaceous substances, provided that the proportion used is less than four grammes of dextrin or starch per hundred grammes of coating; if this proportion is exceeded, the products thus prepared must be described as "*dragées* or *pralines* made with flour, or half flour, two-thirds flour or three-quarters flour", according to the proportion of amylaceous material used in the coating of the said sweetmeats; 40

5. The total or partial use of gelatine, gelose or paste from fecula or starch in place of gum or white of egg in the case of products usually manufactured with gum or white of egg, provided that the name of the products thus prepared does not include the word "gum" and that it is immediately preceded by the qualifying term "fancy".

However, in the case of sweetmeats containing *Spanish juice*, the colouring part of the products must include not less than 4 per cent of Spanish juice. 41

6. The decolorisation by means of sulphurous acid of fruits intended for preserving. The use of pure gold, silver and aluminium is permitted for the metallisation of sweetmeats.

Preserves, jellies, jams. — The descriptions ". . . preserve, . . . jelly, . . . jam", preceded by the name of a fruit, are reserved for products made exclusively with refined sugar, 42

crystallised sugar, brown sugar or reddish sugar and fruit or the juice of fruit, whether fresh or preserved.

The following do not constitute an adulteration of the products :

1. The addition of pure tartaric or citric acid to an amount not exceeding two grammes per kilogramme of product;
2. The addition of cochineal in order to improve the colour.

Products to which these additions have been made are no longer entitled to the name of "pure fruit preserves".

The name may, however, be accompanied by the indication "pure sugar".

When pure tartaric or citric acid are added to an amount exceeding two grammes per kilogramme of product, the name used must be immediately preceded by the word "fancy" or "acidulated".

In the case of preserves, jellies and jams, the following do not constitute adulteration :

1. The partial or total replacement of sugar by another edible sweetening substance, provided that the description is immediately preceded by the word "fancy" or followed by the words "with glucose", or by some other qualifying term indicating the replacement in question;
2. Colouring by colouring matters other than cochineal, provided, however, that the name is immediately preceded by the word "fancy" or "coloured";
3. Aromatisation by the addition of natural or synthetic essences, provided that the name is immediately preceded or followed by the words "fancy" or "synthetic aroma";
4. The addition of gelose, gelatine, gum or starch paste, provided that the name is immediately preceded or followed by an indication of the product which has been added.

Preserves, jellies and jams containing more than forty grammes of water per hundred grammes of product may not be held or conveyed for the purpose of sale, or be offered for sale or sold under the names given above.

In the manufacture of preserves, jellies and jams, the use of fruit, parts of fruits or fruit juice preserved by the addition of an antiseptic product is prohibited.

An exception is permitted in the case of sulphurous acid, which may be used to preserve dried fruits or parts of fruits to an amount not exceeding one hundred milligrammes per kilogramme of dry product.

43 *Cocoa and chocolate.* — The name "*cocoa paste*" is given exclusively to the paste obtained by crushing roasted cocoa beans from which the husks and germs have been removed so as not to contain more than 2 per cent of husk and germ residue, irrespective of whether part of its fatty substance has been removed by pressure when hot and irrespective of whether cocoa butter has been added.

The names "powdered cocoa" and "cocoa powder" are reserved for the product obtained by pulverising the cocoa paste after removing some of the fat.

The addition of alkaline or alkali carbonates to cocoa beans intended for the preparation of cocoa powder does not constitute adulteration, provided that the quantity added does not exceed 5.75 grammes of potassium carbonate or an equivalent quantity of another alkaline carbonate per hundred grammes of cocoa assumed to be dry and free of fat, and provided that the resultant powder retains a slightly acid reaction, although no substance which might acidify it has been added.

The name used to denote the products referred to in the present article must be accompanied by the words "made soluble".

44 The name "*cocoa butter*" is reserved for the fatty substances extracted from cocoa beans, whether or not they have undergone treatment with a view to the preparation of soluble cocoa powders.

45 The descriptions "*chocolate*" and "*sweetened cocoa*" are reserved for the product obtained by mixing sugar and cocoa paste or cocoa powder in such proportions that one hundred grammes of product contain at least thirty-two grammes of paste or cocoa powder.

46 Mixtures of sugar and cocoa paste or cocoa powder containing less than thirty-two grammes of paste or powder per hundred grammes of product must be described as "*chocolate sugar*", "*chocolated sugar*" or "*cocoa sugar*".

When the aroma is due, even partly, to synthetic aromatic substances, the name of any natural aroma appearing in the name must be accompanied by the words "synthetic aroma", or the words "aromatised with vanillin".

The following do not constitute adulteration :

47 1. The addition of edible sweetening substances other than sugar, amylaceous substances or any comestible substances, provided that the name is accompanied by an indication of the quantity and nature of the substances added.

Nevertheless, the names "*milk chocolate*" and "*milk cocoa*" may be used to describe products containing at least 15 per cent of solid substances obtained by evaporating pure milk, skimmed or unskimmed.

2. The use of cocoa paste or powder rendered soluble under the conditions referred to in the present decree, provided that the name is followed by the words "made soluble".

3. The polishing of chocolate articles by the use of lac or gum benzoin.

Sweetmeats coated with chocolate may be denoted under a descriptive title including the adjective "chocolate", provided that such coating consists exclusively of chocolate.

The incorporation in the chocolate coating of any edible substances to an amount not exceeding 5 per cent of the total weight of such coating does not, however, constitute adulteration.

Spanish juice. — The name "*Spanish juice*", whether or not accompanied by the word "pure", is reserved for the product obtained by extracting all or part of the soluble substances found in the root of the liquorice plant and containing not more than 15 per cent of water. 48

No other product may be described as "pure".

The following do not constitute adulteration :

1. The addition of aromatic products to Spanish juice;
2. The addition of edible sweetening substances or gum, provided that the product still contains 6 per cent of glycyrrhizin.
The product to which this addition has been made may not, however, be described as "pure".
3. The addition of edible sweetening substances, gum, fecula and dextrin.

Such a mixture may still be described as "*Spanish juice*", provided that it contains not less than 1.5 per cent of glycyrrhizin.

The Decree of July 28th, 1908, in execution of the Law of August 1st, 1905, for the prevention and punishment of fraud in the sale of goods and of the adulteration of foodstuffs and agricultural produce, provides that the name "*vinegar*" shall be reserved for products obtained by the acetic fermentation of alcoholic beverages or solutions and containing not less than 6 per cent of acetic acid. 49

Any product not derived exclusively from the acetic fermentation of wine, cider or beer may not be held or transported for the purpose of sale, or be offered for sale or sold under the name of vinegar from wine, cider or beer.

The name of a locality or wine-growing district may not simply be added to designate any vinegar other than wine vinegar.

Mixtures of vinegar derived from alcoholic beverages and alcohol vinegars may be given the name of one of the component parts of the mixture, provided the exact proportion of the said part is also indicated.

The use of acetic acid, pyroligneous acid, mineral acids and spoilt wine is prohibited in the manufacture of vinegar. The addition of these products to vinegar is also prohibited.

Under the terms of the Law of August 1st, 1905, the following do not constitute fraudulent practices :

1. The addition to the vinegar of substances designed exclusively to aromatise them;
2. The artificial colouring of vinegar by means of caramel, cochineal, orchil or any other colouring substance the use of which has been declared lawful in decrees promulgated jointly by the Minister of Agriculture and the Minister for the Interior after consultation with the Supreme Council for Public Health and the Academy of Medicine.

However, in the case of artificial colouring, the name used must be accompanied by the adjective "coloured", in order that the colour of the vinegar may not mislead the buyer as to its nature.

The name and the word "coloured" must be printed in the same lettering.

The Decree of July 17th, 1908, in execution of the above-mentioned Law of August 1st, 1905, states, with reference to "*liqueurs and syrups*" that the name "liqueur" is reserved for *brandies or alcohols aromatised* either by maceration of vegetable substances, by distillation in the presence of such substances, by adding the products obtained by distilling such substances in the presence of alcohol or water, or by the combined use of these various processes. The preparations thus obtained may be sweetened with glucose sugar or honey. 50 51

It is forbidden to hold or to transport for the purpose of sale, or to offer for sale or sell under the names indicated in the present article, any products other than those that are exclusively entitled to these names under the said article:

1. The names "*syrup, sugar syrup*" is reserved for sugar (saccharose) dissolved in water; 52
2. The name "*syrup*", accompanied by an indication of the principal kind or kinds of product used in its manufacture, is reserved for syrups containing sugar or sugar syrup and fruit juice. 53

Nevertheless, the names "*lemon syrup, lime syrup or orange syrup*" may be applied to syrups made of sugar syrup with the addition of citric acid and the aromatised spirit of these fruits or their essence. 54

The name "*grenadine syrup*" is reserved for sugar syrup with the addition of citric acid or nitric acid and flavoured with vegetable substance. 55

The name "*orgeat syrup*" is reserved for syrup consisting of sugar and milk of almonds. 56

The description of "*mocha syrup*" or "*coffee syrup*" is reserved for sugar syrup with the addition of coffee extract. 57

The name "*gum syrup*" is reserved for sugar syrup with the addition of gum arabic or gum senegal, in the proportion of not less than 20 grammes per litre. 58

The following must be designated under their specific name, preceded by the word "fancy" or by any other descriptive term differentiating the product from those designed under the name of syrups :

1. Syrups in the preparation of which glucose replaces sugar (saccharose), even if only to a limited extent;
2. Syrups, other than grenadine syrup, to which tartaric acid has been added;
3. Syrups, other than lemon, lime, orange or grenadine syrups, to which citric acid has been added.

The following may not be used in the manufacture of liqueurs and syrups :

1. Colouring substances other than those lawfully permitted in virtue of orders made jointly by the Minister of the Interior and the Minister of Agriculture after consultation with the Supreme Council for Public Health and the Academy of Medicine;
2. Aromatic chemical products and bitter substances other than those authorised under the conditions laid down in Article 17 of the Law of January 30th, 1907;
3. Antiseptic products the use of which has not been declared lawful;
4. Resins, in the case of absinthe and similar liqueurs.

The use of any indication or sign which might mislead the buyer as to the nature or origin of the said products, where the description of origin assigned to such products must, in conformity with agreement or custom, be deemed to be the main factor in their sale, is prohibited under all circumstances and in every form whatsoever, in particular :

1. On receptacles and packings;
2. On labels, capsules, corks, seals, or any other device for closing containers;
3. In commercial documents, invoices, catalogues, prospectuses, price-lists, notices, posters, pictures, advertisements, announcements or in any other form of publicity.

59 A Decree of July 28th, 1908, prohibits the holding, the transporting or the sale under the name of "beer" of any product other than the beverage obtained by the alcoholic fermentation of a wort manufactured with hops and pure barley malt, or associated with at least an equal weight of malt derived from other cereals, amylaceous substances, invert sugar or glucose.

60 Beer derived from a wort and having a density of less than 2 degrees must be described as "small beer".

The following do not constitute fraudulent practices :

1. Clarification, either in the boiler or during or after fermentation, by means of substances the use of which is declared to be lawful in virtue of orders made jointly by the Minister of the Interior and the Minister of Agriculture after consultation with the Supreme Council of Public Health and the Academy of Medicine;
2. Pasteurisation;
3. The addition of the amount of tannin required for fining;
4. Colouring by means of caramel or extracts obtained by roasting cereals and substances authorised for use in the manufacture of beer (see above);
5. Treatment with pure sulphurous anhydride derived from the combustion of sulphur, and with pure bisulphites, provided, first, that the beer does not retain more than 50 milligrammes of sulphurous anhydride, free and combined, per litre, and, secondly, that the use of bisulphites is restricted to 5 grammes per hectolitre.

The addition to beer of any antiseptics other than sulphurous anhydride and bisulphites is prohibited.

61 In conformity with the regulations in force, the export of early "potatoes" is unrestricted, except from March 1st to May 1st.

During this period, early potatoes coming from Algeria, Spain and Italy may not be re-exported unless they are submitted to the Customs office in the original packings or accompanied by transport or other documents showing that they actually come from Algeria, Spain or Italy. If the potatoes have been handled in France, they must be accompanied, in order to prove their origin, by a certificate issued by a commercial body authorised for this purpose by the director of agricultural services of the department where the said body has its offices. This certificate will not be recognised as valid by the Customs office of exit unless it bears the signature of the director in charge of the agricultural service, whose duty it is to check the accuracy of the declarations by any means which he may deem necessary.

CATEGORY 2

62 In virtue of the Agreement with Italy, dated April 10th, 1924, *silkworms' eggs* should, as a rule, be submitted in cells with the corresponding moths and be accompanied by a certificate issued by the French service for the control of silkworms' eggs, attesting that the eggs have been produced under the supervision provided for by French laws and regulations.

'Silkworms' eggs not in cells may also be imported into Italy, but the eggs must always be supplied with the official banderole of the French control service. They must, furthermore, be packed in boxes and must satisfy the conditions required by Italian law—that is to say, they must not be the offspring of varieties already crossed between Asiatic and native breeds.

Roquefort cheese. — No cheese may be manufactured, exposed, transported, offered for sale or sold, or imported or exported as Roquefort, with or without a further name or description unless it has been : 63

- (a) Prepared and manufactured exclusively from the milk of ewes;
- (b) Manufactured and ripened in conformity with recognised and available local customs, this applying both to the place of such ripening and the method employed.

The area of production of the ewes' milk employed in making Roquefort is restricted to the present French producing areas and to areas in the home territory of France which possess the same characteristics as regards breeds of sheep, pasturage and climate.

Any manufacturer who proposes to describe his products as " Roquefort " is required to notify his intention to the local authorities of the commune where the cheese is to be ripened.

No milk other than the milk of ewes and no cheese product made from a milk other than the milk of ewes may be admitted into, accepted at or found in cheese factories, dairies and premises for ripening in which Roquefort cheese is prepared, made or ripened.

Apart from supplies for local consumption, no lactigenic product and no cheese made from milk other than the milk of ewes, may enter into, or be worked up, or sold in, the whole area of the commune in which the cheese is ripened.

Infringements of the present law are punished with the penalties provided in Articles 8 and 22 of the Law of May 6th, 1919, concerning the protection of appellations of origin, without prejudice to the application to such offences of the penalties contained in the Law dated August 1st, 1905, and in any other legal enactments. Article 463 of the Penal Code is applicable to such offences.

GERMANY.

CATEGORY I.

1 In Germany, no distinction is made between goods intended for home consumption and those intended for the export trade, except in the case of *spirits*, which may not be sold on the home market unless accompanied by a statement of strength, although this regulation does not hold good in the case of spirits intended for export.

2 The Law of May 14th, 1879, has been replaced by that of July 5th, 1927, intended to protect consumers against foodstuffs injurious to human health, and also against *foodstuffs*, which are imitations or adulterations or bear a misleading description; in this respect *tobacco* is treated in the same manner as foodstuffs. The same law grants the consumer protection against any "*articles in current use*" injurious to health. The following are regarded as "*articles in current use*": table and kitchen utensils and other articles used for the production, manufacture, preparation, measurement, weighing, packing, preservation, conveyance or consumption of foodstuffs, and which, during such process, come into direct contact with the food; products for cleaning, treating, colouring and beautifying the skin, hair, nails or mouth; artificial plants and parts thereof; petroleum; dyestuffs other than those included under the heading of foodstuffs; other articles designated by the Government with the approval of the Reichsrat after hearing the competent Committee of the Reichstag.

3 A law dated July 5th, 1887, is intended to safeguard consumers against the use of colouring matter injurious to health in the manufacture and making-up for sale of *foodstuffs*, *cosmetics*, *distempers*, *toys*, *wallpapers*, *textiles*, *candles*, *artificial flowers*, etc.; colouring matter containing antimony, arsenic, barium, lead, cadmium, chrome, copper, mercury, zinc or picric acid is regarded as noxious.

4 The use of synthetic sweetening substances—*i.e.*, of any substances obtained artificially which are used for sweetening purposes or which are potentially sweeter than refined cane sugar or beet sugar, is prohibited in the manufacture of *beer*, *wine*, *beverages analogous to wine*, *fruit juice*, *preserves*, *liqueurs and syrups*. The use of methyl alcohol for the preparation of *foodstuffs*, *remedies and cosmetics* is prohibited.

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6 The consumer is protected against the adulteration of *butter*, *cheese or lard* by the use of *substitutes* therefor, in virtue of the law dated June 15th, 1897. This stipulates that substitutes must be mixed with ingredients which make them easily recognisable as such and must bear a description in conformity with the regulations. Such descriptions must be used in tenders, invoices, etc. The factories must be registered and subject to supervision. Butter must have a minimum fatty content and a maximum content of water. The sale of *milk* derived from diseased animals is prohibited. Such milk may only be sold after treatment which obviates all risk of the communication of the disease (Law of June 26th, 1909, concerning animal diseases). A law passed on December 23rd, 1926 (amended on March 24th, 1928), lays down that the milk trade may only be exercised by persons of good standing.

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8
9 The adulteration of *margarine* and *synthetic lard* by the admixture of foreign substances or by the addition of an excessive amount of water is prohibited.

10 The *meat* trade is subject to supervision; animals are inspected, both before and after slaughter, and also meat products. The law of June 3rd, 1900, and the various executive measures thereto protect consumers against the sale of meat, pork butchers' products and animal fats which are unfit for consumption or injurious to health.

11 Meat recognised as fit for consumption must bear a stamp. That which is only fit for consumption under certain conditions may not be released until the causes of the taint have been removed under police supervision. Imported meat and *imported fats* are examined by special technical officers in order to ascertain whether they comply with the regulations in force.

In the preparation of meat products, the use of substances and processes which might render their consumption dangerous or which might conceal their inferior quality is prohibited. A list of the substances which may not be added to meat products is given in various decrees. The chief of these are preservatives or neutralising substances, and colouring matter.

12 *Soup cubes* and *substitutes* therefor must be extracts of meat. A minimum creatine and nitrogen content and a maximum common salt content are prescribed.

13 The *wine* trade is subject to supervision by special officers. All undertakings concerned in the manufacture or treatment of wine or in the wine trade must keep special accounts in a prescribed form showing the quantities of extract of grapes, of wine must and of all substances intended for the treatment of wine entering and leaving the works. A list is given of the processes and additions which are prohibited.

The addition of sugar to wine is subject to restrictions according to the place, season and quantity. It must also be notified, and there are regulations laying down the terms in which it is to be described. The law enumerates the chemical substances which may not be added to wine, *beverages containing wine*, or *beverages analogous to wine*. The use of synthetic sweetening substances is also prohibited. 14

Wines and mixed wines imported from foreign countries are subjected to chemical analysis in conformity with the Customs regulations concerning wines, dated July 17th, 1909. 15

Brandy may only contain alcohol of wine. So-called fancy brandies must contain not less than ten per cent of alcohol of wine. Acid may not be used in the preparation of brandies. A minimum alcoholic content is prescribed. 16

Beer. — The law lays down the raw materials the use of which is authorised for the manufacture of beer; exceptions are made in the case of special beers—for example, those intended for export. 17

The basic must content is laid down for the various kinds of beer (ordinary, on tap in casks, double and triple). The mixture of different kinds of beer is prohibited as well as the subsequent addition of water.

If fraudulent practices are suspected, the brewery may be searched.

Aerated beverages. — The law lays down that water and pure chemical products shall be exclusively used for their manufacture and likewise that the apparatus in use shall be inspected by the administrative authorities in order to ascertain that it is not liable to contaminate the products. 18

The use of any but natural fruit juices is prohibited in the manufacture of *fruit-drinks*.

When substitutes are employed the beverages must be described as *synthetic products*. 19

Cocoa. — The sale of pulverised cocoa shell or of products to which such powder has been added is prohibited, unless they have been rendered unfit for human consumption by the addition of certain ingredients. 20

Exported cocoa in respect of which a refund of Customs duty is requested must be pure and manufactured without the admixture of shell, parings or dust of cocoa. 21

Chocolate may only be sold wholesale or retail in specified weights. Slabs weighing 500, 250, 200, 125, 100, 50 and 25 gr. net are permitted. Any discrepancy in weight must not exceed 2 per cent in the case of slabs weighing more than 100 gr. and 3 per cent in the case of slabs weighing not more than 100 gr.

In order to ensure the protection of the consumer against imitation *coffee* the law prohibits the manufacture and sale of machinery for making artificial coffee beans. 22

Tobacco substitutes may not be used for the manufacture of *cigars*.

Their use for the manufacture of *like products* is subject to official authorisation and inspection by the authorities. Such authorisation is only given to firms of good standing, which are required to keep detailed accounts. 23

In the manufacture of wooden or other *matches* the use of white or yellow phosphorus is prohibited. 24

In 1905 the Federal Council adopted a convention with regard to the regulations governing the production, preservation and use of *acetylene*. 25

* * *

The laboratories for the analysis of foodstuffs are responsible for the official supervision of trade in foodstuffs and articles in current use with a view to ensuring the application of the statutory provisions. Their organisation varies from one province to another, some being State institutions, others established by towns, communes or public bodies, whilst still others are private undertakings holding contracts with the central or communal authorities to carry out the official supervision. Most of these laboratories are public institutions.

CATEGORY 2.

Weights and measures must be stamped and restamped at given intervals. 27

A regulation dated September 29th, 1927 (amended on March 28th, 1928), deals with the compulsory apposition of distinctive trade marks to foodstuffs and is intended to put into operation the provisions of the Law of July 5th, 1927, concerning *foodstuffs*. In the case of certain foods it lays down that the packets or receptacles in which they are sold to the consumer, shall indicate the name or business style and address of the manufacturer, and also give a description of the contents, in the habitual trade terms, the amount or weight (German weight and measure) and the number of articles. At the present time this provision applies to the following foodstuffs: *meat preserves*, contained in hermetically sealed receptacles, *preserved fish* and *shell fish*, *preserved milk* and *cream*, *vegetables* and *fruit*, *natural* and *synthetic honey*, *dietetic products*, *meat extract* and *substitutes therefor*, *soup cubes* and *substitutes therefor*, *soups in tablet form* ready for cooking, *potted cray-fish* and *shrimps*, *egg powders* and *substitutes therefor*, *pudding powders*, *synthetic yeast*, *spice* and *substitutes therefor*, *chocolate* and *chocolate articles*, except in packets weighing less than 25 grammes, *chocolate powder*, *cocoa*, *marzipan* and *marzipan substitutes*, *coffee* and *tea*, together with *substitutes*, *alimentary pastes*, *rusks*, *cakes*, *biscuits* and *gingerbread* (pain d'épices). 28

Meat is stamped after it has been examined and found to be fit for consumption. 29

30 The States are responsible for making any regulations concerning *synthetic milk, cream and condensed milk*, but are subject to a general ruling to the effect that the preparation of such products shall only be permitted in the case of factories of good standing and subject to special supervision.

They may not be placed on the market unless they have been prepared with certain raw materials of unexceptionable quality, unless they bear a distinctive and prominent trade mark and unless a given quantity of potato ferculæ has been mixed with them in order that they may be more easily recognised.

31 The receptacles and exterior packings in which *margarine, margarine cheese and synthetic edible fats* are sold or offered for sale must bear the words "margarine", "margarine cheese" and "synthetic edible fats" in clear and indelible letters, and also a prominent red band 2 to 5 centimetres in width.

32 *Cigarettes* prepared with tobacco substitutes, or containing such substitutes, must bear a special stamp. *Other products* containing more than 5 per cent of substitute ingredients must likewise bear a distinctive mark.

34 *Sweetening substances.* — The manufacture and sale of synthetic sweetening substances are subject to supervision by the administrative authorities. The use of such substances for the various foodstuffs is determined by law. *Foodstuffs* prepared with synthetic sweetening substances must bear an indelible and prominent inscription "Prepared with synthetic sweetening substances"—if they are sold to the consumer in packets or in special packing.

36 *Acetic acid.* — Acid solutions and essences of vinegar containing more than 15 per cent acetic acid may only be sold in small quantities and in receptacles of a special shape having corks which only permit the liquid to escape slowly.

Furthermore, the bottles must bear the name of the manufacturer, an exact description of the contents, directions for use, and, in a different colour, the words "Beware, dangerous, not diluted with water".

37 *Petroleum.* — Petroleum which is inflammable at a comparatively low temperature must bear a label drawing attention to the danger.

38 A minimum alcoholic strength is prescribed for *spirits* for human consumption and, in addition, they must be sold or offered for sale in bottles or similar receptacles bearing an inscription which will enable the purchaser to ascertain whether the contents were manufactured at home or abroad. The name of the maker and the place of manufacture must also be indicated.

39 Brandies intended for sale on the home market must bear an indication of their content of spirits of wine. The materials from which they are extracted, the processes authorised for the manufacture of *corn-brandy and fruit or berry brandies*, and likewise the conditions laid down for rum, arack and liqueurs are given in the Law of April 8th, 1922, and in the administrative regulations appertaining thereto. A minimum content of extractive properties is prescribed in the case of liqueurs. Lastly, the law embodies provisions concerning the description of various kinds of *lees* and prohibits the sale of lees containing foreign bodies or of mixed lees.

40 *Sparkling wines.* — If carbonic acid is added this fact must be noted. Sparkling wines must bear an inscription showing the country and, if necessary, the locality in which they were bottled. Sparkling wine which is prepared with fruit must bear a label stating that it contains fruit wine. In virtue of Articles 274 and 275 of the Treaty of Versailles the trade names "Cognac" and "Champagne" are reserved to French products.

42 Under the Law of July 16th, 1884 (*Reichsgesetzblatt* 1883, page 120), concerning the fineness of gold and silver articles, *gold and silver articles* may be manufactured and offered for sale irrespective of the degree of fineness; the latter may, however, only be indicated on the articles if it is of the following standard—*i.e.*, 585 per mille in the case of gold articles and not less than 800 per mille in the case of silver articles.

The fineness is indicated by means of a hall-mark showing the quantity of pure metal used and the name of the firm on whose behalf the hall-mark is affixed. The form of this hall-mark is determined by the Federal Council.

43 *Jewellery* may be hall-marked irrespective of the degree of fineness, the proportion of precious metal used being indicated in the hall-mark.

Gold and silver ware coming from foreign countries the fineness of which is indicated in a manner that does not correspond to the provisions of the present law, may not be offered for sale until they have been provided with a further hall-mark which does conform to this law.

The seller of the goods is held responsible for the accuracy of the degree of fineness indicated. If the goods are hall-marked within the country the owner of the firm on whose behalf this operation was carried out is likewise held responsible.

Penalties are provided in case of the non-observance of the above-mentioned law.

On the basis of the Law of July 16th, 1884, the Federal Council decreed (Ordinance dated January 7th, 1886) that the hall-mark for gold and silver utensils should consist of:

1. The German crown.
2. The sign of the sun ☉ in the case of gold, and the sign of the moon ☾ in the case of silver.
3. A statement of the fineness per mille.
4. The name of the firm or the business style of the firm on whose behalf the articles were hall-marked.

44 In conformity with the Law of May 19th, 1891, no *fire-arms* of any kind may be offered for sale or put into circulation until they have been tested at the official inspection establishments and there provided with a mark.

Barrels, breeches or other parts of fire-arms which, after testing, have been found to be incomplete or showing defects of manufacture are rendered unfit for use.

In the case of arms which have been found to have defects which can easily be rectified, a further test is made after the removal of these defects.

More detailed regulations concerning the method of carrying out tests, the weight and composition of the powder and shot to be used in tests and the form and method of affixing the stamp, are issued by the Federal Council.

Testing establishments are provided by the Governments of the various States of the Reich. A charge may be made for testing, but it may not exceed the expenditure incurred in this connection.

Penalties are provided in case of the non-observance of this law.

A proclamation dated April 10th, 1918 (*Reichsgesetzblatt*, 1918), concerning retail trade in thread, provides that *wool, half-wool and cotton thread* may not be offered for sale unless they are of certain standard weights and bear an indication of such weight. In the case of cotton thread the length must also be stated.

The standard units are as follows:

- (a) In weights of 1, 5, 10, 20 and 50 grammes and multiples thereof;
- (b) In lengths of 50, 100, 200, 500 and 1,000 metres and multiples thereof, in the case of sewing cotton;
- (c) In lengths of 5, 10, 20, 30, and so on, up to 100 metres, in the case of other thread.

The weight in question is the dry weight of the thread without wrapping, packing, etc., in so far as the latter is not indispensable, allowance being made for a certain degree of normal humidity amounting to 8½ per cent of the dry weight in the case of cotton thread, 10 per cent in the case of half-wool, 18¼ per cent in the case of worsted thread, and 17 per cent in the case of net thread.

The weight must be given in grammes and the length in metres; these particulars should be indicated on the goods themselves or on the packing in such a manner as to be easily recognisable.

The actual weight may not fall more than 3 per cent below the given figure on quantities of 50 grammes, 5 per cent on quantities between 10 and 50 grammes, or 10 per cent on quantities between 1 and 5 grammes. Similarly, the length may vary by 3 per cent in the case of lengths exceeding 100 metres, 5 per cent in the case of lengths between 10 and 20 metres and 10 per cent on a length of 5 metres.

These provisions do not apply to:

- (a) Thread sold with semi-manufactured goods for finishing purposes;
- (b) Thread measured and weighed on behalf of the buyer.

In conformity with the Decree dated January 11th, 1923, concerning the trade in silk ribbons, *ribbons containing silk* may only be sold under certain numbers and in widths corresponding to such numbers.

Such ribbon may only be placed on the German home market in lengths of 10 metres. The length must be indicated in a prominent manner.

Penalties are provided for any contravention of this decree.

Seed (cereals) is not considered as home-grown except in the case of seed belonging to those species mentioned in a special list which the German Cereals Office is required to publish in the German Official Gazette (*Deutscher Reichsanzeiger*), giving the name of the seedsman, the species of the crops and the area under cultivation (Post-War Economic Regulations).

Clinical thermometers must be tested by the State Physico-Technical Institute or by the regional Weights and Measures Office of Thuringia at Illmenau or the Testing Office of the State of Anhalt at Zerbst. Every clinical thermometer which is to be sold or otherwise put into circulation must be officially tested, and if it is to be sold in Germany it must be marked with an official stamp showing that it complies with the conditions laid down. It must in all cases bear either the name of the maker or his trade mark, as registered by the Patents Office, or a letter and number assigned to him by the Testing Office to which the thermometer was sent.

In the case of *boilers*, there is a compulsory examination of the steam pressure and hydraulic pressure: they are again examined on delivery.

There are special provisions dealing with *Portland cement* and its packing (barrels or sacks). The receptacle must bear in prominent characters the words "Portland cement", the name of the firm or the trade mark of the works, as well as an indication of the gross weight. The degree of pulverisation and consistency are determined by special regulations. Natural cement may not be described as "Portland cement".

CATEGORY 3.

Furthermore, there are many scattered rules on a diversity of questions (for example, in the case of electrical engineering, there are provisions dealing with the testing of *engines* and the resistance of *insulators*, etc.); these questions are often the subject of regulations made by the associations concerned. Lastly, there are a great number of rules which are the outcome of commercial practice and which refer to the quality, consistency, density, specific weight, etc., of such goods as *fabrics, yarns, paints, benzine, benzol, mineral oils, tar, lacquer, varnish*, etc.

- 53 In conformity with the regulations of the Association of German Electrical Engineers (Verband deutscher Elektrotechniker—VDE) in regard to *machinery, apparatus, electrical insulating materials*, etc., the mark VDE may be affixed to goods if a previous examination carried out by representatives of the Union justifies this course.
- 54 *Linen fabrics*: registered trade mark "Schwurhand Reinleinen" of the Union of German Linen Manufacturers, registered association, Berlin, S.W.19. — Members of this Union and those of the Union of German Flax Weavers and Spinners, registered association, Landeshut, and of the Union of German Manufacturers of Linen Sawing-Thread, registered association, Neusalz, are entitled to affix this mark, provided that the linen fabrics and finished linen goods bearing it comply with the "Rules for the description of goods as linen", Number 330 A, issued by the Government Committee on Terms of Delivery (Reichsausschuss für Lieferbedingungen, "RAL", Berlin, N.W.6), set up by the State Board for Economic Efficiency (Reichskuratorium für Wirtschaftlichkeit, RKW). Any wrongful use of this mark makes the manufacturer liable to the penalties fixed by the Union in its agreement.
- 55 *Half-linen fabrics*: registered trade mark "Fadenkreuz-Halbleinen" of the Union of German Linen Manufacturers, registered association, Berlin, S.W.19. — Members of this Union and those of the Union of German Flax Weavers and Spinners, registered association, Landeshut, are entitled to use this trade mark provided that the fabrics or finished goods bearing it comply with the "Rules for the description of mixed textiles containing linen or cotton", No. 392 A, issued by the Government Committee on Terms of Delivery (Reichsausschuss für Lieferbedingungen, "RAL", Berlin, N.W.6), set up by the State Board for Economic Efficiency (Reichskuratorium für Wirtschaftlichkeit, "RKW"). Any wrongful use of this mark makes the manufacturer liable to the penalties fixed by the Union in its agreement.
- 56 *Milk, Butter, Cheese, Eggs, Potatoes, Vegetables*. — The German Agricultural Council at Berlin, the Supreme Chamber of Agriculture for Prussia at Berlin, the various provincial Chambers of Agriculture and the co-operative societies or unions have established a certain number of rules concerning the qualitative standards with which the above mentioned produce should comply. Accordingly, certain Chambers of Agriculture and co-operative societies or unions have registered collective trade marks, which are affixed to the products or to their packings.

CATEGORY 4.

There is a large number of laboratories for the analysis of foodstuffs founded by the States or communes or even by public bodies such as the Chambers of Agriculture. Similarly, there are some private undertakings responsible for the official control of foodstuffs. These laboratories also carry out analyses on behalf of private individuals.

At the head of these institutions are chemists who have specialised in foodstuffs and who hold State diplomas and have been sworn in to the service of the State. Such laboratories are required to make out technical reports on goods intended for export.

The fees charged vary from one laboratory to another, but conform to a fixed and published scale.

In Germany there is a large number of laboratories conducting analyses of materials other than foodstuffs and the Chambers of Commerce can furnish particulars regarding them in any individual case, at the same time stating which laboratories and experts undertake the analysis and certification of the commercial value of any given materials or goods.

Almost all the Chambers of Commerce in Germany employ for the service of the public a certain number of experts competent to deal with individual industries or trades; for example, the wool trade, the potato trade and the chief local industries and products.

56 bis The Chambers of Commerce can command the services of a large number of experts covering a vast range of subjects.

A Decree dated June 28th, 1911, controls the sale of *potash salts*, but the very elaborate procedure prescribed for analyses, which are carried out by an official German testing office or by a private office under State supervision, is not compulsory unless the potassium salts are for use within the country. Analysis remains optional if the goods are not to be used in Germany.

Some of the economic departments or sections of the Reich and the States have arranged for their Chambers of Commerce and Industry to codify current commercial conditions and trade practices. This kind of codification is useful in that it gives publicity to trade practices in the branches of industry dealt with and thus promotes the turnover of their goods—and this, again, is beneficial to the consumer. The consumer reaps still other advantages from such codification because in cases of dispute the Chambers of Commerce to which the matter is referred are guided by the rules, which frequently contain indications as to the current commercial grades and standard qualities, and they decide accordingly. This institution therefore affords a guarantee for the consumer and protects his interests.

For example, the Chamber of Commerce and Industry at Berlin has established the commercial conditions and trade practices applicable to the following commodities: fruit, vegetables, southern fruit, preserved fruit and vegetables, potatoes, eggs, fresh meat, bacon, etc., butter, lard, margarine, edible fats, cheese, imported bacon and imported meat preserves, fresh-water fish, paper, scrap-iron, soap, leather, skins and furs, footwear, firewood, imported timber, unbarked timber and

veneers, chemical products and drugs, bricks and tiles, calcareous stone, sandstone, other stone; similarly, the Chamber of Commerce at Kottbus in Niederlausitz has codified the commercial practices applicable to the grain trade, milled products and fodder; whilst the Chamber of Commerce at Hamburg has dealt with the conditions applicable to the trade in cow's milk, poppy seeds, sesame seeds and ground nuts, and the Chamber of Commerce at Duisburg, with the conditions for the sale of cereals, etc.

Unification, regulation, terms of delivery and methods of control. — Agreements establishing weights and shapes, definitions, standard qualities, grades, classifications, etc., which have been freely concluded between producers, dealers and consumers (including the authorities concerned), with the assistance of technical experts, are of special value for the protection of the consumer. He is thus enabled to realise the standard of goods which he should insist upon and may reasonably expect and is able to select in the light of his knowledge the goods best suited for his purposes. As a result of such agreements, the consumer can always obtain the same articles whenever he desires. The wastage of goods, time and, consequently, money is thus reduced and disputes eliminated.

The German Reich, the States, and, above all, the industrial organisations, acting in their own interests and on their own initiative, encourage rationalisation measures of this kind.

In order to centralise these attempts, which often lack co-ordination, the authorities, the economic organisations (or producers, traders and consumers) and the scientific experts, etc., agreed to establish the German Board for Economic Efficiency (Reichskuratorium für Wirtschaftlichkeit, RKW), Luisenstrasse 58, Berlin, N.W.6.

It is the duty of the RKW to further all measures which may improve goods and increase their turnover, whilst diminishing their cost—*e.g.*, systems of regulation, fixed terms of delivery, rational production, sales organisation and rational office administration. The RKW is an autonomous body subsidised by the State. It conducts enquiries concerning co-operation between producers, traders and consumers and assists the following groups, whose work is primarily concerned with the protection of the consumer:

A. *German Standardisation Committee* (Deutscher Normenausschuss, DNA), Dorotheenstrasse 47, Berlin, N.W.7.

After the war a movement grew up in Germany in favour of measures to protect buyers against the offer of shoddy goods of inferior quality or of poor workmanship. Producers, traders and consumers in widely varying branches of industry co-operated with the technical and administrative authorities to form the DNA, a registered association, Dorotheenstrasse 47, Berlin, N.W.7 with a view to organising the work of standardisation in Germany on a uniform plan and to simplifying and cheapening the production and sale of goods by means of voluntary agreements, framed in explicit terms and dealing with measures, forms, qualities, tests and uses of various commodities and materials.

In order to avoid any abuse all standardisation schedules drawn up in accordance with the principles of the DNA bear the registered trade mark "DIN".

Any manufacturer or trader is entitled to affix this sign provided that the articles bearing it comply in all respects with the rules of the DNA and have been made in Germany. Any restrictions to which the use of the mark "DIN" may be subject are given on each standardisation schedule. The right to use the mark may be withdrawn, after due warning, from any manufacturer or dealer who affixes the mark "DIN" to articles and places them on the market in contravention of the above-mentioned regulations.

2,800 standardisation schedules have already been drawn up, this system having been recognised as the most practical to safeguard the public interest.

In addition to standards of general importance (such as volumes and sizes) various technical standards have been fixed in different fields (for example, in mining, electrical engineering and the motor-car industry). Detailed information may be found in the complete list of standardisation schedules which is published every year.

The standards are worked out by committees. Some of these are directly attached to the commercial service of the DNA, others have their own offices which work in close touch with the DNA. The following technical standardisation committees are in existence:

Technical Standardisation Committee for the Mining Industry, Essen, Post Office Box 279 (Fachnormenausschuss für Bergbau, Faberg).	57
Technical Standardisation Committee for Chemical Apparatus of the Association of German Manufacturers of Chemical Apparatus, Berlin, W.35, Potsdamerstr. 103 a (Fachnormenausschuss für chemische Geräte i/Deutsche Gesellschaft für chem. Apparatewesen — Dechema).	58
German Association for the Technical Testing of Materials, Berlin, W.7, Ingenieurhaus (Deutscher Verband für die Materialprüfungen der Technik).	59
Standardisation Committee for the Cycle Industry, Berlin, W.9, Linkstr. 11 (Fachnormenausschuss der Fahrradindustrie).	60
Standardisation Committee, Hospital, Berlin, C.2, Fischerstr. 39/42. (Fachnormenausschuss Krankenhaus).	61
Standardisation Committee of the National Association of German Engineers of the Fire Brigade Services, Magdeburg, Kölnerstr. 8 (Normenausschuss des Reichsvereins deutscher Feuerwehringenieure).	62
Standardisation Committee of the German Cinematographic Association, Berlin-Pankow, Parkstr. 2 (Normenausschuss der deutschen kinotechnischen Gesellschaft).	63

- 64 Standardisation Committee of the Motor Car Industry, Charlottenburg, Hardenbergstr. 8 (Fachnormenausschuss der Kraftfahrindustrie).
- 65 Standardisation Committee for Air Navigation established by the German Research Institute for Air Navigation, Berlin, Adlershof (Fachnormenausschuss für Luftfahrt i. Deutsche Versuchsanstalt f. Luftfahrt — Falu).
- 66 Standardisation Committee for Agricultural Machinery and Implements, Berlin, S.W.11, Dessauerstr. 14 (Fachnormenausschuss für landwirt. Maschinen und Geräte).
- 67 Sub-Committee for the Standardisation of Locomotives, Hannover-Linden, Post Office Box 55 (Engerer Lokomotiv-Normenausschuss, ELNA, Elna m. Br. Hanomag.).
- 68 Standardisation Committee for the Printing Trades, Leipzig, Ranftsche Gasse 14 (Normenausschuss für das graphische Gewerbe).
- Government Committee on Terms of Delivery, Berlin, W.6, Luisenstrasse 58/59 (Reichsausschuss für Lieferbedingungen).
- 69 Standardisation Committee for the Textile Industry established by the German Standardisation Committee, Berlin, N.W.7, Dorotheenstrasse 47 (Fachnormenausschuss für die Textilindustrie, i. deutscher Normenausschuss).
- Union of German Electrical Engineers, Berlin, W.57, Potsdamerstrasse 68 (Verband Deutscher Elektrotechniker).
- 70 Union of German Manufacturers of Machinery for the Meat Industry, Berlin-Lichterfelde-West, Aternplatz 2 (Verband deutscher Fleischereimaschinenfabrikanten).
- 71 Standardisation Committee for Woodworking Machinery established by the German Standardisation Committee, Berlin, N.W.7, Dorotheenstrasse 47 (Fachnormenausschuss für Holzbearbeitungsmaschinen i. Deutscher Normenausschuss).
- Standardisation Committee for Land Surveying established by the German Standardisation Committee, Berlin, N.W.7, Dorotheenstrasse 47 (Fachnormenausschuss für Vermessungswesen (Faverm) i. Deutscher Normenausschuss).
- 72 General Committee on the Standardisation of Vehicles, Berlin, W.10, Viktoriastrasse 25 (Allgemeiner Wagen-Normenausschuss, AWANA).

B. *Government Committee on Terms of Delivery set up by the State Board for Economic Efficiency (Reichsausschuss für Lieferbedingungen (RAL) beim Reichskuratorium für Wirtschaftlichkeit)*, Berlin, N.W.6, Luisenstrasse 58/59.

This Committee endeavours to promote the establishment of uniform terms of delivery embodied in agreements as to the qualities usually required by the trade, grades, classes, commercial forms, packing, baking of samples and the notification of defects. These rules, which are endorsed by the parties to the agreements—*i.e.*, the business Unions, the Chambers of Commerce and Industry, the public authorities, the housewives' organisations and the State and communal research offices give in almost all cases more or less detailed directions for verifying the quality, etc., of the goods. The consumer is thus enabled to carry out an appropriate test as soon as he receives the goods. Terms of delivery of this kind are already in force in the following trades: leather, animal and vegetable glues, textiles, asbestos, paints, lacquer, binding substances and agglutinants, washing and cleaning materials, office equipment and household goods.

Moreover, the RAL is also engaged in drawing up uniform rules for the description of goods, and the commodities dealt with must comply with these rules before they can be placed on the market or be the subject of business transactions; thus, there are rules for the description of linen (see under 3rd Category), cotton and mixed textile goods (see under 3rd Category), leather for saddles, cushions and bags, as well as goods manufactured by saddlemakers, harnessmakers and bagmakers.

In accordance with these agreements, the makers and dealers state in their offers of goods, in their catalogues, on certificates of guarantee and on packings, etc., that the goods comply with the regulations of the RAL and they are thus able to furnish the consumer not only with a characteristic external mark, but at the same time with recognised guarantee.

C. *German Association for the Technical Testing of Materials (Deutscher Verband für die Materialprüfungen der Technik, DVM)*, Berlin, N.W.7, Friedrich-Ebertstrasse 27.

In Germany, special testing offices for materials, many private laboratories, as well as laboratories established by large factories and even, in recent times, by small or medium-sized works, carry out tests of materials and goods of all kinds, so that a suitable selection may be made and the consumer protected against goods of inferior quality.

These offices and laboratories conform in their work either with the standards established by the German Standardisation Committee, or with the uniform rules drawn up by the *German Association for the Technical Testing of Materials*, or, again, with special regulations laid down by agreement between the interests directly concerned.

Particular importance naturally attaches to the regulations for the testing of products in cases where these are applied uniformly throughout Germany and extend beyond its frontiers, in virtue of international agreements. There are not as yet a great many regulations of this kind. Their chief value lies in the fact that they are the outcome of close co-operation between manufacturers, dealers and scientists, and that they are voluntarily adopted and enforced by all parties concerned. The German organisation concerned in working out such regulations for the testing of products is the *German Association for the Technical Testing of Materials*, which has its offices at Berlin, N.W.7, Dorotheenstrasse 40. This association can look back on more than thirty years' successful work on scientific testing of material.

It deals with materials of all kinds: building materials, fuels and ingredients thereof, articles of consumption, etc., and its work is divided as follows: (1) Metals; (2) Mineral substances other than metals; (3) Organic substances; (4) General questions.

Work has recently been carried on in close co-operation with the International Association for the Testing of Materials, which has just been formed and the headquarters of which are at Zürich.

CATEGORY 5.

A decree dated June 26th, 1916, places under a general prohibition the sale of foodstuffs bearing descriptions or indications which may be misleading. This provision was incorporated in the law on foodstuffs of July 7th, 1927.

The German law for the protection of trade marks includes clauses inflicting a penalty on any person who, with intent to defraud, presents, without the assent of the interested party, goods, receptacles or packings of goods, advertisements, catalogues, commercial letters, recommendations, invoices, or other documents in a form which is considered in the commercial circles concerned to be the distinctive mark of like goods made by another manufacturer; the same law also provides penalties for persons who, with the same end in view, place on the market or offer for sale goods bearing any such mark. Foreign goods which have been illegally marked with either the name of a German commercial firm or German district or with a trade mark inscribed on the register of trade marks, may be seized and confiscated at the time of their entry into Germany, whether they enter as imported goods or goods in transit, provided that the injured party, who is required to furnish a guarantee, makes a request to this effect.

The Law on foodstuffs of July 5th, 1927, provides for the infliction of a fine, term of imprisonment and, in serious cases, rigorous imprisonment for a period not exceeding 10 years on any person who deliberately places on the market foodstuffs or "articles in current use" dangerous to human health; if the offence was due to negligence the offender is punished with a fine and term of imprisonment or with one of these penalties only. Persons who, with intent to defraud, place on the market foodstuffs which are imitations adulterated or bearing a description likely to mislead (or deteriorated foodstuffs) are punished with a term of imprisonment not exceeding six months and a fine, or with one of these penalties only; if the offence was due to negligence the offender is punished with a fine not exceeding 150 marks or with arrest.

GREAT BRITAIN.

CATEGORY 1.

1 The *Food and Drugs (Adulteration) Act, 1928*, in addition to its general provisions relating
 2 to the composition of articles of food and drugs which are set out in Category 5, contains a few
 3 special provisions dealing with particular articles of food. *Butter* may not contain more than
 4 sixteen per cent of water. Any other article of food resembling butter (except *milk-blended*
butter) whether mixed with butter or not must be sold and consigned as *margarine*. In the case
 of *margarine* not more than ten per cent of the fat may be milk fat, nor may the water content
 exceed sixteen per cent. *Milk-blended butter* may be sold or consigned only under a distinguishing
 name approved by the Minister of Agriculture and Fisheries: it may not contain more than
 twenty-four per cent of water. *Whisky, brandy, rum or gin* may be sold diluted with water,
 without declaration of the admixture provided that the admixture has not reduced the spirit
 more than thirty-five degrees under proof.

5 By the only sections now unrepealed of the *Sale of Food and Drugs Act, 1875*, it is provided
 that *tea* may not be imported mixed with exhausted tea.

6 Under the *Public Health (Regulations as to Food) Act, 1907*, the Minister of Health has
 made regulations prescribing the composition and labelling of *condensed milk* and *dried milk*,
 respectively. In the case of *condensed milk*, the label must bear a declaration indicating whether
 it is condensed from full cream or skimmed milk and whether sweetened or unsweetened, together
 with a statement of the equivalent quantity of milk (or skimmed milk). The percentages of
 milk fat and milk solids must be not less than the following:

Description of condensed milk	Percentage of milk fat	Percentage of all milk solids, including fat
1. Full cream, unsweetened	9.0	31.0
2. Full cream, sweetened	9.0	31.0
3. Skimmed, unsweetened	—	20.0
4. Skimmed sweetened	—	26.0

Similar rules apply in the case of *dried milk*, with the difference that the *dried milk* is to be
 labelled "dried full cream milk", if it contains not less than twenty-six per cent of milk fat:
 "dried partly skimmed milk" if it contains less than twenty-six, but not less than eight per cent
 of milk fat: and, if less than eight, "dried machine-skimmed milk".

7 With regard to *drugs*, the standard of the *British Pharmacopœia*, although it has no statutory
 validity, is in practice adopted for the purposes of the *Act of 1928*.

8 The inspection and sampling of *food* and *drugs* in connection with the above-mentioned
 measures and the institution of proceedings are carried out by the officers of local authorities;
 the analysis of samples by public analysts appointed by those authorities. Samples are obtained
 by purchase of articles on sale or in some circumstances they may be taken at the place of
 delivery. Certain government departments have also rights of inspection and sampling; in
 the case of imported food the work is carried out by the Commissioners of Customs and Excise,
 and prosecutions are undertaken by them.

9 *Boiler plates* and other *material used in shipyards* are tested by Board of Trade surveyors
 or by societies responsible for the classification of shipping.

CATEGORY 2.

10 The *Law of 1926* requires sellers of certain scheduled *fertilisers* and *feeding stuffs* to furnish
 purchasers with a statutory statement showing the percentages of the valuable constituents
 of these articles; this statement constitutes a warranty that the actual percentages correspond
 with those shown in it within certain defined limits.

The Councils of Counties and County Boroughs are required to appoint, for the enforcement
 of this law, agricultural analysts as well as inspectors and official samplers. Every purchaser

has the right to have samples taken for analysis by an official sampler. In cases where the certificate of an agricultural analyst is disputed, either party may, upon payment of a fee, have a further part of the sample analysed by the Government Chemist.

The Merchant Shipping Acts require every *steamer* (and *motor vessel*) carrying over twelve passengers to, from or between places in the United Kingdom to be surveyed by Board of Trade surveyors at least once a year. They also require all ships to be provided with proper lights and life-saving appliances. The Board of Trade are empowered to issue regulations on these and other subjects. 11

The Acts further require all ships (with a few unimportant exceptions) to be marked with a loadline beyond which they may not be submerged. For this purpose a periodical survey is necessary which must be made by the surveyors of the Board of Trade or one of the classification societies recognised for the purpose.

The Anchors and Chain Cables Act, 1899, provides that a maker of, or dealer in *anchors* or *chain cables* shall not sell or contract to sell, nor shall any person purchase or contract to purchase for use on any *British ship*, any chain cable or any anchor *exceeding in weight 168 lb.*, unless it has been previously proved in accordance with the Act. The Act specifies various tests that the articles must pass and certain bodies of persons to whom the Board of Trade are authorised to grant licences for testing establishments. Licences are in fact granted to Lloyd's Proving Houses at Cardiff, Chester, Cradley Heath, Glasgow, Low Walker, Netherton, Sunderland and Tipton, the licences being renewable annually after inspection of the testing establishments. 12

The Mercantile Marine Department of the Board of Trade issues annual (or more frequent) certificates for passenger *steamers* (including *motor vessels*). For this purpose such vessels are surveyed while under construction, and tests of the materials used (e.g., *boiler plates*) are made by the Board's surveyors. Regulations governing the testing of the materials and the construction of the vessels are issued by the Department. Regulations as to the construction and efficiency of *life-saving equipment* (*boats, life-jackets, etc.*) are also issued, and such equipment is inspected by the Board's Surveyors, the boats and jackets being stamped if found satisfactory. *Ships' side-lights* are also subject to inspection by Board of Trade surveyors. 13
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The Standards Department of the Board of Trade certifies *standards of weight* and *balances* for use therewith, *standards of length*, and *standards of capacity*, mainly for the use of the local inspectors of weights and measures. It verifies also standards destined for the use of Colonial and foreign Governments, and for some private firms. Similar work done by the Department is the verification of standard *gas-holders and meters* for local gas-meter inspectors; occasionally, again similar work is done for the Colonies. 17
18

Apparatus for testing the flashpoint of *petroleum* is also certified by the Department. 19

Weights, measures and weighing instruments used for trade purposes must be verified and stamped. 20

A series of laws from 1878 to 1926 provides that inspectors appointed by local authorities (but examined as to competency by the Board of Trade) shall verify and stamp all *weights* and *measures* and *weighing instruments* and certain kinds of *measuring instruments* (of length and of capacity) specified in the regulations of the Board of Trade and used in commerce. Such instruments must comply with the regulations issued by the Board of Trade for the purpose. Before an inspector can stamp any apparatus of new form, it is necessary that a similar apparatus shall have received the certificate of acceptability of the Board of Trade. Frequently such weights and measures intended for export, particularly to the Colonies, are stamped by inspectors here. 21

In accordance with a Law of 1926 certain *foodstuffs* must be sold only according to weight and the packages which contain such articles must be marked with the actual net weight of the goods. 22

The standards used by the inspectors are in turn verified by the Standards Department of the Board of Trade. The National Physical Laboratory maintains accurate standards of measurement and has the custody of the legal electrical standards.

All *gold* or *silver plate* or other articles manufactured of gold or silver (with certain exceptions, chiefly small articles of jewellery) are required to be assayed and marked at one of the Assay offices, which are situated at London, Birmingham, Chester, Sheffield, Edinburgh, Glasgow and Dublin. These offices are not State institutions or under Government control, but the standards of quality and to some extent the marks to be used are prescribed by Statute. The Statutes apply to imported goods as well as those made in Great Britain. In the case of gold, five marks indicating five different degrees of purity are employed (with an additional sixth mark used only at Dublin). In the case of silver there is in practice only one standard and one mark of quality corresponding to it. The marks also include an indication of the date of marking and of the maker's name, or that the article is of foreign origin. 23

The Gun Barrel Proof Act, 1868, is a local Act requiring all *gun barrels* made or imported into this country to be proved by the Birmingham Proof House and the Gunmakers' Company of London, except where the imported gun barrels bear the Official proof mark of a country with which Great Britain has concluded an agreement providing for the mutual recognition of the official proof marks of the two countries. Such agreements have in fact been concluded with Austria, Italy and Spain. 24

CATEGORY 3.

In Great Britain, trade-marks are in general the property of companies, firms or individuals, but, under Section 62 of the Trade-Mark Act, of 1905, a mark may be held by an Association of Manufacturers. This section of the Act provides that:

“ Where any association or person undertakes to certify the origin, material, mode of manufacture, quality, accuracy or other characteristic of any goods by mark used upon or in connection with such goods, the Board of Trade, if and so long as they are satisfied that such association or person is competent to certify as aforesaid, may, if they shall judge it to be in the public advantage, permit such association or person to register such mark as a trade-mark in respect of such goods, whether or not such association or person be a trading association or trader possessed of a goodwill in connection with such certifying.”

A considerable number of marks has been registered under this Section; the *British Engineering Standards Association* have registered a mark to be applied to articles manufactured according to their specifications; the *Boot-Manufacturers' Federation* have a mark which is applied to boots manufactured by their members according to a certain specification; the mark of the *British Electrical and Allied Manufacturers' Association* is applied to certain productions of its members, and the *Scottish Woollen Manufacturers' Association's* mark indicates that the material to which it is applied is manufactured in Scotland entirely from new wool.

The British Engineering Standards Association has carried out extensive work in conjunction with the most representative bodies of producers and consumers with the object of obtaining specifications which shall be generally accepted as standards for the trade. The nature of the specification differs according to the circumstances of each case, but in general it includes some directions as to the method of manufacture and the dimensions of the finished product and lays down tests that the article shall be capable of meeting.

CATEGORY 4.

Lloyd's Proving Houses make the statutory tests under the *Anchors and Chain Cables Act, 1899*; they also do a good deal of testing of *shipbuilding material* and testing of a general commercial character.

The City of Bradford Conditioning House was established in 1891 by the Bradford Corporation under a private Act for the purpose of ascertaining and certifying the true length, weight and width of *wool, tops, yarn*, etc. It makes tests for buyers or sellers and has a standard scale of charges. It is, of course, wholly or mainly used by traders, not by private purchasers.

The Manchester Chamber of Commerce Testing House, established in 1895 by the Manchester Chamber of Commerce, was originally intended for the testing of *cotton yarn* but has developed in many directions. Besides testing textile materials it now makes analyses of *dyes, sizing materials, soaps, oils, coal, water, metals, ink, drugs, paper pulp* and *foodstuffs*. The inspection of cloth for delivery to foreign Governments and foreign buying syndicates has also been undertaken, and in many cases contracts are made with the condition that before shipment all deliveries shall be inspected and approved by this Testing House.

A *Yarn Testing Bureau* which was established at the University College, Nottingham, in 1925, issues certificates on the result of tests of yarns similar to those of the Bradford Conditioning House and Manchester Testing House. The Nottingham Chamber of Commerce has drawn up model rules for contracts for the sale of yarns.

The Electrical Standardising, Testing and Training Institution Ltd., Faraday House, London, for the training of electrical engineers also maintains a testing department in which are carried out electrical, mechanical and chemical tests in connection with *machinery, instruments, apparatus* and *materials*. The tests are made at the request and expense of the public and reports on the tests are provided.

Three Societies—Lloyd's Register of Shipping, the British Corporation for the Survey and Registry of Shipping, and the Bureau Veritas-British Committee—have been recognised by the Board of Trade for the purpose of surveying *ships* for freeboard and assigning load-lines. In addition to this statutory work, the prime function of these Societies is the survey of *ships under construction* and periodically thereafter with a view to the assignment and maintenance of a “class” (“A. 1”, etc.). Each of the Societies issues regulations and maintains a staff of surveyors for this purpose, and the *material used in the construction of the ships* is tested by these surveyors in accordance with the regulations.

The National Physical Laboratory is now part of a Government Department (the Department of Scientific and Industrial Research). It maintains accurate *standards of measurement* and has the custody of the *legal electrical standards*.

It also does a good deal of testing work. During the war and since, it has tested engineers' gauges and has tested, marked and certified *clinical thermometers*; and tests are made of numbers of other *instruments* mainly of a scientific nature, such as *electrical* and *optical instruments* and *volumetric glassware*. Some of these tests are made on behalf of Government Departments administering legal standards (for instruments such as electricity meters) and for private companies manufacturing under definite specifications, such as those of the British Engineering Standards Association, and requiring tests that the instruments comply with the standards. 39
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In addition to these public or semi-public testing establishments, there are a very large number of firms or individuals, whose main or whole business consists in testing *materials, instruments* and *apparatus*. For almost any material or apparatus used in industry, there are competent people able to make tests and reports. Usually testing is carried on by a private person or firm as a profession, but at times organised bodies carry out tests. For example, the Royal Automobile Club will make tests of a *motor-car* in respect of any of its characteristics, such as fuel consumption, efficiency of performance, etc. 41
42

Although in practice the method of precise testing is not frequently adopted for articles in a form ready for direct use by the public, there would not be great difficulty from the manufacturing end in establishing such a practice. If the purchaser is able to state in precise terms what he wants, there is little doubt that for any class of articles, manufactured or not, competent and independent people could be found in this country who would be capable of giving reliable certificates that any article or material did or did not reach a prescribed standard. It is anticipated that the difficulty would arise in obtaining and revising the standards for the wide ranges of articles in common use. In many cases there are variations in material and form that are preferred in particular countries and districts, and personal preferences are, in all cases, an important factor.

The parties to the contract are left to make their own arrangements as to the actual tests that are made; a private consulting engineer is frequently employed. (In some cases tests may be made by the National Physical Laboratory.)

Many firms have a staff engaged continuously on testing, and all materials used by them are tested. There are also many consulting engineers in all branches of manufacture, ready to make any tests that may be required for firms not having testing means of their own.

CATEGORY 5.

The *Food and Drugs (Adulteration) Act, 1928*, relating to foods and drugs provides for two principal classes of offence: 43

1. (a) the addition of harmful ingredients to any article of food or drug intended for sale;
(b) the sale of any article of food or drug thus adulterated.
 2. I (a) The sale of any article of food or drug which is not of the nature, or not of the substance, or not of the quality of the article demanded by the purchaser;
(b) the sale of any compound article of food or compound drug which is not composed of ingredients in accordance with the demand of the purchaser;
 - II (a) the abstraction from any article of food of any part of it so as to affect injuriously its nature, substance or quality, with the intent that it may be sold in its altered state without notice;
(b) the sale of any article of food so altered.
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GREECE.

CATEGORY 2.

Currants coming from Corinth. — In order to guarantee the origin of currants coming from Corinth, it is forbidden under a Decree-Law dated September 23rd, 1926, to place the mark "Gulf" in any locality not situated within the province of Corinth on receptacles containing currants produced in the area of Corinth and intended either for export or conveyance to another port for transshipment and export.

The warehousing within the area of Corinth and the exportation from this province of currants other than those produced within the limits of the said province are prohibited.

Currants exported with the name of the exporting firm must bear an indication to the effect that they come from the province of Corinth.

The export from any port whatever of receptacles containing currants and bearing a mark which includes a word that might be mistaken for the word "Gulf" is prohibited.

Penalties are imposed for any contravention of these provisions.

HUNGARY.

CATEGORY I.

A Law dated 1895 prohibits the adulteration of *agricultural produce* and is designed to protect the health of men and animals. 1

For the purposes of this law adulteration is understood to mean any imitation or falsification of the products specified in the law which might mislead the consumer or buyer as to the origin, composition or quality of the product.

The commodities in question are *milk and dairy produce: fats, fatty or oleaginous substances* of animal or vegetable origin, *cereals, flour, pastes made with flour, honey, pimento, seed and grass seed in general, fodder and fertilisers.* 2
3
4

In the case of milk and dairy produce, a Decree dated 1921 requires persons who desire to keep a dairy or carry on the business of working up milk or dairy produce to obtain a licence from the Minister of Agriculture. The licence is only granted provided that certain conditions are fulfilled; these relate to the clean and hygienic handling of milk and milk products and to their transformation and offering for sale.

Any person applying for such a licence must furnish proof, for instance by means of diplomas and certificates, that he is in possession of the necessary technical knowledge or that he has in his permanent employ a manager in possession of such knowledge.

Undertakings which obtain a licence are subject to Government inspection.

In order to ensure the preservation of milk intended for consumption the use of suitable preservatives (hydrogen hyperoxide, 35 cubic cms. of 10 per cent solution per 10 litres of milk; formaldehyde, 1 cubic cm. of 40 per cent solution per 10 litres of milk) is permitted where transport difficulties render this necessary.

The use of such substances is subject to authorisation from the Royal Chemical Institute or from the regional chemical testing station.

The holder of the licence is held responsible for the preserving process, and preservation is only sanctioned in consuming areas in which specialists of the Ministry of Health exercise constant supervision.

The offer for sale of fats or of fatty or oleaginous substances of animal or vegetable origin is only permitted provided that their origin and place of manufacture are denoted by the name generally employed in the trade.

The general description "*table oil*" is in conformity with commercial practice, and its sale is authorised when this name is applied to various oils of vegetable origin and of miscellaneous composition prepared for human food. 5

Colza-oil may only be sold under this name. 6

Cereals and seed for fodder of a similar kind (wheat, rye, malt, fodder barley, oats, maize) must be offered for sale in accordance with trade practice. 7

Alimentary pastes made with flour which is not exclusively wheat flour must be offered for sale under the name of that cereal from which the flour was made. 8

Industrially-manufactured pastes may only contain, in addition to flour, auxiliary substances the use of which has been authorised and which are calculated to improve the taste and facilitate conservation.

The production, treatment, and sale of *wine* is regulated by a Law dated 1924. This law also embodies provisions for the prevention and punishment of fraud. 9

The only approved processes for the transformation of grapes and must are the following: concentration of the must, improvement of the must with concentrated must or with home-grown raisins, clarification, addition in the approved proportions of alcohol in the form of brandy, mutage, removal of acidity, improvement of colour by means of caramel, addition of carbonic acid, use of wine yeast, mixing the wine with the residue of another wine, racking, filtering, pasteurisation, refrigeration, mixture of musts. Any other vinification process is prohibited and is treated as adulteration.

Beverages described as wine, must and dessert wine may only be offered for sale under the above descriptions. The mixing of red wine with white wine is prohibited.

There are special provisions for ensuring the purity of the famous wines coming from the Tokay district, and the various kinds are accurately defined.

Other provisions regulate the methods of treating dessert wines, liqueurs, sparkling wines, wine brandy and tonic wines, also the addition of alcohol and pharmaceutical products.

Detailed regulations concerning the minimum content of *acetic acid* and *other products in vinegar made from wine, fruit, honey, beer, etc., special vinegars* and diluted or concentrated *acetic* 10
11

acids, are embodied in a special decree which defines the external signs indicating the quality of such goods.

12 *Substitutes for vinegar and acetic acid* may not be manufactured or offered for sale without a permit from the Minister of Agriculture.

13 The *various kinds of coffee* and blends of coffee must be described by the terms that are universally adopted on the world market and indicate the origin, kind and quality of the coffee or the composition of the blend.

14 The description "*coffee substitute*" is applicable to products in the manufacture of which chicory root, malt, figs, etc., have been used.

CATEGORY 2.

15 A Law of 1925 relating to the control mark to be placed by the Government on *dairy produce* contains special provisions concerning the determination of the quality of dairy produce intended for export.

The Minister of Agriculture is authorised to place the Government control mark on home dairy produce manufactured under Government supervision before it is offered for sale. This stamp guarantees that the dairy produce in question has been manufactured under Government control and that its quality is up to the standard required by the law.

Control is exercised by a special control office.

Government control stamps are issued to persons entitled to use them by the Minister of Agriculture through the control office.

The stamp represents the crown of Hungary with the following inscription in Hungarian above it: "Magyar állami ellenőrzés alatt Készült", and underneath, the same inscription in English: "Made under the control of the Hungarian Government".

The imitation or forgery of the mark is punished under the Penal Code. The mark may not contain any figure or sign other than that prescribed by the Minister of Agriculture in the interests of control. It must be put, at the place of manufacture, on the actual product or the packing.

Persons authorised to use the Government control mark must allow the inspectors to enter their establishments at any time and to take samples.

16 *Butter* may only bear the control stamp if it has been made from milk or pasteurised cream and does not contain more than 16 per cent of water, and provided its quality is such as to satisfy not only the provisions of the general law on the adulteration of products in general and the regulations connected therewith, but also the special provisions laid down by the Minister of Agriculture.

Dairies authorised to use the Government control stamp are forbidden to make or keep butter which is not entitled to bear the control mark: they are also forbidden to stock margarine, fats or any other substances which can be used to adulterate butter.

Butter which does not bear the Government control stamp must be exported in an entirely different packing from that used for butter bearing the official stamp.

The use of the mark without authorisation and contrary to the provisions of the law is punished under the Penal Code.

17 *Fats and mixtures of fats* having the appearance of butter and prepared for the same purpose,
18 but not made exclusively from milk, must be described as *margarine*.

19 The sale of *margarine* in packings is only authorised in packages of 5 kilograms; below this weight it must be sold in the form of standard cubes, and both the packing and the cubes must bear the word "margarine" in legible characters.

For wholesale trade the casks, cases, etc., must bear on the lid and sides the word "margarine" in clear and indelible characters.

20 Fats or mixtures of fats having the appearance of pigs' fat and prepared for the same purpose but not obtained exclusively from pigs must be sold under the name of *artificial edible fat*.

These fats may only be sold in casks, iron-hooped and bearing in indelible characters not less than 10 cm. high the words "artificial edible fat", and, underneath, the name of the factory.

21 All mills producing *wheat or rye flour* must stamp a special mark on the bags to indicate the quality of the flour. The flour thus graded must be at least up to the standard of the sample bearing the same number and adopted by the Budapest Corn Exchange.

This grading must be adhered to when the flour is resold in bags and in retail trade.

The sale of flours of different qualities mixed with each other or with other milling products is forbidden.

22 For the colouring of *alimentary pastes*, the use of certain vegetable substances which give the yellow colour of eggs is authorised, on condition that the artificial nature on the colouring is stated. Saffron, for instance, may be used for this purpose. The words "artificially-coloured produce" must appear in conspicuous characters on the packing.

The words "prepared with eggs" may only be used if each kilogram of paste contains at least two eggs. Undyed pastes without eggs must bear the words "white paste".

This compulsory wording must appear on the packing, cases, wrappings, delivery notes, invoices, etc.

The origin, type and quality of *wine* must be clearly indicated on the casks in the possession of the producer or seller. 23

Pimento may only be ground by authorised mills which have applied for and obtained a licence. The pimento which enters the mill must be ground separately for each owner. 24

Ground pimento may not be returned to the owner until it has been graded and sampled.

Ground pimento may not be sold until it has been officially graded by the proper chemical research office. This grading is valid for one year as from the date on which the produce was tested. At the end of this period the goods must be graded again after a test to ascertain that the quality has not depreciated.

Graded pimento may only be sold in packets weighing not less than 10 kilograms and bearing the official seal.

Pimento intended for export must be accompanied by a certificate issued by the Medicinal and Industrial Plants Office, which inspects the goods, affixes the seals and the grade stamp, and issues the certificate.

The Medicinal and Industrial Plants Office is responsible for the organisation and control of the crop and for the purchase of *medicinal and industrial plants* and *wild fruit*. It is also responsible for directing and controlling exports. 25

For the exportation of medicinal plants and *insects* a certificate issued by this Office must be produced. The tests are carried out for this Office by the Medicinal Plants Laboratory. The object of the test is to make sure that the quality and purity of the goods are as stated. 26

If the result of the test is satisfactory, the Office places the seals and the grade mark on the goods and issues the certificate.

The exportation by rail of *animals* and *raw materials of animal origin* is not allowed until they have been inspected by the Government veterinary officer attached to the export station. 27

The sale of *grain* and *seeds* is only authorised in quantities of not less than 10 kilograms, and provided the seller's name and the kind, origin, purity (in percentage) and germinating capacity of the seeds are indicated. 28

These particulars must be given in visible and indelible characters on the delivery note or on the actual bags. The correctness of the particulars in regard to quality is confirmed by the certificates and seal of the Government offices responsible for the analysis of seed.

Similar provisions exist for *fodder* and *fertilisers*. As regards the latter, the goods are tested by the Government and municipal laboratories, or by the Royal Institute of Chemistry. 29

Gold and silver articles must be stamped by the Assay Office after their fineness has been ascertained. There are four degrees; the fineness in thousandths is as follows: 30

Gold Articles.

1.	☉ (Sun) and the head of Apollo with rays:	920 thousandths	•
2.	☉ " " " " " " " " " "	840	"
3.	☉ " " " " " " " " " "	750	"
4.	☉ " " " " " " " " " "	580	"

In the case of small articles the third degree of fineness is simply indicated by the number 3, the sign ☉ (Sun) and the head of a chamois or fox.

For Silver Articles.

1.	☾ (Moon) and the head of Diana950 thousandths
2.	☾ " " " " " " " " " "900 "
3.	☾ " " " " " " " " " "800 "
4.	☾ " " " " " " " " " "750 "

Stamping is not required in the case of gold and silver articles intended for export when the manufacturer has previously made a declaration to this effect to the Assay Office, stating the fineness and weight of the articles and whether or not they were manufactured under the control of the Office.

CATEGORY 4.

The official control and testing establishments which examine goods either in every case or at the request of the persons concerned are as follows:

Royal Hungarian National Institute of Chemistry and Central Chemical Testing Office, Budapest.

Royal Hungarian Chemical Testing Offices at Debrecen, Keszthely and Magyaróvár.
Royal Hungarian Seed Testing Offices at Budapest and Keszthely.
Royal Hungarian Research Laboratory for Plant Cultivation, Magyaróvár.
Royal Hungarian Research Laboratory for Tobacco-Growing, Debrecen.
Royal Hungarian Research Laboratory for Animal Physiology and Fodder, Budapest.
Royal Hungarian Testing Office for Milk, Magyaróvár.
Royal Hungarian Testing Office for Alcohol, Gödöllő.
Royal Hungarian Testing Office for Machinery, Magyaróvár.
Royal Hungarian National Institute for the Analysis of Wool, Budapest.
State Railways Laboratory for the Inspection of Material, Budapest.
Municipal Institute of Chemistry and for the Analysis of Foodstuffs, Budapest.
Royal Hungarian Institute of Technology and the Analysis of Materials (Industrial Technological Museum), Budapest.
Royal Hungarian Institute for the Inspection of Weights and Measures, Budapest.
Technical Milling Committee, Budapest.
Economic Wine-Growers' Council, Budapest.

The result of the tests carried out by these Institutes is given in the certificates which they issue.

At the request of the persons concerned, the Hungarian Chambers of Commerce and Industry issue official certificates attesting the quality of the goods.

The Hungarian Chambers of Commerce, in particular that of Budapest, have at all times experts at their disposal who are competent to deal with goods of every description.

A list is given below:

1. *Budapest* (jurisdiction: counties of Pest-Pilis-Solt-Kiskun, Fehér, Nograd et Hont together; towns of Budapest, Kecskemét, Székesfehérvár).
 2. *Debrecen* (counties of Hajdu, Bihar, Szolnok, Szabolcs and Ung together, Szatmár Ugocsa and Bereg together; town of Debrecen).
 3. *Győr* (counties of Veszprém, Győr-Moson-Pozsony together, Komárom-Esztergom together; towns of Győr and Komárom).
 4. *Szeged* (counties of Csongrad, Békés, Bácsbodrog, Csanad-Arad-Torontal together; towns of Baja, Szeged, Hodmezővásárhely).
 5. *Miskolc* (counties of Heves, Borsod-Gömör-Kishont together, Abaujtoronya and Zemplén together; town of Miskolc).
 6. *Sopron* (counties of Sopron, Vas, Zala; town of Sopron).
 7. *Pécs* (counties of Baranya, Somogy, Tolna; town of Pécs).
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INDIA.

CATEGORY 1.

In the chief towns there are legal provisions to safeguard consumers from the adulteration of certain *foodstuffs* sold to the public. 1

CATEGORY 2.

Under a law of 1923 *cotton bales* are required to be marked for the purpose of identifying the factory in which the cotton was baled and thus protecting traders from fraudulent practices such as damping, mixing and adulteration. 2

CATEGORY 4.

The Government experts are authorised to analyse certain *oils* and *foodstuffs* for account of private persons at their request and for a fee. 3

Cotton, wheat, oil seeds and *jute* are mostly sold in accordance with the standard contracts drawn up by the commercial associations concerned either in India or in the United Kingdom 4

IRISH FREE STATE.

CATEGORY I.

1 All officials of the sanitary authority have the right to inspect and examine any *animal, carcass*
2 *meat, poultry, game, fish, fruit, vegetables, grain, bread, flour, milk or butter*, and in general any
article intended for human food exposed or being conveyed for sale or deposited in any place for the
purpose of sale.

They also have the right to seize and carry away any of the above foodstuffs if found to be
obtained from diseased animals or unsound, unwholesome or unfit for consumption.

3 The officials in question must be veterinary surgeons and their duties shall include the
examination of *meat* and inspection of *cattle*.

4 The Public Health Department is also empowered to make regulations for the prevention
of danger to public health from the importation, preparation, storage and distribution of *articles*
5 *of food and drink* intended for human consumption. The Department is further empowered
6 to prescribe the manner in which any tin or other receptacle containing *dried, condensed, evaporated,*
skimmed or separated milk is to be labelled and the minimum percentages of milk fat and milk
solids in dried or condensed milks.

The Department may also direct its officers to procure for analysis samples of any foodstuffs
and to see that the regulations enacted are enforced by the local authorities.

7 *Margarine* and *butter* factories must be registered. "Butter factories" mean factories
in which butter is blended or re-worked. The same requirement is extended to manufactories
of milk-blended butter and to premises of wholesale dealers in margarine.

Officials have the right to enter these factories and establishments, inspect any process carried
on therein and take samples.

Measures have also been taken ensuring that butter or margarine with an excessive water
content is not manufactured, that adulterants are not brought into butter factories and that the
latter do not form part of, or communicate otherwise than by a public street or road with, margarine
factories.

Margarine manufacturers and wholesale dealers in margarine, moreover, must keep a register
open to the inspection of any officer of the Department of Agriculture stating the quantity and
destination of each consignment leaving their premises.

8 The Department of Agriculture may lay down regulations determining what deficiency
in any of the normal constituents of *genuine milk, cream, butter or cheese* or what addition of
9 extraneous matter or proportion of water shall raise a presumption, until the contrary is proved,
that the milk, cream, butter or cheese is not genuine or is injurious to health.

The following are to be presumed not to be genuine: milk containing less than 3% of milk
fat or less than 8.5% of non-fatty solids; skimmed or separated milk, other than condensed milk,
containing less than 9% of total milk solids; butter containing more than 16% of water.

10 The Department has likewise the right to make Regulations as to the use of preservatives
in the manufacture or preparation of *butter, margarine or milk-blended butter*.

An Order of 1908 relating to the sanitary conditions of dairies and cow-sheds provides for:

1. The registration with local authorities of all persons carrying on the trade of cow-keepers, dairymen, or purveyors of milk;
2. The inspection of cattle in dairies and the observation of certain rules in regard to lighting, ventilation, cleansing, drainage and water-supply of dairies and cow-sheds;
3. The cleanliness of milk-stores, milk-shops and of vessels used for containing milk;
4. The prescribing of certain precautions to be taken for protecting milk against infection or contamination.

Veterinary inspectors are empowered to examine dairies and cow-sheds to see that the above-mentioned measures are being carried out.

11 County Councils may appoint bacteriologists to examine *meat, milk and milk products*. These bacteriologists are placed at the disposal of the sanitary authorities. The latter may order milch cows affected with tubercular disease of the udder to be slaughtered and pay compensation up to a limit of £10.

12 Steps have also been taken to prevent the spread of disease among *animals*, the trade in which is carefully regulated. Members of the police force and departmental inspectors attend at fairs

and markets and at the stations where animals are loaded and unloaded. Waggons used for transporting animals must be cleansed and disinfected before and after use.

Frequent inspections are made at railway stations and ports in the Irish Free State to see whether Irish produce, especially that of a perishable or easily damageable nature, is carefully handled and loaded in clean and suitable railway vehicles, is carefully stored on board ships and is at all times during transit kept apart from anything liable to cause contamination or soiling and that the packing is always in good condition.

All premises used for the manufacture of dairy produce for sale must be recognised as suitable for the purpose and conform to certain conditions as to the cleanliness of the plant, machinery, utensils and of the milk, cream and all ingredients used in the process of manufacture, and as to the situation of the premises, so that the produce manufactured therein may not be exposed to any source of contamination. There must also be plenty of good and wholesome water available.

Bulk exports of *Irish butter* are only allowed to be sent from certain registered premises and on condition that they are packed and marked in accordance with the regulations. 13

These premises are: registered creameries, registered butter factories, registered premises of non-manufacturing exporters, and, in a few cases, the registered premises of manufacturing exporters who do not come under the heading of "creameries and butter factories".

There are three principal classes of butter in the Irish Free State: *creamery butter* (made from the co-mingled milk supplied by a certain number of cow-keepers), *factory butter* (blended in butter factories) and *farm butter* made in farmers' private dairies. 14 15

Only butter manufactured in registered creameries and which has not, prior to export, been removed from the packing in which it was placed at the creamery, may be exported as "creamery butter" which corresponds to the highest quality.

In order to be registered, a creamery must comply with all the conditions laid down by the law. In addition to those already indicated, there are others relating to the qualifications of the manager and his staff, the pasteurisation of milk or cream in cases where this is required, methods of packing, classes of packages used, etc.

Factories exporting butter must also comply with certain conditions laid down by law.

Similarly, merchants exporting butter must comply with conditions, securing the proper description and handling of the butter, and the suitability of their premises.

Only *eggs* coming from premises registered under the Act and complying with the conditions laid down therein are allowed to be exported in bulk from the Irish Free State. The eggs must also be tested, graded, packed and marked in accordance with the requirements of the Act and regulations made thereunder. The sale of dirty or bad eggs is prohibited. 16

The Department have very extensive powers to prevent and control the spread of *cattle* diseases. For this purpose a very strict control is exercised over the trade in cattle. 17

Orders relating to *plant* diseases are made from time to time to prevent the introduction and spread of diseases or pests. As a general rule, plants cannot be imported into the country save under conditions which secure that they are free from diseases or other pests. 18

All *bulls* must be licensed and a licence may be refused if the Department considers that the animal is unsuitable for breeding purposes. 19

CATEGORY 2.

Every package containing *eggs* exported from the Irish Free State must bear an identification mark or number corresponding to that of the registered premises from which the eggs are exported. The package will also require to be marked with the prescribed words indicating the kind, grade and quantity of eggs contained in the package. 20

Every package containing *butter* exported from the Irish Free State must also bear an identification mark or a number corresponding to that of the registered premises from which the butter is exported. 21

The packing must also be marked with words indicating that the butter is "creamery butter" if it is exported from a registered creamery, or with words indicating that it is "farmers' butter" if exported from a private dairy.

Other marks may be required to indicate the class of butter, method of manufacture, etc.

The Act of 1924 also provides for the establishment of a National Mark for butter made under "approved conditions" on "approved premises". A licence is necessary for the use of this mark. It is only granted to establishments in which a high standard as regards quality and methods of manufacture is consistently maintained.

- 22 In accordance with the law, dealers are required to mark packages containing *margarine* with the word "Margarine".
- 23 Sellers of *artificial feeding stuffs* and *manures* are required to give the buyer an invoice stating in the case of artificial feeding-stuffs the percentage of oil and albuminoids, and in the case of artificial fertilisers the percentage of nitrogen, soluble and insoluble phosphates and potash.
- The Department is empowered to take samples and to prosecute offenders.
- 24 As part of its duties, the Phytopathological Department inspects *plants* prior to export.
- If the result of the inspection is favourable, certificates of freedom from disease are issued in accordance with the requirements of countries to which the plants are exported.
- 25 Articles of *gold* and *silver* (subject to minor and unimportant exceptions), whether imported into or manufactured in the Irish Free State, are required by law to be assayed and hall-marked at the Assay Office in Dublin. In order to qualify for the hall-mark, silver must be 37-40ths or .925. Articles of gold may be marked with one or other of five different marks according to the fineness of the metal—namely, 9, 15, 18, 20 and 22 carats.

CATEGORY 3.

Under the Trade Mark Act of 1905 the Board of Trade may allow associations or individuals, whether traders or not, to register a mark affixed to goods or their packing when the object of this mark is to prove that the said association or person undertakes the examination of the goods in question in respect of their origin, material, mode of manufacture, quality, accuracy or other characteristics.

Under this law an "Irish Trade Mark" of a special design was registered by the Irish Industrial Development Association. This mark is used to indicate that the goods to which it is applied are of Irish manufacture.

- 26 Some exporters of *eggs* mark each egg offered for sale with a mark indicating that it comes from their premises.
- 27 There are in the Irish Free State a large number of societies which keep "herd books" of
28 pure-bred stock, such as, in the case of horses, *thoroughbred* and *heavy horses*, *Connemara ponies*;
29 in the case of *cattle*, Shorthorns, Aberdeen-Angus, Herefords and Kerries; and in the case of
30 *sheep*, Border Leicester, Shropshire Down, Oxford Down, Suffolks and Roscommons; and also in the case of *pigs*.
- Breeders, having pure-bred stock registered in these books, can obtain certificates from the societies.
- 31 The Department of Agriculture also keep registers of approved *stallions* of Irish draught
32 horses and of *dairy cattle*.

CATEGORY 4.

- 33 In certain cases special arrangements are made for examining growing crops of *potatoes* intended for seed purposes and certifying them as pure and true to type or description.
- In some cases also potatoes intended for export for food are examined and certified by the Department as of good marketable quality.
- 34 The official *seed-testing* station issues certificates of the purity and germination of agricultural seeds at the request of vendors or farmers on payment of a fee.
- An Act of 1920 prohibits the sale of seeds containing more than a prescribed percentage of noxious weed seeds.

CATEGORY 5.

Under the Merchandise Marks Acts of 1887 and 1911, it is an offence to apply false trade descriptions to goods sold in the Irish Free State.

Criminal proceedings may be instituted by the Department of Agriculture against vendors of *artificial feeding-stuffs* and *fertilisers* who fail to give purchasers the invoice required in such cases. 35
The invoice has also the effect of a warranty.

The Department of Agriculture may take samples of *agricultural seeds* from stocks of such seeds on the premises of retailers and wholesale vendors and may publish the results of tests made of such seeds at the Official Seed-Testing Station. 36

A registered proprietor who, without reasonable cause, fails to carry out a contract for the sale of *butter* or *eggs* from his registered premises is liable to have the registration of the premises cancelled, with the result that he would therefore be debarred from exporting these commodities. 37

A foreign buyer can take in the Irish Free State the same legal proceedings as a national for annulling a contract or for damages on the grounds of fraud, breach of warranty, etc.

ITALY.

CATEGORY I.

1 The sale of *beverages* and *foodstuffs* is subject to special supervision, heavy penalties being imposed on any persons selling or supplying articles of food or drink which are found to be tainted, infected, adulterated or otherwise unhygienic or harmful.

2 The placing on the market under the name of *olive oil* of products differing wholly or in part from those corresponding to this term is forbidden.

3 Any person manufacturing or dealing in *edible oils* other than pure olive oils must make a declaration beforehand to the mayor of the commune. The quality of the oil offered for sale must be posted up in the factory or shop and must be indicated on the containers.

Such persons must also furnish samples of their goods if so requested by the communal authority or agents of the Ministry of National Economy.

4 The manufacturer, seller, importer or exporter of *margarine cheese* must stamp on each cheese the word "margarine" in red letters, together with the trade mark, both of which must also be mentioned on the invoices, commercial letters and bills of lading. The cheeses must be coloured outside with a special fixed dye.

The directors of agricultural offices and chemical laboratories are responsible for analysing these cheeses by means of samples taken for the purpose, which they are authorised to demand through persons responsible for the supervision of the trade in cheese.

5 Persons manufacturing, stocking, selling, importing or exporting for commercial purposes *butter*, prepared wholly or partly from margarine or other oleaginous substances or other fats not obtained from the cream of milk are required to:

(1) Stamp on each piece the words "Artificial butter" or "Margarine".

(2) Specify the nature of the goods in large characters on the recipients, cloth and paper used for wrapping, and wrappers.

(3) State the artificial nature of the butter or the composition of the mixture in the books, invoices, letters and bills of lading.

(4) Post up in their premises the artificial nature of their goods: artificial butter or margarine.

Further, manufacturers or dealers in margarine or artificial butter may not add any colour to their products to make them resemble natural butter.

The terms "butter", "margarine", "oleomargarine", etc. are defined by a Royal Decree, which also prescribes the methods to be followed for their analysis.

6 *Lard* (animal fat). — The sale of bad lard or lard adulterated with inorganic substances harmful to health is prohibited.

The sale of lard mixed with other fats of vegetable or animal origin which, although not harmful, lessen the nutritive value of the product, is, however, authorised. In this case sellers must conform strictly to the regulations laid down on the matter and indicate clearly the nature and proportions of the fats added, so that the buyer may not be under any misapprehension.

7 All manufacturers of *alimentary vegetable preserves* are required to make a declaration to the prefect of the province. They must also indicate the trade-mark approved and registered in accordance with the law, give a specimen of the labels and indicate the raw materials and method of preparation which they propose to employ.

All manufacturers must have their products analysed each year by one of the chemical laboratories authorised by the Government, such as the laboratories of agricultural chemistry attached to the universities and technical schools of agriculture, the experimental agricultural stations, the Customs chemical laboratories or municipal laboratories.

8 It is forbidden to place on the market *alimentary preserves* in containers on which the following particulars are not clearly marked in indelible characters: nature of the preserve; quantities of the chief constituents; net weight; name and address of the manufacturer; statement to the effect that it is prepared in accordance with the legal provisions in force.

A Federation Institute of the preserves industry has been established, and all manufacturers producing a yearly quantity exceeding four quintals must be affiliated to it. The object of the Institute is to supervise the manufacture of and trade in preserves, and if necessary to carry out analyses and to apply the penalties provided in the case of infringements of the regulations.

The penalties are doubled or the maximum penalty provided for by the law is applied if the infringements relate to preserves intended for export.

Recipients, paper, cloth or wrappers, etc. containing alimentary vegetable preserves which are placed on the market, must also bear the following indications in addition to the above:

Tomato extracts: (1) concentrated tomatoes or tomato extract; (2) double concentrate or double extract of tomatoes; (3) triple concentrate or triple extract of tomatoes; the net weight of the contents in grammes must be given. 9

Preserves other than tomato: description of the contents (raw or salted preserves, preserves in cubes, etc.), together with the total dry residue (percentage), net weight of the contents in grammes and percentage of salt.

The manufacture of and trade in *alimentary fish preserves* in containers are subject to special regulations laid down in Decree-Law No. 1548 of July 7th, 1927. 10

It is forbidden:

(a) To manufacture the said products on premises where the hygienic regulations are not complied with;

(b) To employ workers suffering from infectious or contagious diseases;

(c) To employ processes of manufacture which do not ensure the hygienic preparation, effective sterilisation and satisfactory preservation of the product;

(d) To use tins or other containers which do not conform to the provisions of the existing health laws.

It is also forbidden to place these products on the market in containers which do not specify: (a) the contents; (b) the quality of the oil and other preservatives; (c) the net weight of the contents; (d) the name of the producer; (e) the place of manufacture.

The same particulars must be given in the case of *purées made from vegetables, fruit, etc.* 11
In the case of *mustard*, or *fruits in syrup with mustard*: weight of the drained fruit in grammes, 12
mustard syrup in grammes, net weight of the contents in grammes.

Jams and fruit preserves: percentage of sugar and net weight of the contents in grammes. 13

Preserves in which the vegetable component are kept whole by special processes: various preserves in oil or vinegar, weight of the drained vegetable in grammes and net weight in grammes.

Tomatoes peeled or unpeeled, roasted piments berries, etc.: net weight in grammes. 14

Fruits in syrup: weight of the drained fruit in grammes and of the syrup also in grammes. 15

Green peas, French beans, artichokes in their natural state in general: net weight of the drained vegetable in grammes. 16

The terms "concentrated tomatoes" or "tomato extract", "double concentrate" or "double extract of tomatoes", "triple concentrate" or "triple extract of tomatoes" may not be applied to preserves unless they contain a dry residue (less the salt added) of at least 16, 28 or 36 per cent respectively of the contents. No margin is allowed in this respect.

Concentrated products made from tomatoes may be sold under fancy names, but in this case the quantity of dry residue, less the salt, must be indicated on the container in addition to the net weight of the contents.

A margin of 10 per cent is allowed in the case of other preserves as regards the quantities and percentages of the constituents.

Persons manufacturing or selling *essence of lemon* or of *sumac* ground or in powder, mixed with heterogeneous substances, must state in clear characters the quality and quantity of the mixture on the containers, transport documents and invoices, and in their books. 17

All persons dealing in sumac or essence of lemon must furnish samples for analysis at the request of the prefect, sub-prefect, or president of the Chamber of Commerce, the samples being selected by those officials.

A Decree-Law of April 12th, 1917 concerning the preparation and sale of *wine* lays down the conditions under which wine will be regarded as natural. The Decree prohibits the preparation for sale of wine other than natural wine. This prohibition is enforced by severe penalties. 18

The trade in substances used for producing wine artificially or adulterating it is prohibited. The sale and preparation under the name of wine of *alcoholised liquids containing sugar* which are not derived from grapes are forbidden. 19

All wine-dealers must furnish samples at the request of the special agents of the Ministry of National Economy, or of other authorised agents entrusted with the supervision of the trade. The Customs offices are authorised to analyse samples submitted for export.

No one is allowed to sell *mineral waters*, whether natural or artificial, national or foreign, without previously obtaining a special licence from the Ministry of the Interior. This stipulation is supplemented by regulations specifying the waters which are to be regarded as mineral waters and which of them are considered to be natural and which artificial. The regulations also provide that these waters must be sold under the name and description and in the containers stipulated by law. The labels and processes of manufacture must also be in accordance with the regulations. 20

- 21 A licence must be obtained to manufacture *coffee substitutes*. This may be refused if the raw materials from which the substitutes are to be made are harmful to public health and their use is regarded as a "dishonest commercial practice". Thus, it is forbidden to use for the preparation of these substitutes coconut residue, date stones, etc.
- 22 Strict and constant supervision is exercised over the *oyster*-breeding industry and the sale of oysters. Concessions of certain portions of the sea for the establishment of oyster, mussel and other beds are not granted unless a favourable report is received from the provincial health authorities.
- 23 The *dyes* which are regarded as harmful and the use of which is consequently prohibited under the health regulations are those specified in a declaration of 1913.
- It is also provided that colouring matter intended for colouring foodstuffs, where this is allowed, must be sold in coverings mentioning the name of the manufacturer and the name of the substance, which must be specified in accordance with the official list.
- 24 The use of *arsenical dyes* is prohibited in the preparation of material to be used for furniture, clothing, hangings, wallpaper, and artificial flowers, leaves and other products.
- 25 In alimentary preserves the quantity of *metallic copper* may not exceed one decigramme per kilogramme.
- 26 In order to combat the diseases of *plants*, a law of June 26th, 1913, requires all owners and managers of horticultural establishments and market gardens producing or selling plants, parts of plants or seeds, to notify the prefect of the province.
- The Ministry of National Economy is authorised to inspect factories and products in any place in which they are kept and to prohibit their sale if they are considered to be infected. The Ministry is also authorised to order any necessary disinfection. It may likewise prohibit the export of plants or parts of plants and seeds coming from communes in which infectious disease has been discovered.
- 27 The sale of *vinegar* of any kind which has been adulterated in any way, and the addition of acetic acid, even if pure, to edible vinegars are forbidden.
- The term "vinegar" or "wine vinegar" is reserved for the product obtained by the acetic fermentation of wine or must which contains at least 4 per cent in weight of acetic acid, and has not had any colouring matter or other substances added to it.
- Vinegar obtained by the acetic fermentation of beer, cider or alcohol must be sold under the name of "*malt vinegar*", "*cider vinegar*", "*alcohol vinegar*", etc. This name must be mentioned on the containers and on the invoices, bills of lading, waybills and any other document relating to their sale and delivery.
- 28
- 29 The law of June 28th, 1923, on the production of and trade in *silkworms' eggs* provides that the eggs must be prepared solely by the cell system, that breeds already crossed between Asiatic types and native types must not be produced, and that hawkers are not allowed to sell silkworms' eggs.
- The sanitary supervision of the eggs is carried out by special officials who are allowed to take samples at the places where the eggs are sold when they consider this necessary, and to have them analysed by the Government institutions appointed for the purpose.
- In order to protect Italian apiculture from any risk of acariasis it is absolutely forbidden to import *live bees* from abroad.
- 30
- 31 The production of and trade in *patent medicines* are subject to special control and supervision (Decree-Law No. 1732 of August 7th, 1925).
- 32 The term "*sugar*" applies solely to the product extracted from sugar cane or beet and containing not more than 5 per cent of invert sugar. The sale of sugar adulterated with organic or mineral substances, such as glucose and saccharine and the sale of *bonbons* and *sweetmeats* sweetened with substances other than sugar are prohibited.
- 33
- 34 The sale of *syrups*, *candied fruit*, *pulps*, *jams* and *vegetable sugars* prepared or coloured with products other than the natural substance of the fruit under the name of which the product is sold is also prohibited.
- 35 The sale of *artificial syrups* is, however, allowed provided that they do not contain harmful substances or colouring matter and are not sold under names which may mislead the buyer as to the real nature of the product.
- 36 The trade in edible *mushrooms* is regulated. For this purpose the provincial health councils are required to prepare and publish a list of poisonous fungi, specifying their characteristics and the names by which they are usually known; the communal authorities are also required to include in their local health regulations a list of edible mushrooms the sale of which is authorised.
- 37 The trade in *fertilisers* (mineral superphosphates, potassium salts, ammonium nitrate, composite mineral fertilisers, organic fertilisers, mixed fertilisers), *insecticide*, *seeds*, *oil-cake* and other *cattle food* is subject to special supervision, and special regulations have been promulgated in regard to their composition.
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CATEGORY 2.

No person may manufacture for sale *vaccines, viruses, sera* and any other similar products without a licence from the Ministry of the Interior. 38

Before they are placed on the market these products must be tested by the Government and their purity certified.

Italian *livestock* of any kind, exported definitively or temporarily, must in every case be accompanied by a health certificate and a certificate of origin. Before the animals leave the territory whether by land or sea, they are examined by the Government veterinary inspectors. 39

The Customs offices do not allow the animals to be exported without a favourable report from the veterinary inspector.

Similar regulations are in force in regard to fresh, preserved or salted *meat* or meat which is otherwise prepared, *meat preserves, extracts, concentrated broth, fresh or salted guts, fish preserves, animal fat* for consumption or industrial purposes, *parts of animals: bones, hoofs, hair, bristles, etc.* 40-42

Weights and measures and measuring instruments in general may not be sold until they have been examined and stamped. The Government measuring or testing offices are responsible for checking them and also carry out periodical tests, usually every two years, a special stamp being placed on the weights and measures to show that they have been tested. 43-44

Similar provisions are in force in regard to *gas meters*, which must be stamped before they can be used. 45

Portable firearms of all calibres or dimensions, manufactured in Italy must be tested in one of the recognised official proof-houses. Evidence that the firearms have been tested is furnished by the special stamp of the proof house in question and by a certificate. 46

As in England, *ships* are inspected periodically to make sure that they are seaworthy, that the machinery is in good condition and that the ship is fitted with the necessary gear, instruments and equipment. 47

The competent authorities issue reports which the master of the vessel is required to show, upon request, to the officials responsible for supervision or any person having an interest in the ship's cargo.

If the vessel is inspected by the special classification institute known as the "Registro Italiano", the latter issues a "classification certificate" specifying the standard of the vessel as a whole (hull, machinery and equipment).

Stricter regulations are in force for passenger ships.

All merchant vessels of a tonnage exceeding 25 tons, with the exception of pleasure or fishing boats, must have the waterline marked on the hull.

Under the Commercial Treaty concluded on January 27th, 1923, with Switzerland the authorities of the Confederation agree to recognise, in the case of *natural wines* of Italian origin imported into Switzerland, the validity of the certificates issued after analysis by the official Italian institutions. 48

The Treaty lays down the rules to be followed for the taking of samples, the methods to be employed for analysis and for assessing the results of the analysis, and the particulars to be included in the certificate. The latter must also state that the wine in question is natural wine and is free from disease and adulteration and in the case of wine with a special appellation of origin that its characteristics are the same as those of a natural wine of the same origin.

In accordance with a Customs Convention of March 1st, 1924, Czechoslovakia requires the presentation of a certificate of purity for olive oil and ground-nut oil, a certificate of analysis for rice starch and wine alcohol, and a certificate of purity for wine exported from Italy to Czechoslovakia.

The National Export Institute has established national marks for the export of *vegetables* and *fruit*. In accordance with Law No. 1272 of June 23rd, 1927, the use of the mark is optional and is reserved for exporters (merchants, producers, producers' co-operative societies) who are members of the agricultural and commercial syndical organisations recognised under Law No. 563 of April 3rd, 1926, and the Regulations No. 1130 of July 1st, 1926, and who are expressly authorised to use this mark. 49

Permission to use the mark is given by the National Export Institute, to which applications must be submitted and which is not obliged to state the reasons for its decision.

Notification that permission has been granted is published in the register of the Provincial Council of Economy in the district in which the exporter resides.

The use of the mark by authorised exporters is subject to the following conditions:

(1) The exporter must continue to belong to the syndical organisations referred to in the law.

(2) Producers must comply with the conditions in regard to selection, grading, uniformity, ripeness, preservation and other conditions laid down in the special provisions of the law.

(3) The get-up and packing must conform to the stipulations, shape and dimensions laid down in the said provisions.

(4) The mark must be accompanied by the name and address of the authorised exporter or his private mark.

(5) Articles subject to the health regulations in regard to plants must be certified by the competent inspector of the Plant Protection Service as absolutely healthy and free from animal and vegetable parasites.

The supervision of goods bearing the mark is exercised within the country and abroad by inspectors appointed by the National Export Institute in accordance with the powers granted by the regulations and special provisions.

Officials of the phytopathological inspection service attached to the Ministry of National Economy who in the matter of supervision exercised in accordance with the law are directly attached under the National Export Institute may also carry out this task.

In particular, the inspectors attached to the control service are required:

To collect and forward to the National Export Institute after previous enquiry, complaints submitted by foreign consignees in regard to the improper use of the Italian national mark;

If requested to do so to assist exporters entitled to use the mark in all disputes concerning the quality of the goods exported when the latter satisfy the conditions required for the use of the mark.

Railway and Customs administrations respectively must refuse to carry or to permit the export of vegetables and fruits intended for abroad when these commodities bear a mark to which they are not entitled owing to this having been despatched by persons not authorised to use the mark.

If products on which the mark has been placed by an authorised exporter are forwarded by non-authorised persons they must be accompanied by the original invoice made out by the authorised exporter.

Any person who makes improper use of the national mark established by law or has any share in such improper use is liable to a term of imprisonment not exceeding two years and to a fine not exceeding 2,000 lire. Any person forging or altering the mark or making use of a mark forged or altered by a third person is punished by a term of imprisonment not exceeding three years and by a fine not exceeding 5,000 lire.

Exporters entitled to use the mark who do not comply with the conditions governing its use or who submit for inspection goods which do not conform to these conditions will be treated as follows: (1) They will be warned. (2) Permission to use the mark will be temporarily suspended (for a maximum period of six months). (3) The permit will be cancelled.

The suspension and cancellation of the permit will be published at the offenders expense in the Official Gazette of the Kingdom, in the Announcement Sheet and in the journal of the Provincial Council of Economy of the district in which the exporter resides.

In special circumstances or when it is necessary to safeguard the reputation of the Italian export trade in vegetables and fruit, the Minister of National Economy, after consulting the National Export Institute, may by decree: (1) prohibit the export of products not bearing the national mark established by law; (2) decide that all vegetables and fruit of whatever description must be previously inspected before they are allowed to bear the national mark; (3) prescribe the use of special packings for consignments of vegetables and fruit intended for abroad even in the case of exporters who are not authorised to use the mark. Permission to use the mark is not transferable.

Branches and agencies in Italy of foreign companies or firms may obtain permission to use the mark when the managers or persons who otherwise represent the foreign company or firm in Italy make this request in accordance with the provisions of Article 3 of the Law.

Authorised exporters may reproduce the national mark or mention the fact that they are authorised to use it in their books, catalogues, letters, printed papers, labels and any other commercial documents.

In the case of goods bearing the mark no particulars must be specified on the outside packing other than those stipulated by the special technical regulations in accordance with the law.

Authorised exporters are required to specify in the transport documents relating to goods bearing the mark the date and number of the permit.

Authorised exporters selling goods bearing the national mark in Italy must furnish to the buyer, for presentation to the railway administrations in respect of each consignment, an original invoice mentioning the date or number of the permit.

Special seals to prove that the packing has not been opened by the successive purchasers must also be placed by the authorised exporter on the goods sold by him.

When goods sold in Italy do not conform to the prescribed conditions the responsibility rests with the authorised exporter who sold them if the seals have remained intact or were not affixed at the time of sale; if these seals have been damaged in any way the responsibility rests with the purchaser.

Special rules for the exportation of *ordinary* and *special lemons* from *Sicily* and *Calabria*, and various other varieties of Sicilian lemons. Exporters authorised in accordance with Law No. 1272 of June 23rd, 1927, to use the national mark for the exportation of ordinary and special Sicilian and Calabrian lemons and various other varieties of Sicilian lemons are required to observe the following rules: 50

Selection of fruit for export: The fruit must be of superior, first or second quality.

Superior fruit: Perfect fruit, regular in shape, not wrinkled, normal colour, which keeps for a long time and is regarded commercially as free from coccidæ, rust-marks and spots and damage (commonly known as "piticchie") and from streaks.

First quality: Fruit not absolutely perfect, skin slightly wrinkled, normal colour, which keeps for a long time, having a small number of visible defects not sufficient to spoil its appearance, and regarded commercially as free from coccidæ, rust-marks and spots, and which is undamaged.

Second quality: Fruit which is less fine, irregular in shape, with a more wrinkled skin and protuberances, regarded commercially as free from coccidæ, rust-marks, spots and damage of a nature to make it more perishable and to cause it to deteriorate en route.

The exportation of third quality fruit, which does not conform to the above conditions from the point of view of quality, but which is commercially free from spots and is strong enough to stand the journey, is authorised. It is forbidden to stamp the national mark on cases containing third quality fruit.

Packing — With a few exceptions, the fruit must be packed in a standard type of packing, consisting of a case with a flat lid, in which the fruit, which must all be of the same size, is arranged in accordance with precise instructions.

Characteristics of the packing. — The fruit must be packed in dry beechwood cases with two compartments, the ends of which, of a thickness of 17 to 20 mm., must, as a general rule, both consist of a single piece of wood. However, one of the ends—or when they are more than 28 cm. high both of them—may have a piece added, provided that this is not more than 3 cm. high, fits properly, the join being perfect, and meets the bottom of the case; the cases must have a central partition 17 to 20 mm. thick, consisting of two or three rectangular pieces which meet perfectly, either horizontally or vertically, clamped on either side with fillets which must not project and must be firmly nailed on; the sides of the case must be 4 mm. thick, consist of a single piece, or have not more than one piece added, which must not exceed 3 cm. in height; the bottom of the case must be from 3 to 4 mm. thick, consist of two or three pieces measuring not less than 5 cm., meeting perfectly and not superimposed. The lid, 3 mm. thick, must consist of a single piece, or of not more than two pieces and a fillet. On the outside the case must have three chestnut-wood hoops nailed on. Outside fillets are allowed; on the side of the lid at the corners clamps of 1.5 to 2 cm., to protect the packing, are also allowed.

Particulars to be given on the cases. — All cases containing ordinary, special or other varieties of lemons ("limoni", "limoni speciali", "limoni lunari", "limoni ricioppi" or "verdelli") intended for export must have the following particulars stamped in indelible and visible characters on them:

1. On the side on which the wooden hoops are fastened: on the left-hand half looking at the side in question, the word "primissima" (superior quality), or "prima" (first quality), or "seconda" (second quality), or "terza" (third quality), and a description of the contents "limoni", "limoni speciali", "limoni lunari", "limoni ricioppi", or "limoni verdelli"; on the right-hand half of the same side the name and address of the exporter authorised to use the mark and the number of the permit (this number is not required in the case of third quality fruit) must be given.

2. On the end of the case, next to the left-hand half of the side in question: the national mark (not required for third quality fruit) with a diameter of 10 cm., the exporter's mark and the number of fruit contained in the case.

In addition to the particulars enumerated above, only countermarks, place of destination, place of origin and any particulars which may be required by the laws of the importing country may be given. All or any of these particulars may be given on the end of the case mentioned in paragraph 2, provided that they are properly spaced and do not conceal the particulars prescribed in paragraph 2 or make them less clear.

The boxes may bear the exporter's mark on the lid.

If the cases or boxes are wrapped in jute or are placed in a bag, the foregoing particulars, arranged as stated above, must also appear in clear and visible characters on the wrapping.

Exportation of Sicilian and Calabrian confectionery lemons. — Exporters authorised in accordance with Law No. 1272 of June 23rd, 1927, to use the national mark for the exportation of Sicilian and Calabrian confectionery lemons are required to comply with the following rules:

Selection of fruit for export. — Confectionery lemons consist of selected lemons usually sold for the preparation of candied fruit or jam, provided they are regarded commercially as free from spots.

Number of fruit in a case, dimensions and minimum gross weight of cases: For the export of confectionery lemons, two types of cases only may be used, namely:

1. Cases weighing 70 English lb. on arrival: minimum gross weight when they leave the country, 40 kg.; external dimensions of the case: length 68.5 cm., width 33.5 cm., height 27.5 cm.
Number of fruit: 300 or 360, or, in the mixed packing, 300 to 360.
2. Cases weighing 100 English lb. on arrival: minimum gross weight on leaving the country 57 kg.; external dimensions of the cases: length 79 cm., width 39 cm., height 27 cm.
Number of fruit: 360 or 420, or, in the mixed packing, 360 to 420.

Characteristics of packing. — The packing must comply with the same conditions as indicated above for the export of Sicilian and Calabrian lemons.

Particulars to be given on cases. — All cases containing confectionery lemons intended for export must have the following particulars stamped on them in indelible and visible characters:

1. On the side on which the wooden hoops are fastened: on the left-hand half, looking at the side in question, the words "Confectionery Lemons"; on the right-hand half of the same side the name and address of the exporter authorised to use the mark, and the permit number.
2. On the end of the case next to the left-hand half of the side in question: the national mark with a diameter of 10 cm., the exporter's mark and the number of fruit contained in the case.

In addition to the particulars enumerated above, only countermarks, place of destination, place of origin and any particulars which may be required by the laws of the importing country may be given. All or any of these particulars may be given on the end of the case mentioned in paragraph 2, provided they are properly spaced and do not conceal the particulars prescribed in paragraph 2, or make them less clear.

If the cases or boxes are wrapped in jute, or are placed in a bag, the foregoing particulars, arranged as stated above, must also appear in clear and visible characters on the wrapping.

51 Exportation of *oranges from Sicily and Calabria*. — Exporters authorised in accordance with Law No. 1272 of June 23rd, 1927, to use the national mark for the exportation of oranges (ordinary, spherical and so-called "subsferiche"), so-called "sanguinelle" oranges (with pulp streaked with red), blood oranges (with skin streaked with red and red pulp), double blood oranges (with skin strongly marked with dark red and red pulp) and oval oranges from Sicily and Calabria are required to observe the following rules:

Selection of fruit for export. — The fruit must be of superior, first or second quality.

Superior quality: Perfect fruit, regular in shape, not wrinkled or only slightly wrinkled, of a good colour which keeps for a long time and is regarded commercially as free from coccidæ, spots, damage and defects.

First quality: Fruit not absolutely perfect, skin regular, paler in colour, having slight defects which are not sufficient to spoil its appearance and which is regarded commercially as free from coccidæ and spots and is undamaged.

Second quality: Less fine fruit with a thicker and more wrinkled skin, regarded as commercially free from coccidæ, spots and damage which might cause it to deteriorate en route.

The exportation of third-quality fruit which does not conform to the above conditions but is regarded commercially as free from spots and is able to stand the journey is authorised. Cases containing third-quality fruit must not bear the national mark.

The number of fruit contained in the cases and the dimensions and minimum gross weights of the cases must be in accordance with the regulations.

Characteristics of the packing. — The packing must conform to the conditions indicated above for the exportation of Sicilian and Calabrian lemons.

The particulars to be given on the cases are the same as indicated above for the exportation of Sicilian and Calabrian lemons.

Exportation of bitter oranges from Sicily and Calabria. — The above-mentioned regulations also apply to the exportation of bitter oranges.

Exportation of lemons from Maiori, Sorrento and Fondi. — Exporters authorised in accordance with Law No. 1272 of June 23rd, 1927, to use the national mark for the exportation of lemons from Maiori, Sorrento and Fondi are required to observe the following regulations:

Selection of fruit for export. — The fruit must be of first, second or third quality.

First quality: Perfect fruit, regular in shape, not wrinkled, normal colour, which keeps for

a long time and it regarded commercially as free from coccidæ, rust marks, spots and damage (commonly known as "piticchie").

Second quality: Fruit which is not absolutely perfect, skin slightly wrinkled, normal colour, which keeps for a long time, has a small number of visible defects which do not spoil its appearance, and which is regarded commercially as free from coccidæ, rust marks, spots and damage.

Third quality: Fruit which is less fine, irregular in shape, with a more wrinkled skin and protuberances, regarded as commercially free from coccidæ, rust marks, spots and damage of a nature to make it more perishable and to cause it to deteriorate en route.

The exportation of fourth-quality fruit which does not conform to the above conditions from the point of view of quality, but which is commercially free from spots and is able to stand the journey is authorised. It is forbidden to stamp the national mark on cases containing fourth-quality fruit.

The packing must comply with the same conditions as those indicated for ordinary and special Sicilian and Calabrian lemons.

Exportation of oranges from Sorrento, Salernitano and Fondi. Oranges from Sorrento, Salernitano and Fondi intended for export must be of first or second quality.

First quality: Perfect fruit, regular in shape, not wrinkled or only slightly wrinkled, of a good colour, which keeps for a long time and is regarded commercially as free from coccidæ, spots, damage and defects.

Second quality: Fruit which is not absolutely perfect, skin regular, which keeps for a long time, has slight defects which do not spoil its appearance, and which is regarded commercially as free from coccidæ, spots and damage.

The packing and particulars given on the cases must conform to the regulations.

Exportation of lemons from Rodi Garganico. — Lemons from Rodi Garganico must be of first or second quality.

First quality: Perfect fruit, regular in shape, not wrinkled, normal colour, which keeps for a long time and is regarded commercially as free from coccidæ, rust marks, spots and damage (commonly known as "piticchie").

Second quality: Fruit not absolutely perfect, skin slightly wrinkled, normal colour, which keeps for a long time, has a small number of visible defects which do not spoil its appearance, and which is regarded commercially as free from coccidæ, rust marks, spots and damage.

The packing and particulars given on the cases must conform to the regulations.

For the exportation of *tangerines*, the national export mark instituted by the National Export Institute must be used. The National Export Institute deals with each case separately. 52

Determination of the types of home-grown polished *rice* intended for export, official description of these types and application of the national export mark (Decree-Law No. 486 of January 8th, 1928). — Consignments of home-grown rice of official type intended for abroad must have the corresponding official description and the national export mark instituted by Law No. 1272 of June 23rd, 1927, stamped on the outside of the packing. The bags must be fastened with seals bearing the name and address of the consignor or the number of the declaration provided for in Article 3 and the national export mark. The official description of the goods must also be mentioned in the commercial documents (copy of order, invoices, etc.) and in the transport and Customs documents relating to the goods. 53

Consignments of rice in the husk and partly husked and of polished rice not of official type intended for export must have the following words stamped on the outside of the packing: "Rice in the husk", "Partly husked rice" and "Rice to sample", as the case may be. This description must also be mentioned in commercial, transport and Customs documents relating to the goods.

The transport or export of rice intended for abroad which does not bear the indications prescribed is forbidden. The railway and Customs administrations must see that this stipulation is complied with.

The provisions relating to the particulars to be given in the transport documents do not preclude the addition of any other details which may be necessary with a view to the application of the transport dues.

Firms proposing to export rice fulfilling the conditions laid down for the official types must make a declaration to this effect to the National Export Institute, mentioning the place from which the goods will usually be despatched.

For the purpose of ascertaining that the product complies with the conditions laid down for the official types of home-grown rice and that the provisions governing the exportation of rice have been observed, samples of all consignments of polished rice bearing a distinctive official description and the national export mark will be taken by the official agents on a request in writing from the exporting firm.

It is forbidden to export rice which, although it bears the official description and the national export mark, is not accompanied by a report drawn up by the official responsible for sampling and stating the approximate quantity of samples taken by him.

A Control Office is attached to the National Export Institute; its duty is to ascertain that the goods sampled fulfil the conditions required for the official types of rice, to issue certificates concerning the quality of the goods and to supervise the work of the officials responsible for sampling.

Should the Control Office discover that the goods do not correspond to the official type in question, it must at once inform the Chairman of the Commission set up for this purpose so that the measures provided for may be taken against the firm which has failed to comply with the regulations governing the exportation of official type rice.

Upon receipt of the communication, the Chairman of the Commission may order the goods to be stopped at the frontier by the Customs authorities for the purpose of cancelling the official description and the national export mark on the outside of the packing, without prejudice to any subsequent measures which it may be found necessary to take against the offending firm.

Firms which, after making the declaration mentioned above, send abroad under any of the official descriptions and with the national export mark, rice which is not in accordance with the conditions laid down for official type rice, or which do not comply with all the regulations governing the exportation of the rice in question, are liable to:

- (1) A warning;
- (2) The prohibition, either temporarily for a period not exceeding six months, or permanently, to use the description applicable to an official type of rice and the national export mark.

In addition to this temporary or permanent prohibition, a fine varying from 500 to 10,000 lire may be imposed.

The Control Office fixes special type samples of rice each year for each official type, according to the quality of the crop.

Specimen samples are deposited with the Mercantile Exchanges of Genoa, Milan and Trieste.

On the proposal of the National Export Institute, the Minister of National Economy may decide that special contracts shall be drawn up for official types of polished rice.

CATEGORY 3.

54 The organisation of unions of the producers of certain typical kinds of *wine*, for the protection of the name of their products, was authorised by a Decree-Law of March 7th, 1924.

These unions, which are under the supervision of the Ministry of National Economy, are entitled to adopt their own distinctive mark to enable the products of the members to be recognised. The latter have the exclusive right to use their own mark in conjunction with the distinctive mark of the union.

55 In conjunction with the representatives of the Ministry of National Economy, the Latium Chamber for *sheep's wool* and *cheese*, which is administered by a council consisting of members appointed by the Latium, Farmers' Union, the Cattle Owners' Syndicate, the Agricultural Society of Cattle Owners and the Association of Salters of Rome, brands each cheese intended for export to certify its genuineness.

56 Certain societies or associations keep stud-books and herd-books of *racehorses* or *cattle of well-known breeds*, similar to those used by the Draught-Horse Society in Belgium.

57 An association of *Carrara marble* producers, membership of which is compulsory, has been formed for the purpose of rationalising the industry, improving production and regulating sales at home and abroad. The association affixes to marble in the rough and sawn marble a mark of guarantee reproducing the emblem of the Commune of Carrara.

CATEGORY 4.

58 At the request of private persons, the agricultural offices and laboratories of agricultural chemistry under Government control, and also the municipal chemical laboratories, will analyse samples of *essence of lemon* and of *sumac*.

59 Private persons may have their *measuring instruments* tested by the Government measuring or testing offices.

60 *Precious metals* may be submitted to these same offices to be assayed, after which they will be hall-marked to attest the fineness, but this is not compulsory.

61 The Central Measuring Office in Rome is responsible for testing and marking, at the request of the persons concerned, *thermometers*, *alcoholometers*, *densimeters* and all other *precision instruments*.

62 Experts responsible for testing *steam boilers* must possess gauges tested by the above Office.

Certificates of analysis in respect of goods intended for export are issued by a number of institutes.

Most of these institutes will analyse products for private persons and grant certificates showing the results. These institutes are as follows: the Customs chemical laboratories, the chemical laboratories attached to the Universities or higher schools of agriculture, the laboratories for agricultural products, experimental agricultural stations, œnological stations, special schools of wine-growing and œnology, experimental cellars, agricultural institutes and public health laboratories and institutes responsible for the preparation of and trade in wine and oil.

The Chambers of Commerce are required to keep constantly up-to-date a list of commercial and industrial experts. It is therefore possible for a foreign buyer to stipulate in the contract that, before despatch the goods must be examined by an expert to be appointed by the President of the Chamber of Commerce.

Each Chamber of Commerce has at its disposal experts competent to deal with all goods in which there are commonly commercial transactions within its area.

The appointment of experts by these Chambers of Commerce does not involve them in any responsibility at law.

The Commercial Code provides that the President of the Commercial Court, or in places where there is no Court, the magistrate, may order the quality and condition of the goods sold to be checked by one or more experts appointed by the Court at the expense either of the buyer or of the seller.

CATEGORY 5.

In accordance with common law, the purchaser may not check the quality of the goods until they are delivered; this applies both to cases in which the contract is concluded on the basis of a sample and to cases in which the typical characteristics of the goods are specified in the contract.

Article 1452 of the Civil Code provides, however, that as regards goods such as *oil* and *wine*, which are usually tasted before purchase, the contract is not valid until the purchaser has tasted them and found them to be of the required quality. In this connection, commercial practice is of special importance in virtue of Article 1 of the Commercial Code. The collection of usages and customs drawn up by each Chamber of Commerce contains various provisions regulating the right of inspection. 63

Exceptions may, of course, be made in a contract to the above-mentioned principle by means of the insertion of a clause providing for inspection or tasting in advance, or a clause entitling the buyer to take samples before delivery, and to have the goods inspected to make sure that they conform in every respect to the sample or are of the desired quality.

JAPAN.

CATEGORY 1.

1 The manufacture of *certain silks intended for export* is subject to strict Government supervision and to a licence the granting of which is subject to certain conditions. The Government representatives have very extensive powers in this respect.

CATEGORY 2.

The principal goods exported from Japan are very carefully inspected in order to prevent the exportation of worthless goods and to afford every guarantee to foreign buyers.

Proof of inspection is furnished, and the result of the inspection is given on the marks affixed to the goods, or in the certificates furnished to the persons who have applied for the goods to be inspected. In both cases the methods prescribed in the regulations must be employed.

These regulations concern:

2 (a) The bleaching of "*Habutao*" silk. The supervision of the processes, material and
3 ingredients used for bleaching "*Habutao*" silk intended for export, and of *foulards, crêpes, crêpe "Kabe", Shiké foulards and silk satin fabrics* is compulsory.

(b) The prohibition to add to "*Habutao*" silk, intended for export, substances likely to lower the quality and to remove the stamp of the prefecture affixed to certify the quality of the "*Habutao*" silk after inspection unless this removal is essential or has been authorised for good reasons by the prefect. These regulations also apply to *foulards, crêpes, crêpe Kabe, pongé and silk satin* intended for export.

4 (c) Inspection bureaux for silk fabrics intended for export, and the inspection of those fabrics.

Each prefecture may establish one of these bureaux, which is then subject to the strict supervision of the Central Government; manufactures of silk fabrics intended for export must submit them to the bureau for inspection.

There are eleven of these bureaux established in the principal industrial centres producing silk fabrics: Kyoto, Gifu, Fukui, Ishikawa, Toyama, Gumma, Tochiki, Kanagawa, Aichi, Fukushima, and Yanagata. *and Yanagata*. Consequently, practically all silk fabrics are inspected before they are exported.

5 (d) In virtue of special laws for each of the following commodities, their exportation, with
6-7 certain exceptions, is only authorised, subject to a fine, after they have been inspected by the trade organisations or associations or the prefecture in the place of manufacture. The conditions of this inspection are regulated in detail for each article: *plaiting of straw, of hemp and of chips; matches, glassware, enamelled articles; hosiery, brushes, celluloid, pencils and leads, cotton goods.*

8 (e) Only those *mats ornamented with designs* which have been examined by the special Bureau set up for this purpose may be exported. The inspection covers the material, dyeing, textures, number of warps, border, length, width, weight and other details laid down in the regulations. A stamp is affixed showing the result of the examination.

The majority of the associations of manufacturers of the principal export products or the federations of those associations, have the right to instruct their experts to inspect goods and to appoint persons to carry out this task, with the approval of the prefects.

CATEGORY 3.

A part from the cases provided for in Category 2, the members of the "Associations for Staple Products" are forbidden to transport goods controlled by the Association outside the area over which it has authority; consequently, goods controlled by the Association and which are

intended for export are inspected by the competent Association, which thus affords a guarantee to the foreign buyer.

CATEGORY 4.

At the request of any person, the Government Silk Inspection Bureau will examine *silk* 9 from the point of view of the gross weight, net weight, loss of weight by scouring, and will issue a certificate in duplicate giving the result of the inspection.

This inspection is optional, but in practice all exporters have recourse to it.

The Chambers of Commerce of certain private associations issue certificates on request, in regard to the quality and origin of the goods.

LATVIA.

CATEGORY 1.

Fish preserves. — 1. The label must give an exact description of the contents of the tin, and must specify the kind of fish employed ¹.

2. Only good-quality fish may be used. It must be carefully prepared. Sprats in oil must be fresh and properly smoked. Brätlinge must be fresh, properly smoked and be without hard or soft roes. The head must be completely removed. Half the fins must be cut off. The fish must be carefully arranged in the tins, must not be in pieces, have stains or scales or other impurities on them.

3. For the manufacture of sprats only olive, sesame or walnut oil, pure or mixed, must be used. This oil may, however, contain up to 20 per cent of mustard oil and up to 30 per cent of soya oil. The oil must cover the fish completely. The kind used must be mentioned on the label.

4. The tins must be made of tin plate well coated with tin. The coating must not contain more than 0.2 per cent of lead.

5. The recipients and appliances used for the manufacture, consumption despatch and sale of preserved fish must not be of lead or contain an alloy of more than 1 per cent of lead or other substance harmful to health.

6. The labels must be firmly pasted on to the tins. The past must not contain substances which might attack the tinning and cause the tins to rust when exposed to damp.

7. Only sugar and salt may be used to prepare preserved fish; no other products of consumption are allowed. Saltpetre may form 2 per cent of the whole product.

8. The exact date of manufacture (day, month and year) must be stamped in hollow letters inside the tins.

¹ *Note.* — This does not apply to anchovies or sprats. Tins labelled "sprats" must contain stromlinge and brätlinge only, and those labelled "anchovies" brätlinge only.

LUXEMBURG.

CATEGORY I.

Wines and sparkling wines.

A special Law, dated July 24th, 1909, governs the system for wines and similar drinks.

The enforcement of the law is supervised by special Government officials appointed for the purpose.

The chief provisions of the law are as follows:

(a) Only wine made from the pure juice of fresh grapes may be sold or offered for sale as natural wine.

(b) In years when the grapes have not completely ripened, it shall be permissible to improve the wine with sugar or a sugar solution, but only in proportions strictly limited by the law.

The actual process of improvement is subject to restrictions as to the place and time at which it may be carried out, and as to the quantity and nature of the materials to be employed.

(c) Any sugaring must be notified to the competent authority.

(d) Sugared wine may not be sold as the vintage of any specified grower.

At the buyer's request, the seller must declare whether the wine is sugared or not.

(e) The law enumerates the materials which may not be added to wine. It provides severe penalties for counterfeiting and adulteration.

(f) The question of the mixing and dilution of wines is also subject to special restrictions.

(g) Every producer or seller of wines (wine-grower, wine-merchant, retailer, etc.) is required to keep special books and to enter therein the harvest, purchases, and sales of wine, and any sugaring that the wine may have undergone.

(h) Wines intended for export, as well as imported wines, are subject to official inspection.

(i) A State laboratory is responsible for analysing doubtful wines, or wines alleged not to conform to the law.

Sparkling wines.

A wine which has been made sparkling, not by natural fermentation but by the addition of carbonic acid, may not be offered for sale unless it is definitely and specifically stated to have been gasified. The country in which such manufacturing process has taken place must also be named.

Only sparkling ("champagnisé") wine originating and manufactured in the "regionalised" districts of Champagne may be sold as "champagne".

Sparkling fruit wine must be expressly declared as such, and must bear a mark to this effect.

NETHERLANDS.

CATEGORY I.

- I *Regulations regarding the sale of fertilisers, seeds and fodder.* — These legal regulations apply to all stocks produced in the country or coming from abroad.

Supervision is exercised by the Customs or the police, the representatives of these services being entitled to take samples for examination in the national agricultural laboratories.

Goods which do not comply with the prescribed rules may be seized and destroyed. Infringements are punished by imprisonment or other penalties. Some rules are applied in common to the three categories of goods mentioned above.

For instance, the designation used must be a sufficiently good description to allow of the goods being distinguished and must indicate for what purpose they may be used. The quality must be guaranteed and, in the case of mixed substances or compounds, the percentages of the ingredients must be stated either on the goods themselves or on the packing, or else in the accompanying documents.

In addition, certain special rules are laid down for each of the three kinds of goods mentioned above.

- 2 I. *Fertilisers.* — If fertilisers are not prepared for immediate use or for being spread out, and if they contain ingredients which are not usual or which may be harmful to plants, the seller must inform the purchaser of the fact and must declare and guarantee the proportions and the form and manner in which the various ingredients are mixed. In certain cases a margin of error is allowed which may in no case exceed 8 per cent.

Special provisions are laid down for the composition of Chile saltpetre, calcium nitrate, Thomas phosphate, potassium sulphate and "patent kali".

The percentages of the chemical composition are strictly prescribed for each of these different kinds of fertilisers, and if the real composition varies from that laid down, the purchaser must be informed of the fact.

- 3 2. *Seeds.* — The provisions regarding seeds apply to a great number of kinds and varieties such as grass, clover, lucerne, beans, peas, linseed, hemp, beetroot, turnips, cabbages, onions, celery, chicory, cucumbers, radishes, tomatoes, spinach, etc.

These rules provide that on the sale of such seeds, the botanical species must be guaranteed and the seeds must all be in good condition.

If these regulations are not fulfilled, the seller must inform the purchaser and must in any case guarantee a certain proportion of good seed. For certain kinds such as lucerne, linseed, clover-seed, etc., this guarantee takes the form of a statement that there is not more than one seed of other kinds in a given quantity varying from 25 to 100 grammes.

- 4 3. *Fodder.* — It is provided that the seller must inform the purchaser if the fodder is not ready for use, if it cannot be used alone as fodder, if it is not fresh, if it contains poisonous or harmful ingredients or unusual substances or, finally, if it has been subjected to any process which may affect its normal composition.

The list of cattle fodder includes oil-cake, flour or meal from wheat, rye, barley, oats, maize, peas and beans, compressed pulps, beetroot pulp, molasses, etc.

The substances and the methods used in producing these kinds of fodder are specified in each case.

The Netherlands has a "Warenwet" (law regarding goods) of September 19th, 1919 (*Law Gazette*, 1919, No. 581) under which (Article 6) each commune is obliged to draw up regulations for the control of goods and prohibiting the sale of goods:

- (a) Which are defective;
- (b) Which may be harmful to the life or health of the persons using them;
- (c) Which do not comply with the provisions laid down in accordance with the law regarding goods.

Not only is the sale of such goods prohibited, but also their storage, transport, etc.

- 5 Article 1 defined "goods" and provides that this term shall include all *foodstuffs* (except meat, for which there is a special law) and all *articles used for preparing, manufacturing or preserving foodstuffs*. The Royal Decree of March 26th, 1921 (*Law Gazette*, 1921, No. 638), gives an additional list of categories of articles included in this expression.

Finally, the law regarding goods provides that the Crown will lay down the conditions with which "goods" and other articles must comply in respect of manufacture, composition, packing, transport, etc. Articles 14 and 15 of the law regarding goods deal with the authorisation to affix marks on the goods or on packing if the said provisions are complied with.¹

In several cases, the rules laid down are not generally applicable to goods intended for export (see for instance Article 10 of the Royal Decree regarding chocolate, p. 202).

Nevertheless, other decrees refer also to exported goods, such as the Royal Decree regarding wallpaper (*Law Gazette* 1924, No. 213), the "General Decree" (*Law Gazette* 1925, No. 262), containing provisions regarding the preparation, packing and treatment of foodstuffs, the Royal Decree regarding paper, particularly Article 5 (a) (*Law Gazette* 1922, No. 109) which was amended by Royal Decree of August 4th, 1923 (*Law Gazette* 1923, No. 391), in so far as this decree deals with the definition of the terms "normal" and "standard".

6
7

CATEGORY 2.

The stamping of gold and silver articles is effected in the Netherlands at the time of importation or of manufacture in the country. This stamping, for which the manufacturer or importer must pay a fee, guarantees a fineness of 916, 833, 750 or 583 thousandths and in the case of silver of 934 or 833 thousandths; in the case of silver, only articles manufactured in the Netherlands are stamped. On the standards of fineness mentioned a margin of 3 is allowed for gold and 5 for silver. Finally, there is a taxation mark for articles of which the fineness cannot be guaranteed (for gold of a fineness lower than 583 and for silver lower than 833 and for any foreign silver) down to a limit of 250 thousandths for both gold and silver. In cases where unused articles manufactured in the Netherlands, or which have been imported and bear the mark prescribed for Netherlands articles, are exported, nine-tenths of the tax paid is refunded and a special export mark is stamped on the articles. The marks indicating the fineness are, however, not removed, so that the guarantee remains that the goods have been examined by a competent office which has found the fineness to be as indicated by the marks. This export mark does not consist of figures, but of an emblem. Manufacturers who so desire are, however, entitled to export the goods without any mark and without paying the tax.

8

There are also regulations regarding certificates of seaworthiness for ships.

9

The Royal Decree of October 19th, 1925, regarding fats (*Law Gazette* 1925, No. 421) introduced compulsory control over the processes for converting imported fats into edible fats. Imports of such fats are subject to certain conditions. The merchants authorised to carry on this manufacture also obtain the exclusive right to mark the products with the words: "Vet, geheel of ten deele uit buitenlandse producten bereid onder toezicht krachtens de Warenwet (*Staatsblad* 1919, No. 581) en voor menscheijk voedsel geschikt".²

10

Live animals: cattle, horses, sheep, pigs, etc. — Live animals are subject to compulsory examination by the Government veterinary inspectors immediately before exportation.

11

The object of this inspection is to ensure that the animals are free from any of the diseases mentioned in the law, and free from symptoms of these diseases.

In respect of animals which have been passed after inspection, a certificate is issued in duplicate, one copy of which is sent to the Director of the Veterinary Service at The Hague, while the other accompanies the animal. The certificate may be refused in cases of weakness, sores, abscesses or leanness.

With regard to cattle intended for export, the certificates specially mention the absence of contagious diseases enumerated in the law, and the fact that the animals have been subjected to special treatment, in conformity with the requirements of the veterinary regulations in the country of destination.

Fresh meat for export. — 1. Inspection; animals must be inspected before being slaughtered.

12

Slaughtered animals are further inspected, and the thoracic and abdominal viscera, the udders, etc., are labelled in order to identify them for the purpose of a subsequent inspection, if necessary.

The inspection is made more particularly as regards a number of diseases which are enumerated in the law for each kind of meat.

There is an export prohibition on meat from animals affected by any one of a large number of diseases also enumerated in the law. The prohibition also extends to animals suffering from

¹ The text of the Law regarding Goods and of the Royal Decrees issued for executing this law is to be found in the publication "*Nederlandsche Staatswetten*", Editie Schuurman en Jordens No. 99, except for the Royal Decree of June 23rd, 1925, which may be found in the *Law Gazette* 1925, No. 262.

² *Id est*: "Fats prepared entirely or partly from foreign products under control exercised in accordance with the Law regarding Goods (*Law Gazette* 1919, No. 581) and suitable for human consumption".

fractures or bearing marks of blows or wounds on the skin and subcutaneous tissues, or suffering from extensive skin disease.

An export permit may be refused if the animal has not been slaughtered in the proper manner or if the meat has an unusual smell, taste or consistency or has been carelessly handled, or if there are other reasons to think that it is unsuitable for export.

2. Marks: Meat passed for export is furnished with a light yellow label bearing the Netherlands arms and the following words in Dutch: "Meat examined for export under the Dutch Law of March 26th, 1920, and the Royal Decree of June 6th, 1922, No. 40". This label also contains the inspector's name and any remarks arising out of the inspection.

The meat may only be despatched if it is in a condition to stand the journey and if it bears the prescribed mark. The packing must be appropriate and of such a kind as not to spoil the meat.

- 13 *Butter.* — Butter control is under State supervision. It gives the foreign purchaser a guarantee that the butter is absolutely pure and does not contain more than 15½ per cent of water. The control is exercised by nine stations established by agricultural societies, which are associations of interested parties, set up and directed by themselves. Producers affiliated to the stations have no influence over the control operations.

The control mark consists of the Netherlands arms around which the words "Netherlands Butter Control under State supervision" in Dutch are printed on thin cloth paper. This paper is attached to the butter by means of a seal, so that it cannot be removed without tearing it. Each mark includes certain letters and a number registered at the control station, so that the origin of the butter can always be traced; in addition, every affiliated producer is obliged to mark the packing with an identification mark prescribed by the Director of the control station, so that the officials of the station and persons entrusted with Government supervision can immediately identify the dairy from which the goods come.

- 14 Any product containing fats other than milk fat is considered as *margarine* and must be indicated as such during the whole time of storage, transport, delivery and export.

The State dairy inspection service supervises and enforces the butter regulations. If it thinks fit, it takes samples of products subject to control and sends them to the State dairy station at Leyden.

No butter may be exported without the official mark.

- 15 *Cheese.* — In Holland, the control organisation for cheese was established at the request of the parties interested in the manufacture of this product, their object being to regularise the trade and effectively guarantee the purity, manufacture and fat content of the cheese.

Control is exercised under State supervision by cheese control stations. These are five, in number, two dealing exclusively with cheese produced from whole milk.

The station is a voluntary association of all producers undertaking to comply with the Government provisions for ensuring purity and the observance of hygienic rules. They agree to accept control and inspection by officials appointed by the Government for the purpose.

Membership of these associations is subject to certain conditions. Members not observing the established rules may in certain circumstances be expelled; in other cases, they must be expelled.

The object of the control of cheese made from whole milk is to guarantee that the cheese is really obtained from unskimmed milk without any addition of foreign matter, with the exception of substances usually employed in cheese manufacture, and that the percentage of fat in the dry matter is not less than 46 per cent and that the percentage of fat in the whey is maintained within normal limits.

The control of cheese obtained from milk more or less skimmed is intended to guarantee that it contains not less than 20, 30 or 40 per cent of fat without the addition of foreign matter.

Official marks corresponding to these four kinds of cheese have been instituted at the request of the parties. They consist of a small disc made of thin, transparent casein, on the back of which is printed in dark coloured ink in Dutch: "Dutch Cheese Control under State supervision". In the middle are the State arms, under which the words "Volvet 45%"¹ are printed for full fat cheese, only the corresponding percentages of fat being given for the other qualities. The first of these marks is round and printed in blue ink; the others are hexagonal and black.

The official marks are applied by the manufacturers who receive them from the stations under strictly defined conditions; they bear numbers and letters for the purpose of identifying the producer and the station issuing the mark.

Butter and cheese producers affiliated to the control stations are obliged to keep a strict account of these marks and of their output, so as to prevent fraudulent use being made of the

¹ Although the mark mentions the figure 45, it is understood, as mentioned in the last paragraph but one, that the minimum percentage of fat is 46.

marks. The managements of stations receiving these marks from the Government must also keep accounts which are liable to be checked.

The State dairy inspection service supervises and enforces the regulations regarding cheese.

The export of butter and cheese is only permitted on condition that the product bears the above-mentioned official mark.

Herrings. — The “Haringwet, 1927” (*Law Gazette* 1927, No. 387) contains provisions for preventing abuse in the export of herrings. The exporter is responsible for the use of barrels of the dimensions and capacity prescribed by law, for the minimum net weight of herrings in the barrels being in conformity with the law, and, in certain cases, for the kind and quality of herrings packed. He is liable to penalties in case the existing provisions are not complied with. The State exercises control over the observance of these provisions. The control regulations for Netherlands herrings established by Royal Decree of March 24th, 1928 (*Law Gazette* 1928, No. 83), provides that salted herrings exported from the Netherlands must be packed in Dutch or Scottish barrels of the prescribed dimensions and capacity. Every barrel of salted herrings exported must bear a stamp in red ink or red paint, stating the size of the barrel and the minimum net weight of the herrings in kilograms. This stamp must also mention the exporter's number. A barrel of salted herrings on export may also bear a mark on orange-coloured paper indicating that the herrings are of a certain season, that they are intact, originate from Netherlands fisheries, were packed alive and salted at sea, and that they are of the kind indicated (maiden herrings, summer herrings, full herrings, spent herrings). Barrels bearing this orange-coloured label, in addition to the red stamp, may only contain herrings of the season indicated; at least 95 per cent of the herrings in the barrel must be of the kind mentioned on the label. 16

Anchovies. — Anchovy exporters may place themselves under State control through the Association for the Control of Anchovies. 17

They may not export anchovies abroad without using packing bearing the customary control mark. They must comply with the provisions for preventing abuses in the trade in anchovies not coming from Netherlands fisheries or for preventing the delivery of anchovies in packing of an insufficient net weight or not containing the prescribed number of fish.

A penalty not exceeding 5,000 florins is inflicted for infringements of the legal provisions.

CATEGORY 3.

Electrical and gas articles. — The Central Bureau of the Association of Directors of Electricity Works in the Netherlands (*Vereeniging van Directeuren van Electriciteitsbedrijven in Nederland*) at Maestricht and the Central Bureau of the Association of Gas Manufacturers in the Netherlands (*Vereeniging van Gasfabrikanten in Nederland*) at The Hague issue certificates for electrical and gas articles respectively which have been submitted to a quality test by these Associations. 18

Horticultural products. — Various co-operative societies for auction sales have organised control, through their own paid employees, of the quality, grading and packing of these products. Some of them have even established a system of penalties for members who do not comply with the very strict rules laid down by the committees of these societies. They have adopted marks which may be considered as control marks in respect of the purity and quality of the goods. 19

This is the case in particular with the “Het Westland” society, and the “Central Bureau of Auction Sales” at The Hague.

Horned cattle, horses, asses and mules, sheep, goats and pigs. — The Stud-Book or Herd-Book Associations certify on request that certain information regarding the pedigree, appearance and other qualities of these animals is entered in the stud-books and herd-books. 20

The books of these Associations contain information regarding the milk production of cows and the percentage of fat in the milk. In the case of bulls they state the milk production of the dam, and the percentage of fat in the milk of animals on the male and the female sides.

In the provinces of North Holland and Friesland there is a so-called “sanitary service” for cattle, established by breeding societies and co-operative dairy societies. Cattle on farms that are members of these organisations are inspected at regular intervals for tuberculosis.

When an animal is sold, this service issues on request a certificate to the effect that it is free from tuberculosis.

Eggs. — A number of private associations stamp their marks on eggs as a guarantee of quality. “The North Holland Co-operative Society”, for instance, marks eggs delivered by members at certain centres. The mark indicates, in particular, the name of the supplier; the origin of the egg can accordingly be traced. 21

22 *Bulbs.* — The “ De Narcis ” Society has arranged for the inspection of planted bulbs by ten inspectors, who are empowered to prescribe the necessary measures for combating disease. This inspection is followed by a second inspection of the dry bulbs.

23 The Government phytopathological service co-operates by issuing export certificates through its officials only when it has proof that the *narcissus* bulbs have been inspected during growth and recognised as suitable for export.

In this connection the “ De Narcis ” Society issues certificates containing the name, the area under cultivation, the existence or absence of disease and, in case of symptoms of disease, any disinfection that may have taken place.

For other bulbs there are similar societies to “ De Narcis ”, in particular the “ De Hyacint, ” “ De Tulp ” and “ De Gladiolus ” Societies.

24 “ Uitvoer Controle Bureau ” (U.C.B.) is a private association of exporters and producers established for maintaining the good reputation of the Dutch products, *vegetables, fruits and potatoes*, on foreign markets.

The members of this Association, *i.e.*, undertakings for selling by auction and exporters—who must be accepted by a Committee the Director of which is not connected with exporting or producing—voluntarily accept the control of U.C.B. They are authorised to export the vegetables, potatoes and fruits mentioned below under the registered mark of U.C.B., provided these products comply with the minimum conditions fixed by the U.C.B. for each product in respect of quality, grading and packing. The mark mentioned consists of a lion bearing the Dutch flag with the words “ Export Control ” above and “ Holland ” below.

25 Special inspectors undertake permanent control, so that no products may be exported which do not correspond to the prescribed qualities. The significance of the mark used by the U.C.B. is brought to the knowledge of the foreign public by means of advertisements. The control applies to *tomatoes, cucumbers, gherkins, onions, apples, pears, grapes, potatoes and cabbages*.

There are three different grades of tomatoes; five of gherkins and four of onions.

A minimum size is required for cucumbers and potatoes. The conditions also refer to the grading, packing conditions and the weight which must always be observed and indicated. The control of potatoes also refers to dust, quality and diseases.

26 The Central Committee for the inspection of growing *seeds* at Wageningen has adopted a system for producing seeds of first-class quality based on:

1. The control of origin;
2. Examination and inspection of growing crops, in particular from the point of view of purity, variety and absence of disease, especially diseases communicated by seeds;
3. Examination and assessment of seeds or plants on sample with special reference to germinative capacity, purity, and intrinsic value.

The control and inspection are carried out by impartial and neutral agricultural societies that are members of the Central Committee mentioned above. They are assisted by Government provincial agricultural advisers.

Only seeds passing the tests are accepted by the members of the Committee. The bags are then sealed with the registered mark.

The principal seeds controlled in this manner in the Netherlands are *wheat, barley, rye, peas, broad beans, haricot beans, flax, clover and potatoes*.

There are other organisations dealing in a similar manner with approved seeds. The most important is the Control Institute of Seed Merchants at Goes.

27 The regulations existing for distillers in the town of Schiedam may be mentioned. They are communal regulations by which the distillers complying with the rules laid down by the Commune may obtain labels issued by the Commune guaranteeing the quality of *gin and spirits*.

28 There is a control association for *anchovies*, with the object of providing the purchasers with guarantees regarding the good quality and exact weight of anchovies under Government supervision. Stamps supplied by the Government are placed on the barrel.

CATEGORY 4.

29 *Seeds.* — By means of a system of optional control, including the issue of certificates and the placing of seals on the bags, it is possible in the Netherlands to obtain a complete guarantee regarding the variety and the origin of the seeds. A request must be addressed to the Government Control Station for the supervision of seeds at Wageningen.

30 *Artificial fertilisers.* — Purchases and sales of fertilisers are usually made on the conditions known as “ A.H.V. ” (general trade conditions) drawn up by the Union of Artificial Fertiliser

and Fodder Manufacturers and Merchants and by the Union of Buyers. These conditions have been registered at the Amsterdam Court of Justice and include:

- (a) Sale conditions;
- (b) The fixing of percentage margins allowed;
- (c) Arbitration rules.

The quality requirements fixed by the "A.H.V." conditions were revised on June 1st, 1925. Foreign buyers ordering fertilisers in the Netherlands may do so on "A.H.V." conditions by stipulating that samples of the goods ordered are to be submitted to the *Government Testing Station at Maastricht*. The parties concerned must see that samples are taken in the manner fixed by the regulations of this station.

For *spirits* exported to the British colonies and Australia, purity certificates are issued 31
by the excise inspectors at the request of the parties concerned. These certificates, which are issued because they are required on importation into the territories mentioned, contain a statement of the raw materials from which the spirits have been obtained, the number of distillations and the method of manufacture. It is possible to issue such certificates, because the production of spirits is subject to control by the excise officials on account of the excise duties which are levied.

There are several bureaux in the Netherlands to which purchasers may send various goods for optional examination or tests. In the first place may be mentioned the *Royal Bureau for the Examination of Goods at The Hague* (Rijksbureau voor onderzoek van handelswaren) and a number of other special bureaux such as the *Rubber Bureau at Delft*, the *Textile and Paper Bureau at Delft*, the *Bureau for the Leather Industry at Waalwijk*, the *Fuel Institute at The Hague* 32
and the *Industrial Laboratory at Delft*, and the "nijverheidsconsulenten" (industrial consultants) 33
at The Hague, Deventer and Tilburg. The *Meteorological Institute at De Bilt* verifies *meteorological instruments* at the request of the Government, and if necessary, of private persons. This Institute 34
has branches at Amsterdam and Rotterdam for verifying *nautical instruments* and correcting 35
charts, etc. These are all official bureaux, but there are also private bureaux for examining goods. 36
37

The *Royal Bureau for the Examination of Goods* (Rijksbureau voor Onderzoek van Handelswaren) at The Hague conducts surveys of all kinds of goods, except agricultural produce, and also undertakes commercial enquiries.

The *Phytopathological Service* issues certificates regarding the condition of *agricultural*, 38
horticultural, and *arboricultural* products when required for foreign countries. These certificates are only issued after a thorough inspection carried out exclusively by officials of the Service in respect of the condition of growth and production. Many of these inspections refer to plants, bulbs, potatoes, fruits and seeds intended for export.

Parties concerned may obtain on request official and semi-official declarations regarding the quality of various kinds of *fish*. 39

Shipowners may submit for Government examination salted *herrings* from Dutch fisheries 40
which have not yet been placed on the market. The result of these examinations is indicated by affixing certain marks on the cases and, if required, by making declarations.

The quality of *mussels* from natural banks or beds may also be guaranteed by a statement 41
by the Inspector of Fisheries. The fact of requesting such a statement compels the party concerned to observe the various regulations regarding the export of mussels.

There are identical regulations for *oysters*. 42

If a foreign purchaser has inserted in the contract a stipulation to the effect that the goods must be accompanied by a certificate from an expert appointed by a Chamber of Commerce, the foreigner can generally be certain that a qualified expert will be appointed in proper time, at least as regards goods usually dealt in by the members of the said Chamber of Commerce. The Chamber of Commerce only accepts moral responsibility when appointing experts.¹

Civil legislative provisions are to be found in Book III of the Civil Code, and penal regulations in Book II, Part 25 of the Penal Code, in particular in Articles 329 and 330. Control regarding the observance of the law and of communal regulations established in virtue of this law is exercised by the communal control bureaux set up under the "Law regarding Goods". Penalties are to be found in the communal regulations and in some cases in Royal Decrees, for instance, in the Decree regarding paper (Article 6).

The owners of *gold* and *silver articles* stamped with the Dutch mark may submit them to 43
the Mint for examination if they are doubtful whether the mark was affixed in accordance with existing regulations.

¹ A complete list of all Chambers of Commerce in the Netherlands with a statement of their powers is contained in Article 2 of the Royal Decree of August 17th, 1920, for giving effect to Article 1 of the "Wet op de Kamers van Koophandel" (see the publication "*Nederlandsche Staatswetten*", Editie Schurman en Jordens, No. 91, p. 101). The rights and duties of Chambers of Commerce are regulated in particular by Articles 12 to 15 of the said law (see page 147 of the same publication).

NETHERLANDS INDIES.

CATEGORY 1.

1 Legislative provisions are in force in some provinces to guarantee the quality of certain
products intended for export; *e.g.*, the provisions concerning *pepper*, under which this product may
2 not contain more than a certain percentage of dust or foreign matter, the provisions concerning
coffee, which only allow a certain percentage of humidity, the provisions concerning *copra*,
3 *rubber*, etc.

4 In many districts there are regulations regarding *milk* and other foodstuffs and articles
of consumption (such as lemonade); these regulations also apply to products intended for export.

5 With a view to preventing the exportation of *bananas* of inferior quality, the export of this
fruit from certain parts of the Netherlands Indies is forbidden.

CATEGORY 2.

6 The legislative provisions concerning the inspection of *live-stock* also apply to live-stock
intended for export. The exportation of live-stock not bearing the inspector's stamp is prohibited.

CATEGORY 3.

The registration of marks, including collective marks, is authorised by the Government.

The forging of manufacturers' or trade marks may give rise to civil action for damages and
to judicial proceedings.

CATEGORY 4.

7 Use is often made of these facilities for the exportation of *seeds*, *parts of plants*, etc.

Certificates are issued partly by the laboratories of private or semi-official institutions and
partly by Government officials.

CATEGORY 5.

In addition to the provisions of civil law, buyers, including foreign buyers, are protected
by various articles of the Netherlands Indies Penal Code.

8 The sale of *foodstuffs* harmful to health, unfair competition, fraud by the use of various
devices to disguise the nature, quality or quantity of commodities, etc., are prohibited under
penalty of a fine or imprisonment.

9 Lastly, it is forbidden to offer for sale, etc., under penalty of a fine or imprisonment, adulterated
foodstuffs, *beverages* or *medicaments*, to injure the interests of others by using an incorrect packing,
or a packing or mark belonging to another person, etc.

NORWAY.

CATEGORY 1.

The manufacture of and trade in *margarine* and *margarine cheese* are controlled by a Law of March 8th, 1902. 1-2

In accordance with this law, *margarine* is understood to mean any foodstuff resembling butter, whatever its origin, mixture or composition, for the manufacture of which a fatty substance not made from milk is employed.

Margarine cheese is cheese containing a fatty substance not made from milk.

The manufacture of these two classes of products and the operations of mixing butter or milk with *margarine* may not take place on premises used for the manufacture or preparation of butter or cheese intended for sale.

The manufacturers of *margarine* and *margarine cheese* must make a declaration to the police, stating the place of manufacture. They must keep a register and furnish each year to the Department of Agriculture precise particulars of their output during the previous year and the quantities of butter, cream of milk and other substances used. The process of manufacture must be satisfactory from the point of view of cleanliness and hygiene, and must be in accordance with the regulations.

The offering for sale, sale, importation or exportation of *margarine* or *margarine cheese* are prohibited except under those names, and without any addition other than the name of the manufacturer, place of manufacture and the usual trade indications in regard to quality. The latter may not include terms which might cause the product to be mistaken for a milk product.

Margarine and *margarine cheese* must be described by those names in commercial documents. However, in accordance with a Law of September 10th, 1909, products resembling butter made exclusively from vegetable substances may be exported to overseas countries without mention of the word "Margarine", provided that the description of the product does not contain any wording which might cause it to be mistaken for butter.

The manufacture, sale, importation or exportation of *butter* and *margarine* containing preservatives other than salt are prohibited. 3

Margarine must be packed in recipients bearing on two diametrically opposite sides the word "Margarine" or "Margarine Cheese" in letters from 1.3 to 7 cm. high in an oval 13 to 21 cm. long and 6 to 9 cm. high. The recipients must also bear the manufacturer's name or trade-mark. If the *margarine* is not intended for export, the recipient must bear an indelible red band from 2 to 5 cm. wide. 4

Margarine imported from abroad must also bear the word "Foreign" in Norwegian inside the oval or above the word "Margarine".

Margarine cheese must be coloured red on the surface over its entire thickness, and bear the word "Margarinost" (*margarine cheese*) on both sides.

When the *margarine* or *margarine cheese* is imported in packings which do not bear the prescribed marks, the goods will be detained by the Customs until these omissions have been rectified.

When *butter* or *cheese* is imported, the consignee must state whether the product is pure or mixed with *margarine*. If he cannot say, the goods will be analysed at his expense. 5

Barrels, cans, cases, etc., used for packing must be new. Exceptions are only allowed in the case of glass, stone, etc., packing, which must be cleansed with steam or boiling water.

Special inspectors are appointed by the competent Ministry to see that the foregoing provisions are complied with. They have free access to the establishments in which *margarine* and *margarine cheese* are made. They have the right to take samples, to check records, to examine raw materials and to inspect the premises and plant. The samples are analysed by the Government agricultural control stations.

The police and Customs officials also take part in this supervision. Fines are imposed in the case of infringement.

CATEGORY 2.

6 *Dried and salted fish.* — All split and salted fish and dried fish (klippfisk) intended for export must be inspected beforehand.

Only fish inferior in quality to that known as No. 3, and which is intended for export to European markets, is at present exempted from these stipulations.

The inspection of salted fish is not compulsory.

The object of the inspection is to ascertain that the product fulfils certain conditions—that it has, for instance, a certain degree of dryness. In the case of fish intended for the Catalonian market, a special degree of dryness is required. Consignments must be marked “Prepared for export to Catalonia”.

Inspection is also carried out in accordance with the classification mentioned below.

In every case the consignor must present all the documents to the chief inspector to be stamped, and in certain cases for the inspection certificate to be attached to them.

A request for inspection must be made in writing to the chief inspector of the district, mentioning the country to which the fish is to be sent, the quality and quantity of the goods, the season, method of drying the fish and nature of the packing to be used.

Requests for the inspection of salted fish must also state how long the fish has been kept in brine. Salted fish submitted for inspection must be left in brine for at least four weeks and must be sound and fresh.

The inspector stamps a mark on the outside of the packing to show that the goods have been inspected. This mark is oval in shape, with the Norwegian lion in the centre and bears the words: “Norwegian Inspection of Dried Fish” around the oval.

In the case of fish of special quality, a special mark similar to that described above is affixed; this mark also bears the figure 1, 2, 3, or 4 and the name of the place under the Norwegian lion. No. 1 is the best quality; No. 2 indicates a slightly inferior quality; No. 3, fish which is slightly damaged, and No. 4 is of a lower quality than No. 3, but is good enough to be exported as dried fish.

When the dried fish is compulsory or voluntarily submitted for inspection with a view to export, an export certificate may be granted, but it must bear the words “slightly damaged by damp”. This also applies to cases in which the fish is “slightly acid” or “slightly burnt by the sun”.

Independently of these provisions, dried fish intended for overseas markets may be inspected in accordance with special provisions, for the purpose of ascertaining whether it conforms to the special requirements of those markets.

The instructions applicable to overseas markets include the following categories:

(a) Packages exclusively containing “Norwegian No. 1” fish are marked “bacalao extra” or “bacalao selecta” at the exporter’s option;

(b) Packages containing qualities not inferior to “Norwegian No. 2” must bear the inscription “bacalao imperial” or “bacalao superior”;

(c) Packages containing fish not inferior to “Norwegian No. 3” quality may be marked “bacalao regular”;

(d) Defective fish which cannot be included in any of the three categories mentioned above, but which is nevertheless sound and good, may be marked “bacalao inferior”.

7-8 There are also special instructions for the inspection of dried “boneless” and “skinned” fish. Ling, “cusk” and cod of good quality, properly dried, may be exported under those names, but must be properly skinned and boned. Upon request the inspector will certify the kind of fish.

All fish intended for South America and Cuba must be packed in cases. Fish intended for La Plata and the west coast of South America must be packed in tins placed in wooden cases, and the certificates may be refused if the tins are not properly soldered or if the wood is not sufficiently dry.

The name of the exporter must be marked on the packing. When cases are used, his name must appear on the lid and side of the case. The marks must be legible and affixed by the exporter or packer under the supervision of the inspectors before the latter affix their own stamp.

The improper use of quality marks is prohibited. The use of marks similar to the quality mark or which might be mistaken for the quality mark is also prohibited.

Certificates issued by the inspectors for dried fish intended for export must state the name of the vessel, consignor, mark, destination, quantities of each of the official qualities, nature of packing, year in which the fish was caught and method of drying.

The certificate must bear the same date as the bill of lading and be attached to it. This fact must be mentioned in the bill of lading.

Persons giving false particulars to inspectors or substituting goods or otherwise infringing the regulations are liable to penalties.

Special measures are taken to prevent damage to a consignment of fish after it has been inspected, and, if the prescribed precautions are not taken, this fact is mentioned in the certificate.

Dried fish is classified in three categories according to size: "mixed", "medium" and "small". The first grade must not possess any defects which would cause it to be classified below the Norwegian No. 2 standard. Other fish is classified as "medium", but damaged fish is rejected. 9

The name "small" is given to fish the size of which is smaller than those specified; these specifications vary according to the different kinds.

The Director of Fisheries is at the head of the Norwegian Dried and Salted Fish Inspection Department.

The Inspector-in-Chief, who is immediately under the Director, supervises the four inspection districts—namely, Bergen, Aalesund, Kristiansund and Bodo, and there is a principal inspector for each district who supervises the work of inspection in his district.

The actual inspection of the fish is carried out by assistant inspectors. These are all Government officials, who are forbidden to receive fees from a private source.

Tinned fish. — Soldered recipients containing fish of Norwegian origin, sold or offered for sale or exported must be marked on the tin with two-colour labels or packing, brass label, etc. These labels, etc., must bear the following particulars: 10

1. Country of origin, for instance, "Norway", "made in Norway", "Norwegian", etc.;
2. The full name and address of the producer. If the name of the exporter or a foreign importer is also given, the letters used must not be larger than those for the producer's name;
3. If the fish is preserved in oil, the type must be mentioned.

When the name of the exporter or importer is given on the tins, the name of the country of origin and that of the producer or consignor must also be given.

Tins containing sprats must be marked "sprats" or "sardines" or with a translation of those words on the coloured labels or packing.

When a tin contains small herrings (*snasild*) prepared in the same way as sprats or sardines, the labels or packing must bear the word "sild" ("herrings" or "sardines" or a translation of those words).

These regulations are enforced by decrees.

Cheese. — All cheese manufactured in or imported into Norway is classified in four grades according to its content of fatty substances or fat in the dry substances: 45 per cent, 30 per cent, 20 per cent and under 20 per cent, known respectively as: full cream cheese, semi-fat, quarter-fat and skimmed milk cheese. 11

Various types of foreign cheeses (Camembert, gorgonzola, etc.) are by definition grouped in one or other of these categories. Cheeses sold under special names not mentioned in the regulations must be classified according to their percentage of fat in one or other of these four categories.

No cheese may be offered for sale under a name which might deceive the buyer as to its composition, percentage of fat or value.

Cheeses must bear a mark showing to what group they belong before they can be offered for sale. For the first three categories the mark consists of a circle containing letters and figures: F. 45, for the first quality, H. 30 for the second, K. 20, for the third. There is no mark for cheeses of the fourth category.

The producer may place his name and address on the opposite side of the cheeses.

Quality and other marks which do not conform to these instructions are prohibited.

Curd cheese. — This cheese must be classified in one of the following six categories before it is placed on the market: 12

1. Pure goat's-milk cheese made from unadulterated milk and containing at least 30 per cent of fatty substances;
2. Pure goat's milk cheese made from unadulterated milk and containing not less than 20 per cent of fat;
3. "Gudsbrandsdals" cheese made from cow's and goat's milk mixed, containing not less than 30 per cent of fat;
4. Cream curd cheese made from cow's milk and containing not less than 30 per cent of fat;
5. Half-cream curd cheese containing more than 20 per cent of fat;
6. Qualities containing less than 20 per cent.

No curd cheese may be sold under a name which might deceive the buyer as to its composition, percentage of fat or value.

Curd cheese belonging to the first four categories mentioned above must be stamped with the following marks, which must be not less than 2.5 cm. high and must be stamped on the side

of the cheese: " F.G.30 " and " F.G.20 " for pure goat's milk cheese, " B.G.30 ", " F.30 ", " H.20 " for the three following categories respectively.

All producers of cheeses which require to be marked must be registered with the Department of Agriculture which allots them a number. In addition to the compulsory marks mentioned above, this number must also be stamped on the cheeses.

Importers of cheeses intended for sale and which would require to be stamped if they had been produced in Norway, must be registered with the Department of Agriculture in the same way as Norwegian producers and have a number allotted to them. They must mark their cheeses according to the category to which they belong.

Quality marks apply both to cheeses and curd cheeses intended for export. If they are intended for a country which has special regulations or quality marks, the Department of Agriculture authorises the marking of the cheeses in accordance with these regulations.

Persons infringing any of these regulations will be fined.

- 13 The exportation of *potatoes* is only authorised if the consignment has previously been inspected, and the Customs administration must ascertain that this has been done before the exportation of the goods is allowed.

Exporters desirous of exporting potatoes must make an application to the Ministry of Agriculture on a special form. This form must state the weight, number of packages, packing, marks, place where the potatoes are to be inspected, method and date of despatch and destination.

The exporter must also state the district in which the potatoes were grown, and this may be checked by the inspectors. In the case of tubers coming from the districts of Aust-Agder, Vest-Agder and Hordaland, a certificate from the competent authority is also required, stating that the potatoes have been obtained from farms where there is no potato wart disease.

The potatoes must be inspected not more than fifteen days before they are despatched.

For purposes of inspection, samples are taken haphazard from different parts of the consignment, not less than five sacks or cases out of every hundred being examined. These are emptied and the potatoes inspected one by one. The inspection covers disease, deterioration caused by insects and quality. The consignments must be free from wart disease and maggots. They must not contain frozen, soft or rotten tubers. The potatoes must be dry and well cleaned (less than 4 per cent of earth). The consignment may not contain more than 4 per cent of tubers coated with earth or which have been damaged by insects, snails or implements. They must be carefully selected and must not include more than 5 per cent of tubers, the smallest diameter of which is under 45 mm.

The consignments must not contain tubers larger or smaller than the normal size or misshapen or green tubers.

The various varieties must not be mixed, but must be packed separately. A special mark must be used for each variety.

The potatoes must correspond to the description given and the consignment must in no case include more than 5 per cent of varieties differing considerably from this description from the point of view of shape and appearance.

Potatoes for export to Great Britain must, in the absence of any provisions to the contrary in the conditions of sale, be packed in bags containing 51 kilograms net.

The bags must be dry, clean, undamaged, stout and sewn with strong thread.

If required by the importing country, the packing must be new and bear the potato inspector's seals. The truck must in every case be sealed if the consignment is sent by rail. Before the potatoes are shipped, the inspector must ascertain that the hold is scrupulously clean.

When the above-mentioned conditions have been complied with, the inspector informs the Customs that the consignment has been inspected and issues the necessary export certificates.

The cost of inspection is borne by the applicant in accordance with the legal tariff.

- 14 *Norwegian eggs* intended for export must be absolutely fresh when they are despatched, and, except in the case of preserved or chilled eggs, they must be new laid.

In order to ascertain the freshness and quality of the eggs they are held up to the light. This operation is compulsory from the month of June to the end of the year, and throughout the year in the case of preserved or chilled eggs.

The eggs must be perfectly clean and may in no case be washed with water. If necessary, they may be cleaned with a rag dipped in vinegar.

Damaged or badly shaped eggs, or eggs with a soft shell must be rejected.

All these operations must be carried out in clean, airy premises in which there is no smell.

Eggs are classified according to their weight in English lb. per 120 eggs—namely, 18 lb. for Category No. 1; 17 lb. for Category No. 2; 16 lb. for Category No. 3, and so on, down to 12 lb. for Category No. 7.

No consignment may be below the weight per 120 eggs indicated in the above categories. Each consignment must consist of eggs of the same size.

The packing must consist of cases containing 1,440, 960 or 720 eggs. Producers may provisionally use cases containing 360 eggs if they declare to the Customs that the eggs have come from their own farm. The cases must be of the usual type employed for export. The eggs must be packed in wheat or wood straw or cardboard. No case may contain more than one category of eggs.

New-laid, preserved or chilled eggs must be packed in separate cases. This also applies to stamped and unstamped eggs and to imported and Norwegian eggs.

The cases must bear visible marks at each end; in addition to the words "Norwegian eggs", the category of the eggs and the consignor's mark must be mentioned. The eggs must be labelled respectively: "New-laid eggs", "pickled eggs" or "cold-stored eggs".

The category of weight is indicated by the words 18 lb., 17 lb., 16 lb., etc., or by the letters A, B, C, etc.

The country of origin and the words "pickled eggs" or "cold-stored eggs" as the case may be, must be mentioned on the packing of foreign eggs imported into and sold in Norway or reexported.

Imported eggs which are not so marked will be kept by the Customs until this omission has been remedied. Imported eggs must not be sold or re-exported as Norwegian eggs.

Egg-exporters must communicate with the Ministry of Agriculture, within whose province it lies to authorise them to use their premises for storing and handling eggs.

In the case of each consignment, a detailed declaration must be made to the district supervisor specifying the time and place of shipment, number of cases and weight of Norwegian and foreign eggs of each category. The supervision of imports and exports is in the hands of the Customs administration.

The above-mentioned rules do not apply to the importation and exportation of eggs in small lots having a gross weight of not more than 10 kilograms.

Horses, horned cattle, pigs, sheep and goats intended for export by sea must be examined by a Norwegian veterinary inspector immediately before shipment and may not be shipped unless they have been found free from any symptoms of an infectious disease. There must also be no reason to believe that they have been recently infected by contact with infected animals or otherwise. 15

The veterinary inspector issues a certificate to the shipper stating the number and sex of the animals.

Immediately after inspection steps are taken to prevent the animals from coming into contact with infected animals.

Each animal inspected is branded to show that it has been examined and has been recognised fit for export. This brand is reproduced in the certificate.

All vessels used for exporting animals must be inspected before each voyage by the health inspector. If there is any risk of infection, the vessel must be disinfected before the animals are put on board. Vessels are always disinfected before ruminants or pigs are shipped for export.

If the result of the inspection is satisfactory, a certificate to this effect is issued.

When the above-mentioned animals are to be exported by rail, they must also undergo a veterinary examination before they leave. A certificate is issued in this case also.

In each of more than 4,000 inhabitants, and in others on the decision of the communal authorities, the *meat of horses, horned cattle, pigs, sheep, goats and reindeer* intended for food must be examined by the health inspector. 16

The importation of fresh or salted meat is also subject to supervision or is prohibited.

Meat considered fit for consumption after inspection is stamped or marked. If it is considered unfit for consumption, it is confiscated and is not returned to the owner until it has been rendered harmless from the point of view of health or treated in such a way that it cannot be used for food.

There is an important Law dated June 27th, 1924, relating to the trade in fodder, known as "Krafftôr", chemical fertilisers and seeds.

The *fodder* covered by this law includes foodstuffs which have undergone technical or industrial treatment, and in particular mill waste and cereals and fecula sold as fodder, with the exception of maize. 17

In accordance with the law, *chemical fertilisers* are understood to mean fertilisers which have undergone technical or industrial treatment, and also lime used as a fertiliser. 18

Seeds covered by the law at present include the following kinds: 19

Oats	Radishes	Kohlrabis
Barley	Parsnips	Turnips
Rye	Onions	Fodder beet
Wheat	Leeks	Cabbages
Timothy	Red clover	Cauliflowers
Foxtail grass	Small white clover	Parsley roots
Couch grass	Wild clover	Red beet
Rye grass (2 varieties)	Lupin (2 varieties)	Celery roots
Meadow grass	Vetch	Salads
Bent grass	Peas	Fir
Ray grass	Beans	Pine
Rape	Carrots	

The manufacture and importation of, and trade in, the three classes of products mentioned above are subject to supervision.

A sample of the above-mentioned products coming from foreign countries is taken by the Customs administration for analysis, and the results of the analysis are communicated to the importer.

The agricultural supervision stations, the police and the Customs administration, or persons specially appointed for the purpose by the competent Minister are the authorities whose duty it is to see that the law is observed.

The supervisory authorities are entitled to enter warehouses and places of sale and to take samples for analysis. They may also ask to inspect the books kept for the purposes of the supervision.

If the legal regulations in connection with the sale of goods coming under the law are infringed, or if the goods sold do not answer the description of them furnished by the vendor, the latter is liable to pay damages calculated according to rules laid down by Royal Decree, even if he is not at fault.

In addition to the fines or other heavier penalties provided in the Penal Code for infractions of the law, the Minister may refuse to give importers, merchants or manufacturers who fail to make the required declarations or keep the prescribed registers the necessary authorisation to import or deal in the products covered by the law.

The law prescribes that all persons selling or dealing as brokers in the three categories of products covered by the law are bound to inform the purchaser, by specification in the invoice or on the packing, etc., of the composition and nature of the products in question.

A. In the case of fodder, the vendor is required, in any sale of consignments of a single product over 200 kilograms, to inform the purchaser by a written specification in the invoice or any other document as to:

1. The description of the goods;
2. The number of the consignment corresponding to the number in the register of the vendor;
3. The percentage of the goods consisting of articles, in the case of which a maximum or minimum quantity is prescribed.

In the case of mixed products, the nature and proportions of the substances making up the mixture are to be shown. In the case of products containing molasses the nature of the absorbent material and the sugar content are to be indicated. The importation of mixed products for the feeding of live-stock is forbidden.

Before delivery, the packing must be furnished with a distinctive mark with the name of the vendor and the particulars specified in Nos. 1 and 2 above.

In the case of the despatch of consignments weighing 5,000 kilograms and over, composed of a single class of products not liable to confusion with any other class, it is not necessary for each package to be marked; particulars of the railway or shipping line must, however, be added to the description of the goods.

The conditions with regard to description and qualities, with which the various fodder products have to comply, will be found below.

None of the fodder products enumerated below may be classified in one of the twelve categories unless they are manufactured solely out of the raw material indicated in their description, and are in fresh condition and unmixed. The last-named particular is always to be specified. They are to be sold with a guarantee in regard to the composition of the product.

- 20 1. *Dried herring powder*: (a) very slightly salted fat and protein minimum 73 per cent, water maximum 11 per cent, salt maximum 2 per cent; (b) slightly salted fat and protein minimum 67 per cent, water maximum 12 per cent, salt maximum 6 per cent; (c) heavily salted fat and protein minimum 63 per cent, water maximum 12 per cent, salt maximum 12 per cent.

The fat and protein must contain at least 12 per cent of fat; but none of the three categories specified may contain more than 15 per cent of fat. It is to be specified that the goods belong to one of the qualities above quoted and that they are prepared solely from herrings or sprats.

- 21 2. *Whale meat powder*: fat maximum 20 per cent, fat and protein minimum 82 per cent, water maximum 10 per cent. The product must be prepared solely from whale meat.

- 22 3. *Dried fish-liver powder*: fat maximum 32 per cent, fat and protein minimum 80 per cent; water maximum 10 per cent.

In ascertaining whether the three categories of products specified above are in fresh condition and suitable for the feeding of live-stock, regard will be had amongst other things to the smell, appearance, ammonia content and content (if any) of foreign matter.

- 23 4. *Cotton-seed powder*: fat and protein minimum 50 per cent, fat maximum 12 per cent. This product is only to be sold under the description of cleaned cotton-seed powder and cotton-seed cakes. It must consist mainly of pressed and ground cotton seeds.

- 24 5. *Colza-seed powder* (colza cakes): fat and protein minimum 38 per cent. This product is only to be prepared from colza seeds of the various kinds (*brassica*).

Rocket (*eruca*): fat and protein minimum 40 per cent. Rocket powder is to be prepared only from seeds of the plant *eruca sativa*.

- 25 6. *Linseed powder* (linseed cakes): fat and protein minimum 36 per cent. The product is to be prepared only from pressed linseed.

7. *Ground-nut powder* (ground-nut cakes): first quality: fat and protein minimum 56 per cent; second quality: fat and protein minimum 52 per cent. The proportion of fat not to exceed 12 per cent in either quality. The product is to be prepared solely from pressed ground-nut seeds. 26
8. *Coconut powder*: (a) pressed (including cakes), fat and protein minimum 29 per cent; (b) manufactured by process of extraction: fat and protein minimum 26 per cent. The product is to be prepared only from coconut pulp (copra). 27
9. *Soya powder*: fat and protein minimum 46 per cent. The product is to be prepared only from soya seeds. 28
10. *Products made from milling waste*: These products are to be prepared only from cereals of the kind indicated by the name of each. They may not contain parasitic seeds entire. 29
11. *Cereals and plants containing starch* may not contain more than 0.25 per cent of parasitic seeds. 30
12. *Molasses*: liquid molasses must contain at least 48 per cent of sugar and at most 25 per cent of water. 31

B. *Chemical fertilisers*. — In any sale of consignments over 200 kilograms of a single class of goods, the vendor is required to inform the purchaser by written notice on the invoice or any other document as to (1) the description of the goods (name); (2) the number of the consignment corresponding to the number in the register of the vendor; but such specification is not required in the case of native products of unvarying composition such as Norwegian saltpetre; (3) the content of the goods in vegetable nutritive principles, shown in percentages of nitrogen, phosphoric acid, potash and lime, according to the nature of the goods, together with the form in which these substances enter into the composition of the product. 32

In the case of superphosphates and potash fertilisers a guarantee will be given as to the phosphoric acid or potassium content soluble in water.

In the case of dephosphorisation slag, a guarantee will be given as to the content of phosphoric acid soluble in citric acid.

In the case of fertiliser lime and powdered lime, the lime content is to be shown. It is to contain at least 80 per cent of powder (of fineness less than 0.2 mm.).

In the case of highly hygroscopic fertilisers, in which the nitrogen percentage cannot be guaranteed, such as Norwegian saltpetre, the nitrogen content of the product may be shown in kilograms per barrel or per sack.

The purchaser has the right to insist on the goods being dry and sufficiently pulverised, and on their not containing any substance injurious to the plants.

Before delivery, the conditions of packing of chemical fertilisers, of whatever quantity, must be the same as the conditions specified above in the case of fodder.

The manufacture and sale of mixtures of chemical fertilisers are subject to conditions laid down by the Minister of Agriculture.

C. *Seeds*. — In the case of any sale of over 50 kilograms of seeds of peas, vetches or other large varieties, or of over 5 kilograms of other seeds of a single sort, the vendor is required to inform the purchaser by specification on the invoice or any other document, not later than the time of delivery, as to the: 33

- (a) Description of the goods (nature and, if possible, quality);
- (b) Number of the consignment in accordance with the commercial registers;
- (c) Germinative capacity;
- (d) Composition (in the case of grass seeds: with admixture of foreign seeds of equal price; in the case of other seeds: without admixture of other seeds);
- (e) Content of parasitic seeds;
- (f) Place of production in the case of autumn seeds and other winter plants.

If the goods are composed of mixed seeds, the nature and proportion of each kind are to be shown.

The packing has always to carry a mark showing distinctly the name of the vendor, the description of the goods, the number of the consignment, the composition and the degree of germination.

In the case of sales of consignments below the quantities specified above (50 kilograms or 5 kilograms, as the case may be), no special document of guarantee is required; but the packing (sacks, etc.) must be furnished with a mark showing distinctly the particulars prescribed under (a), (c), (d), (e) and (f) on the invoice or other documents relating to larger sales.

The only seeds which may be sold as mixtures are timothy seeds mixed with at least 25 per cent of clover.

The sale to consumers of the following species is forbidden:

Timothy	containing, of parasitic seeds, more than	1 ½ per cent
Red clover	„ „ „ „ „ „	0.75 per cent
Hybrid clover	„ „ „ „ „ „	1.00 per cent
Mixture	„ „ „ „ „ „	1.5 per cent
Cereals and plants containing starch	„ „ „ „ „ „	0.25 per cent

The seeds of peas and vetches and other large varieties in consignments of less than 500 kilograms, and other seeds of one sort in consignments of less than 100 kilograms, are not subject to the provisions of the law with regard to the taking of samples; but they will not be admitted, unless they show on the packing the name of the vendor, the description of the goods and the degree of germination of the seeds.

The import of seeds of hybrid clover, of red clover, of white clover, of timothy, of turnips and colerapes is not allowed without an import permit to be obtained beforehand from the Minister of Agriculture.

Seeds of red clover, hybrid clover and timothy, and the seeds of pines and firs of all sorts, with the exception of the varieties *pinus cembra* and *pinus sibirica*, are to be contained in sacks labelled "foreign seeds" on import into Norway. The documents with regard to sale and transport are to show explicitly that the consignments are foreign seeds.

CATEGORY 4.

34 *Herrings.* — Sour herrings may be submitted to inspection, if desired; if they are inspected, the barrels will be marked with the inspector's seal.

In the case of application for such inspection, the herrings are to be packed in barrels of a specified weight, varying according to the variety of the fish.

The inspection will deal with the condition of the herrings, the quantity of salt employed, etc. The mark showing that the goods have been inspected contains the Norwegian lion, the initials of the inspector and particulars with regard to the special variety of the herrings. The mark is also to show the month and year, the place of origin of the herrings and the class to which the consignment belongs.

In certain cases the weight is also to be given. Herrings from Great Britain are to be marked as such, especially when they are packed in Norwegian barrels.

When a consignment intended for export is inspected, the applicant for inspection must submit a declaration stating that the consignment to the best of his knowledge complies with the requirements. The inspector will then decide what quantity he will inspect and, after inspection, will give a certificate in duplicate, together with a statement that the inspection has taken place.

A certain number of stations have been established for the inspection of sour herrings.

35 The inspector will also see that the regulations with regards to the use of *barrels containing herrings* are strictly observed. Such barrels are to have a prescribed capacity, and the wood is to be of a particular quality, the use of certain other woods being prohibited. Even the thickness of the wood is to be shown, together with the number and dimensions of staves, hoops, etc.

Barrels, which have once been marked, may not be used again without the mark having first been removed.

36 Voluntary official sampling of *herring oil* and *herring manure*. Strictly impartial inspectors are appointed by the Ministry of Commerce for this purpose.

This taking of samples involves the payment of a fee. The samples are taken in the presence of two representatives of the manufacturer, and in certain cases of a representative of the consignee. Three samples are taken for each test. One is sent to a laboratory approved by the State or selected by the purchaser and vendor. The laboratories issue a certificate of analysis.

POLAND.

CATEGORY 2.

Under special legal provisions certain goods are subject to examination before being placed on the market. This applies to *weights and measures, scales, barrels, beer, alcohol, boilers, arms, certain explosive materials and drugs*¹. 1-2 3

Articles made of precious metals must be stamped by a special office: *Główny Urząd Probierczy*. These stamps guarantee the fineness of the metal. 4

Cheese. — In accordance with the legal provisions in force the standards of cheese are fixed as follows: 5

Percentage of fat in whole-milk cheese—30 to 40 per cent of the dry substance.

“ “ “ “ half-fat cheese—20 to 30 per cent of the dry substance.

“ “ “ “ cheese made from skimmed milk—10 to 20 per cent of the dry substance.

The water content may not exceed 50 per cent.

CATEGORY 4.

The Statutes of certain Goods Exchanges in territories formerly belonging to Austria and Prussia empower the Council of these Exchanges to appoint experts authorised to give a professional opinion on the characteristics of goods which are admitted by the Statutes for transactions on the Exchange and to issue through the President certificates stating their opinion.

The professional organisations also issue certificates on request.

Special organisations and agricultural associations, such as the Union of Polish Agricultural Organisations at Warsaw, control *cereal seeds* and *plant seeds*. This control covers the cultivation, harvesting and sale of the cereals in question; the organisations issue certificates. 6

At Warsaw, Lwow, Poznan, Torun and Katowice, there are special laboratories for deciding quality and issuing certificates relating to the following goods: *cereals, seeds of beetroot, clover, lucerne, grass, etc.*, and for *chemical fertilisers*. The certificates issued by these laboratories are accepted by the Courts. 7 8

Foreigners purchasing agricultural produce may have it examined by sworn brokers belonging to the Goods Exchange in the district where the goods are purchased. The certificate thus issued attests that the goods are in accordance with the conditions required for export.

The control of *coal* may be facilitated by presenting a certificate based on the results of chemical analysis. Many Polish mines possess certificates of this kind drawn up by the State Geological Institute, and an official copy certified by a notary or by the district court is supplied to purchasers if they so request. 9

These certificates state all the characteristic properties of the coal, such as the caloric value, quantity of ash, etc.

Sugar is sold on the Polish standards P.I., P.II and P.III, the characteristics of which are fixed and correspond to certain standards known and quoted on foreign markets. 10

On the sale of raw sugar the contract normally provides that a sample of the goods must be submitted for analysis by a sworn expert, who must also send samples to the chemists of the seller and purchaser for their opinion.

The quality of *timber* may be attested by the sworn broker at the Timber Exchange at Bydgoszcz or by a specially appointed expert. 11

At the request of the buyer, alcohol must be controlled and samples analysed by the Universities or Polytechnical Schools at Warsaw, Poznan, Cracow, Lwow and Lublin.

¹ No details are, however, available as to the manner in which these examinations are effected or certified.

PORTUGAL

CATEGORY 2.

1 The only liqueur wine which may be offered for sale, sold, warehoused, shipped or exported as *port wine* is that which is traditionally so described and comes from the Douro area, comprising the districts of Vila Real, Bragança, Viseu and Guarda.

A Decree of 1926 created at Vila Nova de Gaya a single and exclusive depot for the storage and exportation of wines of the delimited region of the Douro. No establishment situated outside the area of the depot and outside the delimited region will be allowed to export dessert wines under the traditional name of "port".

Exports of port wines shall be accompanied by a declaration expressly stating that such wines have an alcoholic content of 14°. Should the export casks contain wine which does not, in whole or in part, conform to the statements made in the relevant declaration, they are not allowed to leave the country, and the case is regarded as an infringement of the fiscal regulations.

In addition to this declaration, the Customs service will require an inspection certificate from the Gaya depôt. This inspection will be carried out by the inspection service of the Douro Viticulture Commission.

With a view to the application of these provisions, the Viticulture Commission shall create and register a seal, stamp or impression which it shall have affixed as an exclusive mark of the depot or of the delimited region of the Douro to all containers (barrels, casks, bottles, etc.) leaving the depot or the region in question. Wines of the Douro may only be placed in barrels for exportation in the depot established at Gaya or in the delimited region of the Douro.

After April 30th, 1930, it is forbidden to export to countries where Customs duties are imposed on the basis of the alcoholic strength, port wines having less than 18° of alcohol and less than 2° Baumé of sugar (except in the case of port in bottles). Any dessert wine despatched from the region of the Douro must, if it has a sugar content below 2°, have an alcoholic content of at least 20°.

Port wines may only be exported by the exporters entered in the special register kept by the Control Commission for the Export of Port Wine. Exporters of liqueur wines in the Douro area and Oporto merchants who have purchased such wine may be entered on the said register.

The list of exporters entered in this register is published annually, before June 15th, in the *Diario do Governo*. Any exporter charged and convicted of adulterating wine or of fraud in connection with wine has his name removed from the register of exporters, in addition to the penalty imposed by the Court.

An organisation of exporters of port wine was formed on December 10th, 1921, comprising persons who hold permits for the export of this wine. There is a Control Commission for the Export of Port Wine, consisting of the Director of the Oporto Customs, acting as Chairman, the Chairman of the Douro District Wine-growers' Committee, the Chairman of the Managing Committee of the Association of Exporters of Port Wines, and an official representative of the General Board of Agricultural Services, appointed by the Minister of Agriculture.

Among the duties of the Control Commission for the Export of Port Wines are the following: To draw up a register of exporters of port wines, to send the Government a copy of the complete list of exporters, to draw up a register of port wine exporting houses, to check monthly the books of firms entered in the register of exporters and the current account balances of each, to decide claims regarding such balances, to check, whenever desirable, the stocks of liqueur wine in exporters' warehouses, and to issue, at the request of registered exporters, certificates of origin for abroad for wines of the district.

Export declarations for port wines must be made out on printed forms of a special type and colour.

2 The despatch of *alcohol* in the region of the Douro is subject to regulation between November 10th and June 30th. The sender must declare twenty-four hours in advance to the Douro Viticulture Commission the quantity of alcohol he wishes to despatch, the name and address of the recipient and the purpose for which the alcohol is intended.

Furthermore, persons in possession of spirits (*eau de vie*) must once a year declare the quantity they have in stock and, between November 10th and June 30th, may neither sell nor employ spirits without informing the Douro Viticulture Commission.

3 To avoid all confusion between dessert wines and *table wines* of the delimited region, table wines may only be exported by large firms entered in a special register. (As table wines are

regarded those whose alcoholic content is less than 13° C. and whose sugar content is less than 1° Baumé.) All receptacles containing table wines must carry a distinctive mark.

A mark of guarantee shall be created for *Colares wines*. This mark, which shall be affixed to the bottles, shall only be granted in respect of wines which have been duly analysed; it will be supplied, on payment of a fee, by the "Adega Social Regional de Colares" when these vaults have been established, and meanwhile by the Colares District Viticulture Commission.

ROUMANIA.

CATEGORY 1.

1 The Law for the regulation of the trade in and utilisation of *methyl alcohol*, published in the "Moniteur Officiel" of April 16th, 1929, No. 83, contains provisions dealing with the manufacture and use of both crude and pure methyl alcohol. It is absolutely forbidden to use methyl alcohol in any form for the preparation of any kind of alcoholic liquors or medicaments for internal or external use, as well as in perfumery and articles used for cleaning the teeth, the hair and the skin.

This product may only be sold to industries authorised by the Ministry of Public Health to use and transform methyl alcohol.

Offenders against these regulations are liable to imprisonment for from two months to one year, and to a fine of from 20,000 to 100,000 lei (Article 18); these sentences may be increased if the alcoholic liquor thus adulterated caused death, or injury to health.

2 The Law for the prosecution and punishment of fraud in the preparation of, and trade in, *alcoholic liquors*, of June 4th, 1927, severely punishes any person in possession of, or forwarding or offering for sale as *wine*, any liquor other than that obtained from the fermentation of fresh grapes or grape must.

4 *Wines prepared by a "Champagne" process and sparkling wines* are manufactured solely from natural wine.

5 *Liqueur wines* are wines with a 15 to 20 per cent alcoholic content (volume) and not more than of 200 grammes of sugar per litre.

6 *Alcoholic fruit beverages* are those in which the alcohol, the aroma and the special flavour are produced by the fermentation and distillation of the residue of fruits, of grape wine or wine lees.

7 *Pure alcohol* is ethyl alcohol concentrated to at least 92 per cent; it is obtained by alcoholic fermentation of cereals, farinaceous substances, potatoes, roots, molasses and any other sugary or amylaceous matter, by distillation and refining.

8 Articles 62 to 65 of the Public Health Law provide for the *inspection of foodstuffs and beverages*, the penalties for offences varying from 100 to 10,000 lei fine and one to three years' imprisonment.

9 Legal regulations specify how alcohol and alcoholic beverages are to be controlled and analysed, and how *oils and aromas, juices, etc., wines, beer, sugar, honey, coffee, tea, farinaceous pastes, milk, and derivatives of milk, butter, margarine, fat, carbonic acid* are to be made.

There are legislative provisions governing the manufacture and composition of:

10 1. Cheese obtained from partly skimmed cow's milk; the content of water may not exceed 75 per cent.

2. Cheese from ewe's milk must contain at least 45 per cent of fat in the dry state.

3. Ordinary cheese, manufactured from a mixture of partly skimmed cow's milk and ewe's milk, or from a mixture of ewe's and cow's cheese, must be so prepared that the product contains at least 30 per cent fat in the dry state.

The law also contains a number of provisions prohibiting the addition of harmful, or merely foreign, substances to those which usually enter into composition of cheese. The manufacture of, and trade in, artificial cheese is also regulated by law.

The latter kind of cheese must be entirely coloured a bright red on the outside, and, wherever such cheese is offered for sale, the notice "Dealer in artificial cheese" must be conspicuously posted up.

11 It is forbidden in Roumania to sell *sewing cotton* in packages the labels of which do not specify the length in metres.

CATEGORY 2.

12 The Law for grading *cereals* of May 16th, 1928, introduced a system for the classification and warehousing of cereals in the domestic trade in, and export of, cereals.

Cereal grading is carried out annually in accordance with types fixed on the basis, as far as possible, of the chief types recognised on the world markets.

The annual list of types may only be modified by a Royal Decree, confirming a decision of the Council of Ministers following on a proposal, with a statement of reasons therefor submitted by the Supreme Board for the Grading of Cereals.

On the introduction of the grading system cereals may no longer be exported except on the basis of a grading certificates issued in accordance with the rules laid down in the law and the relevant executive regulations.

(a) *General grading.* — As a preliminary to special grading, cereal crops when harvested are graded generally with a view to apportioning the current year's crop among the types or standards laid down by the regulations.

For this purpose, the agricultural authorities take samples of cereals as laid down in the regulations and forward them to the Supreme Grading Board. The latter then arranges them according to the standard types and prepare systematic tables of the results of the grading.

The above types are used for the special grading.

(b) *Special grading.* — Special grading means the inspection of any quantity of cereals of a well-defined character in a particular type.

Grading is carried out by the employees of warehousing enterprises, who issue for each lot a certificate specifying the type to which it corresponds.

In the case of each grading operation two samples of the goods are taken and sealed, one sample being handed to the owner and the other kept by the warehouse.

The grading certificate shows the type of the goods, the name of the grader and of the person issuing the certificate, as well as the date and the district to which the classifier belongs.

The certificates shall be made out in a register containing counterfoils and handed to the person depositing the goods.

Law of 1910 introducing the *metric system of weights and measures*, together with the amendments of 1921 and 1922, and the executive regulations of the Law of May 1st, 1910—the metric system of weights and measures is the only one which may be used in Roumania; no other units of measurement may be employed. 13

Law concerning the control of *precious objects and metals* of February 15th, 1906, and the relevant executive regulations with amendments of 1925. All gold and silver articles manufactured in Roumania or imported from abroad are subject to Treasury control in respect of their standard of fineness. Various penalties are provided for persons guilty of fraud or other offences. 14

Regulations for the issue of *certificates of origin and of health for animals* and for raw animal products, dated January 21st, 1904. Chapter II of this law introduces certificates of origin and of health for animals for export, and Chapter IV lays down provisions regarding the export of raw animal products and insists on certificates of origin. 15

SWEDEN.

CATEGORY 1.

It is forbidden to import into Sweden goods bearing a false indication of origin, to give goods a false indication of origin or to offer for sale goods bearing such false indication. It is also forbidden to convey a misleading idea of the origin of foreign-made goods by marking them in such a way as to give them the appearance of having been produced or manufactured in Sweden.

1-2 Foodstuffs may not be offered for sale under a specific description if their composition differs from the normal composition of goods corresponding to that description. This provision applies more particularly to *milk, butter, margarine, fat, flour, sugar, honey*, etc. There are special provisions for preventing foodstuffs being offered for sale the consumption of which may be thought harmful to health; some of these provisions aim at keeping foodstuffs free from toxic substances; it is 3 forbidden, for example, to offer for sale *cosmetics* containing lead alloy or poisonous dyes, *children's* 4 *toys*, coloured or printed in poisonous colours, as well as various articles containing arsenic in a quantity exceeding the authorised amount.

The manufacture of, and trade in, drugs are subject to special provisions.

5 Any factory producing *pig-iron* and *steel* or any other form of crude iron must possess a stamp registered in the prescribed manner, with which its products must be marked. If articles brought to be weighed, offered for sale or conveyed to a station for loading do not bear the prescribed mark, or if such mark is indistinct and does not enable the factory of origin to be ascertained, the goods are seized and may only be offered for sale in the country or exported after having been stamped in accordance with the legal provisions.

6 Under the International Convention prohibiting the use of white phosphorus in the *match* trade, a decree prohibits the manufacture, sale or introduction into Sweden of matches the inflammable portion of which contains ordinary phosphorus.

CATEGORY 2.

7 *Natural butter*, except unsalted butter, may only be exported in containers bearing the mark "Runmärke". Butter of a quality entitling it to this mark may not contain more than 16 per cent water. Inspection is carried out by an office called "Svenska Smörprovningarna", which aims at encouraging the production in Sweden of butter which is both of good quality and suitable for the requirements of foreign trade. Samples may be drawn and submitted for examination to the various inspection offices.

8 Fresh, raw or preserved *meat*, as well as the edible portions of cattle, sheep, goats, pigs, or horses, may only be exported, apart from exceptional cases, if the meat or its wrapping bears a special mark and is accompanied by a certificate drawn up and issued in the form prescribed by an inspector.

This mark may only be used if the animal from which the meat is derived was slaughtered in a public slaughter-house or at a so-called "export" butcher's, and if the meat, after having been inspected in accordance with the regulations in force, has been passed as fit for consumption. A further requirement is that it should have been preserved by authorised methods only and that the regulations of the countries to which the meat is being exported have been complied with. Inspection and marking are carried out at the public slaughter-house by a special inspector.

9 *Sides of salt pork* (bacon and ham) which have undergone a special treatment may be given a manufacturing mark registered in Great Britain called "Runmärke" guaranteeing that the meat has been passed for export to Great Britain.

10 The export by sea of *live-animals* (*ruminants, equines* or *swine*) is only permitted if a competent veterinary surgeon has inspected them immediately before shipment and issued an export permit; furthermore, all animals passed for export must be marked in a special way in the presence of a veterinary surgeon.

11 *Margarine, margarine cheese* and *artificial fat* may only be exported if a certain amount of potato flour is added to the margarine (a certificate to this effect must be submitted to the Customs

authorities) and packed and marked in a special manner. A certain quantity of sesame oil must be added to the margarine cheese and it must be pressed in a particular way. Artificial fat must be specially packed and marked.

Cheese, in order to be offered for sale or sold as fat or semi-fat cheese, must be marked with a red or blue band, at least 2 centimetres in width. Fat cheese is cheese which, in the dry substance, has a fat content of at least 45 per cent; semi-fat cheese is cheese with a fat content in the dry substance of at least 30 per cent. Cheese, the fat content of which is less than 30 per cent or which is not marked as above, may, further, not be offered for sale or sold under any description which gives its value in terms of fat content. In no case may cheese be offered for sale or sold under a description stating that it is of better quality than fat. 12

There are a number of special provisions dealing with the preparation of *sole leather*. Sole leather must not be made heavier by means of substances which are not indispensable for tanning and dressing. Certain substances may only be used in very small quantities for bleaching and dressing. The maximum added weight permissible is also stipulated. The Government Testing Station is instructed to make investigations with a view to ascertaining whether, in accordance with the rules laid down by the Administration, such maximum has been exceeded. Leather must bear a special stamp indicating the name of the manufacturer or importer. 13

A Decree of May 9th, 1919, contains provisions for the use of cardboard, artificial leather or artificial cardboard-leather in the manufacture of *footwear* and for their importation. The use of cardboard is forbidden. Artificial leather and artificial cardboard-leather, as well as fibre cardboard chemically prepared, is only permitted for certain portions of footwear. Here again the Government Testing Station conducts the necessary investigations to see whether these provisions have been observed. Footwear manufactured in Sweden for commercial purposes must be marked with a special stamp should any of the above-mentioned substitutes have been used in the manufacture, and must further be stamped with the registered trade-mark of the factory or the business name of the manufacturer. Similar provisions are in force for imported footwear. 14

Gold, silver or platinum articles of a certain minimum fineness are controlled by the authorities and are hall-marked to show their fineness and as a warranty. The responsible authority is the Administration of the Mint and Inspection of Weights and Measures. Subject to certain special conditions, export may always be effected without complying with the domestic regulations for gold, silver or platinum articles. There are special provisions for preventing confusion between articles made of precious metals and other articles, one of these being a prohibition to place official marks on the latter. 15

CATEGORY 3.

Agricultural Organisation Societies (*Hushållningssällskap*), have set up in several provinces a system for the inspection of *cheese* manufacture. Products passed by the experts appointed by these Societies are marked "Kronmärket" (Crown Mark). 16

Several associations have also been formed with a view to giving consumers certain guarantees for the *eggs* sold by their members, this being done by means of a special mark on the eggs. 17

Under a Law of March 15th, 1918, societies founded to protect the interests of merchants or manufacturers may secure, by registration, the exclusive right for their members to use a specific trade-mark. A number of marks have thus been registered for such articles as *fruits, fish* and *honey*. 18

CATEGORY 4.

A special certificate to the effect that *matches* do not contain poisonous phosphorus is issued, after examination by special inspectors, for matches for export to the United States of America. 19

At the request of the parties concerned and on receipt of a scheduled fee, the Government Testing Institute at Stockholm investigates and tests raw materials used in industry and manufactured articles and gives an expert opinion on their mechanical, physical and chemical properties. The Institute is managed by a specially qualified Board of Directors appointed by the Government. The tests are treated as confidential if the customer so desire.

The Institute is divided into five sections dealing respectively with: (1) microscopic and thermic investigation of metals and inspection of steel manufactures; (2) testing of building materials, cement, etc.; (3) physical examination of electrical and other instruments; (4) chemical

analyses and assaying of ores, minerals, etc.; (5) chemical analyses and sampling of cellulose, pulp, paper, coal, oil, hides, etc.

The following institutions also carry out, at the request of the parties interested, examinations, tests or analyses of goods which come within their sphere of activities:

Butter Control Office;
Central Inspection Office for Potatoes;
Veterinary Inspection Office for Slaughterhouses and Export Butcheries;
Matches Control Office;
Administration of the Mint and Inspection of Weights and Measures;
Chemical Laboratories for Agriculture and Industry;
Norrbotten Laboratory for Chemistry and Vegetable Biology;
State Central Institute for Seed Testing;
Local Seed-Testing Stations;
Ultuna and Alnarp Testing Stations for Agricultural Machinery and Implements.

CATEGORY 5.

Certain provisions in the Penal Code, *e.g.*, paragraphs 7 and 8 of Chapter 12 and paragraphs 1, 3, 4, 5 and 13 of Chapter 22, contain penalties for fraud in trade or business.

STANDARDISATION AND SPECIFICATION.

The central body for standardisation is the Standardisation Commission of Swedish Industry (Svenska Industriens Standardiseringskommission), composed of representatives of the public authorities, economic organisations and consumers. At the request of the bodies interested, the Commission, after examination, determines Swedish standards and specifications. Up to the present these have been laid down mainly for machinery, certain parts of agricultural implements, and electrotechnical nomenclature. At the present time new standards and specifications are being prepared for the above and other branches of technical and industrial activity. The Standardisation Commission is affiliated to the International Standards Association (I.S.A.) and thus shares in the international co-operation organised for standardisation. As regards standardisation in the sphere of electrotechnics in particular, the Commission belongs, through special committees, to the International Electrotechnical Commission (I.E.C.) and the International Commission on Illumination.

SWITZERLAND.

CATEGORY I.

The trade in *foodstuffs* and in *household articles* and *articles of everyday use* which may endanger health or life are subject to cantonal or federal inspection. I

Every canton possesses a laboratory for the chemical, physical and bacteriological analysis of the above-mentioned foodstuffs and articles. There are even communal laboratories in certain communes.

Each canton appoints an adequate number of inspectors of foodstuffs, and in each commune or group of communes there is a local sanitary authority.

Inspectors are empowered to inspect the state of premises, apparatus and installations used for the manufacture, production, handling, preservation and sale of goods and articles liable to inspection. They are entitled to take samples for analysis.

Defective goods may be seized and, if necessary, destroyed.

The Confederation exercises supervision along the frontiers through the Customs bureaux and frontier veterinary officers. Customs officials in the Swiss Customs bureaux and warehouses inspect all goods coming from abroad which are liable to such inspection.

An Ordinance of the Federal Council promulgated in 1909 and twice revised (the second time in 1926) lays down the provisions which apply to goods being traded in, *i.e.*, imported, offered for sale or sold, or manufactured or stocked for sale.

The Chapter of general provisions was considerably amplified in the 1926 Ordinance. It lays down, in general, that foodstuffs must not contain any harmful substances. It further prohibits the employment of preservatives, colouring matter, artificial sweetening, artificial aromas and all substances foreign to the composition of the product. The exceptions to these general provisions are specified in the Chapter dealing with the foodstuffs to which these exceptions apply.

The names to be given to foodstuffs are very strictly regulated in these general provisions. When it is not possible for the consumer immediately to recognise the nature of a product, that product must bear a clear and true description. Fancy names can only be used in conjunction with the specific name of the product; the descriptions employed must exclude all possibility of mistake as to the nature and origin of the product.

From the point of view of health in particular, the Ordinance requires the greatest cleanliness in the manufacture, production, handling, preparation, stocking, packing, transport and sale of foodstuffs. The premises utilised must comply with all the requirements as regards size, arrangement, lighting, ventilation, etc. Finally, the sanitary authorities may prohibit the employment of persons suffering from infectious diseases in the production, manufacture, handling and sale of articles of food.¹

Exceptions may be made to this Ordinance in favour of foodstuffs manufactured in the country solely for export. Any person wishing to manufacture the foodstuffs in question must hold a licence issued by the Federal Department of the Interior, which notifies the cantonal health authorities of all authorisations granted. The licence is granted for one year, but may be renewed if the conditions attached to the grant continue to be observed.

For purposes of verification, manufacturers must keep special registers showing the quantities of goods manufactured for export and the quantity and nature of the raw materials used; these registers may be inspected by the cantonal authority at any time.

Only full cow's milk, without any change in its composition, may be bought and sold as *milk*. The milk of animals other than the cow must be given its specific name. This also applies to mixtures.²

Milk having more than nine degrees acidity must be so described. Only perfectly healthy milk can be offered for sale or traded in.

The Ordinance specifies a whole series of conditions which may be a danger to public health and which therefore preclude the sale, etc., of milk.

¹ In addition to the indications given above, the Ordinance includes a whole series of rules concerning foodstuffs or articles which it has not been deemed necessary to indicate because they are generally only bought and sold locally; we have merely named here a few articles which are likely to be exported normally from Switzerland.

Any person desiring to engage in the milk trade must obtain permission from the local sanitary authorities.

Such authorisation may be refused or, if it has already been granted, withdrawn, if the applicant does not satisfy the requirements laid down in the Ordinance. The sanitary authority may officially inspect the animals milked and the manner in which they are cared for.

The vessels in which the milk is collected, filtered, refrigerated, transported, stocked or served out, may not be made of lead, zinc, galvanised iron, copper or untinned brass.

3 *Milk* partially or entirely *skimmed* must be described as such. It must give a dry residue without fat of 8.5 per cent at least. It may only be transported in vessels clearly marked "Skim Milk".

4 *Cream* may contain at least 35 per cent fat. Preservatives may not be added, or colouring matter or matter intended to thicken the liquid.

5 *Preserved milk* must be so described that the purchaser can recognise what sort of milk (full milk or skimmed milk) has been used in the manufacture. It may not contain preservatives other than sugar.

6 *Powdered milk* manufactured with full milk must contain at least 25 per cent fat.

Before milk can be offered for sale under a special name, such as milk for children, invalids, etc., a request must be addressed to the local health authorities, who may only grant permission to persons or enterprises which afford the necessary guarantees that they are able to supply milk of a special quality.

7 *Cheese*. — All cheese manufactured with milk which is not cows' milk must bear an indication of its nature, unless it already bears a generally-known special name.

Cheese must be described according to the amount of fat it contains such as fat cheese, three-quarters fat, half fat, quarter fat or skimmed milk cheese, corresponding respectively to a minimum content of dry fatty residue of 45, 35, 25, 15 per cent, and in the last case less than 15 per cent. For cheeses known as *cream cheeses*, the minimum amount of dry fatty residue must be 55 per cent; and in the case of *double-cream cheeses* 60 per cent.

All cheese called simply by its specific name (such as Emmental, Gruyère, Parmesan, etc.) without any mention of its fatty content, must possess the characteristics of fat cheese.

The cheese must not contain any foreign substance, apart from salt, except in the case of certain special cheeses to which certain substances have to be added (Roquefort, etc.). Cheese may be coloured.

No cheese may be sold or offered for sale to the rind of which mineral or other substances have been added with a view to increasing the weight.

8 Products similar to cheese, the fat of which is only partly derived from the milk of cows or other animals, must be described as *artificial cheese* and the cheese itself must be distinctly coloured red.

The receptacles and packings in which artificial cheese is put up for sale must bear a clear indication of the nature of their contents.

Any person desirous of manufacturing artificial cheese must make a statement to the cantonal sanitary authorities, indicating the premises to be utilised for this industry. Manufacturers must keep a factory register. The sanitary authorities may inspect this register at any time.

9 *Butter*. — Only fat obtained exclusively from cows' milk without the addition of any other fat may be sold or offered for sale as butter.

Butter prepared entirely or partly from milk other than cows' milk must be described by its proper name. The butter must contain at least 82 per cent fat.

When sold in pats the moulding of the pat must show the weight.

10 No preservatives other than salt may be added to butter and the proportion of salt must not exceed 2 per cent; *salted butter* must be described as such.

Butter may be coloured yellow, though artificially coloured butter must not be described as "summer butter".

Butter may not be treated with chemical products (soda, etc.).

11 *Preserved fruit and vegetables*. — These must contain no preservative except alcohol, vinegar, spices, common salt and sugar. Preserved fruits may be coloured.

12 *Honey*. — By honey is meant pure bees' honey.

13 The receptacles in which foreign honey is offered for sale or sold must be labelled "foreign honey" or indicate the country of origin.

14 Mixtures of foreign and Swiss honey must be treated as if they were foreign honey.

15 All honey so heated as to have lost its fermentative or aromatic constituents must be designated as "super-heated honey".

16 Sugary products which look like honey and possess the consistency of honey must be described as artificial honey or, according to their nature, molasses, table syrup, concentrated pear juice,

etc. Mixtures of these products with honey must be described as artificial honey. The names applied to these mixtures must not allow the purchaser to suppose that they contain honey.

The names "table honey", "Swiss honey", "honey of the Alps", etc., may not be used to describe any products other than pure honey.

Natural aromas may be added to artificial honey, and as a preservative, sulphurous acid, up to a maximum of 40 milligrammes per kilogram.

The receptacles in which artificial honey is offered for sale or sold must be conspicuously marked, in indelible letters, "artificial honey". Manufacturers must keep a factory register. The sanitary authorities may inspect this register at any time.

Preserves and jellies. — Preserves are preparations obtained by cooking fruit with sugar, glucose or invert sugar. Jellies are fruit juice with sugar added, which, when boiled, acquire the consistency of gelatine at the ordinary temperature, or decoctions of fruit treated in the same manner. 17

Preserves manufactured completely or in part with dried fruit must be designated as such. Fruit residue may not be employed in making preserves. To fruits which do not jelly may be added the juice of fresh apples or apple pectine to the extent necessary to ensure proper jellying, but not to increase the quantity of the product. Amylaceous products must not be used for the manufacture of preserves and jellies or any thickening substance apart from those mentioned above.

Benzoate of soda may be added to preserves and jellies to an extent not exceeding 1 gramme per kilogram, or the corresponding quantity of benzoic acid. Preserves and jellies may be coloured.

Chocolate. — Chocolate or powdered chocolate is a mixture of ground cocoa and sugar prepared in the usual manner with or without the addition of cocoa fat and spices. The mixture must not contain more than 68 per cent sugar or less than 16 per cent cocoa fat. Mixtures of cocoa powder and sugar which contain less than 16 per cent cocoa fat must be described as sweetened cocoa. Chocolate, chocolate powder and sweetened cocoa must not contain waste (shells, germs, etc.). 18

Special products consisting of cocoa and chocolate mixed with other ingredients (ground-nuts, oats, acorns, milk, honey, etc.) must bear a title indicating the fact, such as "Chocolate with ground-nuts", "Cocoa-oats", "Milk chocolate", etc. In the case of milk chocolate, the proportion of cocoa, cocoa fat and spices must be 25 per cent at least.

Chocolate and cocoa preparations may contain artificial sweetening, provided the sweetening is correctly mentioned in the description.

Material used for packing foodstuffs. — Papers for wrapping up foodstuffs must be as tasteless and odourless as possible, and must comply with all hygienic requirements. They must not contain, either in the pulp or in the colouring matter, any arsenic, barium, lead, cadmium or mercury or any compound of these metals, with the exception of baryta or cinnabar. The employment of baryta must not, however, cause any appreciable increase in the weight of the paper. The paper must not contain any colouring materials other than those authorised in Article 321. 19

Cardboard boxes and receptacles used for the direct packing of foodstuffs must comply with the requirements laid down in the above paragraph.

Metal sheets and tubes used for wrapping up foodstuffs must not contain more than 1 per cent lead or zinc, and must be free from arsenic.

Materials and tissues used for making clothing, clothes, colours employed as dyes. — Materials and tissues used for making clothing and clothes themselves must not contain any arsenic. 20

These materials and tissues must not be dyed with colours containing picric acid or coralline, or any other harmful colouring matter which may be easily reabsorbed.

Forage, seeds, fertilisers and similar products intended for agriculture are rigorously inspected by Federal institutions for agricultural tests and analyses. 21

Pharmaceutical specialities and patent medicines are controlled by an inter-cantonal office, and the trade in these specialities and medicines is regulated by cantonal law. 22

Watch cases and other articles, gold-plated, gilded, silvered or platinised. — The description "gold-plated" and warranties of durability such as "guaranteed for five, ten, or twenty years" are only allowed when the watch cases or other articles are covered with a layer of gold which resists the action of nitric acid at 25° Baumé. The minimum fineness of the gold layer must be 10 carats, but in no case may plated gold, or merely gilded articles bear an indication of fineness in carats or thousandths, for instance, "gold-plated 14 carats", these indications being reserved for gold and silver articles; nor may any indications be given concerning the proportion (per cent or per thousand) of metal in the plated layer, for instance "guaranteed plated 50 ‰ or 50 grammes per kilogramme". 23

A Decree of the Federal Council lays down further conditions for gold leaf.

Plated articles must bear the maker's mark.

Watch-cases and other articles covered with too thin a layer of gold, or gold the fineness of which is under 10 carats, may only be sold as "gilded metal".

Special descriptions containing the word "or" (gold), such as "Orfixe", "Oridéal", etc., are not authorised for imitation articles.

24 *Plated, gilded or silvered articles* are verified on importation as regards their marks or labels but are not stamped.

Articles in silvered metal may not bear descriptions combined with the word "argent" (silver), or its translation in another language, as for instance, "Alpacca-Silber", "Wellner-Silber", etc. On the other hand, the weight of fine silver deposited on silver-plated table knives, forks and spoons may be indicated.

The specifications "platinine", "platinon", etc., are allowed in the case of platinised articles provided the word "metal" is also used in connection therewith.

CATEGORY 2.

25 *Electric meters.* — Official verification and stamping. Ordinance of December 9th, 1916 (Collection of Swiss Laws, No. 60, December 15th, 1916):

"All electric meters for measuring the consumption of electric power for the determination of the price must be officially checked and stamped.

"The official testing of meters intended for use in commerce is carried out by authorised testing bureaux, which only undertake to test meters the system of which has been approved by the Swiss Commission on Weights and Measures, on the basis of a verification of the system carried out by the Swiss Bureau for Weights and Measures.

"Testing includes a number of specified experiments to ensure whether the meters fulfil the necessary conditions.

"The stamp of the testing bureau is placed on meters which have been officially tested and have satisfied the requirements. A test certificate is issued by the bureau for each apparatus.

"The conditions which the testing bureaux must satisfy are laid down by the Commission on Weights and Measures. The bureaux may not carry out any tests other than those specified. Only officials of the testing bureaux authorised for the purpose by the Bureau for Weights and Measures may carry out official tests and stamping. These officials are required to prove that they possess the necessary scientific and practical knowledge. They are placed on oath.

"By means of periodical inspections the Bureau of Weights and Measures sees that the provisions of the Ordinance are accurately applied, verifies the apparatus, etc.

"A stamp is valid for ten years, after which the meters must be re-examined and re-adjusted."

26 *Watch-cases, jewellery and other articles in precious metals.* — All gold and silver watch cases bearing a legal indication of the fineness of the precious metal or marked with one of the "gold" or "silver" marks must also be marked with the Federal control stamp. In the case of other gold or silver articles, stamping is optional. On watch cases of low fineness (below 0.583 (14 carats) in the case of gold and below 0.800 in the case of silver) which bear an indication of their fineness, such indication must be accompanied by the manufacturer's mark (responsibility mark). Watch cases of gold of low fineness may be stamped with an official countermark ("small Federal cross") verifying the fineness, provided the latter is not less than 8 carats (0.333). The word "gold" or "silver" can, however, only be used in connection with cases and articles containing not less than 14 carats gold and 800 thousandths silver.

27 Watch cases in white gold (gold combined with palladium, nickel or aluminium) are subject to obligatory control in the same way as watch cases of gold of another colour.

28 Watch cases and other articles in platinum, whether the fineness is indicated or not, must bear the Federal control stamp. The minimum fineness is 0.950.

29 *Platinum articles* are subject to compulsory official inspection; the minimum fineness is 0.950.

30 Imported watch cases, jewellery and articles of precious metal are invariably controlled on importation. The fineness required by law is the same as in the case of articles manufactured in Switzerland. The fineness must be indicated in the case of gold and silver ware; this rule does not apply to platinum articles. Gold articles containing a low percentage of gold are specially stamped; the fineness of these articles may not be less than 8 carats (0.333); they may not be sold as "gold".

The control stamps are as follows:

(a) For articles manufactured in Switzerland:

1. 18 carats gold (0.750) and over, a head (Helvetia);
2. 14 carats gold (0.583) and over, a squirrel;
3. Silver 0.875 and over, a bear;

4. Silver 0.800, a black-cock;
 5. Platinum 0.950 and over, a chamois head;
- (b) Imported articles:
1. Gold, 14 carats and over, a lynx's head;
 2. Silver 0.800 and over, an edelweiss;
 3. Platinum 0.950 and over, an oval containing the letter E ("Etranger");
 4. Gold articles from a fineness 14 carats (0.583) down to 8 carats (0.333), an oval containing the letter A ("Ausland").

All the stamps also bear within the frame surrounding the design or letter a distinctive sign making it possible to identify the bureau at which the articles were stamped.

There are control bureaux in the following places: Bienne, La Chaux-de-Fonds, Délémont, Fleurier, Geneva, Granges (Soleure), Le Locle, Neuchâtel, Le Noirmont (Bernese Jura), Porrentruy, St. Imier, Schaffhausen, Tramelan.

Under the Commercial Treaty now in force between Italy and Switzerland, every consignment of *colours in vats* or of *gallo-cyanine* to Italy must be accompanied by a special certificate issued by the Basle Chamber of Commerce attesting the quality of these goods. 31

CATEGORY 4.

Each canton is bound to set up and maintain a cantonal laboratory for the chemical, physical and bacteriological analysis of foodstuffs and of certain household articles and articles in general use.

The cantons may authorise these laboratories to conduct analyses other than those for which they were expressly established.

Certificates for chronometers and precision clocks. — The astronomical and chronometrical observatories of Neuchâtel and Geneva receive chronometers for observation. The latter are divided into three categories: marine chronometers, ship chronometers and pocket chronometers. 32

After the regulation tests, the observatories issue certificates for the chronometers which have satisfactorily passed the tests for their category. The certificates vary in form and colour according to the tests made and include the following indications: description of the article; detailed table of the working and variations of the chronometers during the tests and the general results deduced therefrom; a copy of the rules.

The four main criteria for the regularity of a chronometer are, in the Observatory in Neuchâtel: (a) the average diurnal variation from absolute regularity; (b) the average variation corresponding to change of position; (c) compensation, which is estimated according to the thermic coefficient and the residual error of the compensation; (d) the resetting in motion.

The Geneva Observatory employs three main criteria to judge the value of a chronometer: (1) the average diurnal variation from absolute regularity; (2) the average variation from period to period or the average variation corresponding to change of position: the error of compensation for 1 degree Centigrade.

Tests for complicated mechanism and for checking clocks and watches for science or sport are carried out in both observatories.

The Observatory of Neuchâtel receives, for observation, precision clocks which are subjected to special tests. It issues certificates of regularity for clocks which fulfil the prescribed conditions.

Official Testing Office for watches of Genevese manufacture. — In the Canton of Geneva there has existed since 1886 an official testing office for watches of Genevese manufacture. Testing is optional.

Watches which are found, after testing, to reach the requisite standard of workmanship, and on which a certain minimum amount of work—in accordance with special rules on the subject—has been done by workmen living in the Canton of Geneva, are officially stamped with the arms of the State.

This stamp is made on the plate and on one of the bridges of the movement.

Apart from the stamp, the testing office also issues, if requested to do so, a certificate indicating the regularity of the watch, or, in the case of small watches which the purchaser is unable to open easily, a certificate of origin.

Apart from the stamp, a watch passed as satisfactory is provided with a ticket attached to the pendant, on one side of which is printed "Geneva watch" and on the other "officially tested".

The Testing Committee set up by decree of the Grand Council, has drawn up a number of technical rules for manufacture and has specified the conditions which watches must fulfil in order to obtain the stamp.

Regularity tests for watches. — Official offices for testing the regularity of watches exist at Bienne, La Chaux-de-Fonds, Le Locle and St. Imier. These offices accept watches sent to them to be subjected to various tests including the test for regularity. Different tests are provided for watches which have to be wound up every day, eight-day watches and wrist watches. 33

After the tests have been carried out, watches which fulfil the conditions laid down in the rules of the offices are accorded a certificate containing a detailed account of their degree of regularity, diurnal variations and the results of the observations. On the back of the certificate are printed the rules for the tests. The certificates are issued in French, German or English, as the applicant desires.

When the results obtained do not exceed 50 per cent of the figures laid down for the issue of the certificate, the certificate also contains the phrase "*particularly good results*".

These offices also undertake to verify other apparatus for measuring time, but in this case they only issue a simple statement concerning regularity if the mode of observation differs from that laid down in the rules.

The Federal Laboratory for testing materials (which is an annex to the Federal Polytechnic School at Zurich) carries out, on receipt of samples and for a fee varying according to circumstances, tests on a large number of materials, mainly building materials, metal wires, leather belts, cables, gas containers, fats, oils, paper, clay, chemical analysis, etc., and issues reports on the results obtained.

The Swiss Testing Station at St. Gall is an institution subsidised by the Federal Department of Public Economy, by the town of St. Gall, by the Commercial Directorate of St. Gall and by the principal groups of Swiss textile, leather and soap industries.

The institution is of an official character; it places itself at the disposal of the public for carrying out tests and analysing the various products of the above-mentioned industries. As the testing station does not operate for profit, the cost of analysis and tests is very low.

The tests and analyses are made in respect of samples furnished by the persons concerned, or samples taken during visits or experimental tests in the industrial establishments which have applied to the testing station for information, inspection, etc.

The station has three departments:

- Department I. Textile industry;
- Department II. Leather industry;
- Department III. Technical fats and oils and soap industry.

Each of these departments carries out all the physical and chemical tests requested by the industries concerned. These tests refer either to raw materials or to intermediary products, or to by-products and finished products. The station conducts chemical or physical analyses of every kind, tests and verifications for ascertaining irregularities in manufacture and remedies therefor. Consumers can also apply to the testing station and often do so in the case of litigious disputes.

34 Department I, *textile industry* (and *straw industry*), examines natural or artificial fibres, by-products and finished products and substances used in preparing textiles (bleaching, mercerising, dyeing and printing, preparation of yarn and tissues, etc.).

35 Department II, *leather industry*, similarly deals with raw materials (*hides and skins, tanning products*), by-products and finished products (leather) connected with the manufacture and use of leather.

36 Department III, *technical fats and oils industry* and *soap industry*, is used by the industries which employ fats and manufacture either soap or sulphurated oils and lyes. The materials dealt with include alkalies, salts, glycerine, soaps, lyes, sulphurated oils, etc.

37 The *Zurich and Basle silk testing institute* which operates like those at Lyons and Milan, is a company which grades and weighs silk at the request of the persons concerned. It communicates the results of its operations to its clients by means of bulletins, which are accepted as final by both buyers and sellers. The results are assessed according to the Zurich raw silk trade usages. In practice, when a foreign firm buys silk in Switzerland, it has the silk sent to the company's establishments by the seller, who places it there at the proposal of the buyer. The latter indicates the tests he wishes to have made, and if these are satisfactory, he causes the weight to be verified before the consignment is sent off.

38 With regard to *machinery*, current practice is not to take delivery until tests have been carried out in the presence of qualified agents designated by the buyer.

Mention should be made of the laboratory of the Swiss Association of Electricians at Zurich, the Agricultural Testing Office at Oerlikon, the agricultural chemical establishments at Liebefeld, near Berne and at Lausanne, the Seed-Testing Institute at Lausanne, the Dairy Industry and Bacteriological Institute at Liebefeld, the Experimental Arboricultural, Viticultural and Horticultural Station at Wädenswil, and the Federal Viticultural Experimental Station at Lausanne.

All these institutions carry out official work and any enquiries and tests requested by private persons.

When private persons apply to commercial or industrial associations to have an expert opinion regarding goods, these associations either merely recommend experts, without any guarantee on their part, in which case the authority of the experts is considerably diminished, or, in some cases, the associations regard the experts as their representatives, investing them with their authority, in which case they can only be regarded as agents of the associations. In the latter case, under Article 55 of the Swiss Civil Code, the associations are bound by the acts of the experts they have appointed and are in particular responsible for their faults, in addition to the personal responsibility of the experts, but jointly and severally with the latter.

UNION OF SOUTH AFRICA.

CATEGORY 1.

All *dairies* must be registered by law at the Ministry of Agriculture. Each dairy is given a number of which it has the exclusive use for its products. Qualified officials are entrusted with the execution of all the legal provisions and furnished with the necessary powers for the purpose. 1

Foreign dairy produce may only be dealt in, provided its foreign origin is clearly indicated on the wrapping.

CATEGORY 2.

Cheese may only be exported through the ports of Durban and Cape Town. The General Superintendent of Dairies must be informed of all shipments abroad. 2

In submitting a request for exportation, the producer must declare the quality of the cheese. Inspection is carried out by officials chosen by the Minister in question. Cheese is inspected and graded on premises authorised by the General Superintendent of Dairies at the port of embarkation.

There are three grades, first, second and third, depending on the taste, quality (including appearance), compactness, colour, salting, finish, and general appearance. A certain number of points is awarded for each of the above qualities, and the grading depends on the total number of points obtained.

Cheese must be packed in crates or cases which the inspector thinks are suitable and sufficiently stout for transport purposes.

The date of manufacture and the contents are indicated on the left corner of each package by means of a series of letters or figures.

On completion of the examination the inspector places on each crate or case a distinctive stamp or mark showing the grade.

The inspector issues a grading certificate to the manufacturer, an export certificate to the forwarder, and a loading permit to the shipping company. Inspectors have the right to take the samples required for their work.

The Association of Soft-Cheese Manufacturers employs a trade mark which is placed on the cheeses and indicates the guaranteed percentage of fat. This mark is green for fat cheeses (45 per cent), brown for half-fat cheeses (30 per cent), and blue for skim-milk cheeses containing less than 30 per cent fat.

- 39 Control is optional in the case of *jewellery and articles in silver and gold of Swiss manufacture*. Articles which have not been officially assayed may not bear any other indication, concerning their composition or the alloy, than that of their actual degree of fineness. If they bear this indication, they must also bear the producer's mark or sign. Articles with a small percentage of precious metal (below 0.583 in the case of gold and 0.800 in the case of silver) cannot be sold
- 40 as "gold" or "silver" without special mention of the degree of fineness. Articles in *white gold* are assayed in the same way as articles in gold of another colour. White gold may not be amalgamated with platinum unless the fact is very visibly indicated.

CATEGORY 5.

Penalties are imposed on:

- 41 (a) Any person who imitates or adulterates (with a view to deceiving the public) *foodstuffs* intended for sale;
- (b) Any person who offers adulterated goods for sale;
- (c) Any person who has rendered foodstuffs or other articles, subject to inspection, dangerous to health or to life;
- (d) Any person who has sold, offered for sale or traded in such articles and foodstuffs.

On a second conviction the penalties may be doubled. If any of these offences is committed by a person in the pursuit of a trade or industry, the Court may declare that the offender has forfeited his right to carry on the said profession or industry for a period varying from one to fifteen years. The Court may also order the judgment to be published in the press.

UNITED STATES OF AMERICA.

CATEGORY I.

The act of June 30th, 1906, forbids the manufacture, sale or transportation of adulterated or misbranded or poisonous or deleterious *foods, drugs, medicines, and liquors*, and for regulating traffic therein, and for other purposes. I

The provisions of this Act apply to foods and to drugs which have been shipped or delivered for shipment in interstate commerce, or which are exported or offered for export to foreign countries, or which are being transported in interstate commerce for sale or have been transported in interstate commerce, or which have been received from a foreign country, or which are manufactured, sold, or offered for sale in the district of Columbia, territories of the United States, or insular possessions.

(a) Drugs recognised in the United States Pharmacopœia or National Formulary for which methods of analysis have been prescribed in the said Pharmacopœia or National Formulary shall be analysed by these methods.

(b) All foods and such drugs as are not included in paragraph (a) of this regulation shall be analysed by the methods prescribed by the Association of Official Agricultural Chemists, when applicable, provided, however, that any method of analysis or examination satisfactory to the Food, Drug and Insecticide Administration may be employed.

(c) All foods or drugs for which no methods of analysis have been prescribed, either in the Pharmacopœia or National Formulary or by the Association of Official Agricultural Chemists, shall be analysed or examined by methods satisfactory to the Food, Drug and Insecticide Administration.

Any wholesaler, manufacturer, jobber or other party residing in the United States may furnish to any dealer to whom he sells any articles of food or drug a guarantee that such article is not adulterated or misbranded within the meaning of the Federal Food and Drugs Act.

Each guarantee to afford protection shall be signed by, and shall contain the name and address of, the wholesaler, manufacturer, jobber, dealer or other party residing in the United States making the sale of the article or articles covered by it to the dealer, and shall be to the effect that such article or articles are not adulterated or misbranded within the meaning of the Federal Food and Drugs Act, specifically designating the said Act.

The term " food " includes articles used for *confectionery*. The provisions of the Act relating to food, as well as the specific provisions relating to confectionery, apply to confectionery. 2

An article of food shall neither be covered with a powder nor reduced to a powder in such manner that damage or inferiority is concealed.

A poisonous or other deleterious ingredient shall not be added to an article of *food* in such quantity as may, by any possibility, render the article injurious to health. Any ingredient artificially introduced into an article of food is an added ingredient. 3

A food to which a preservative is applied externally must bear on the covering or package directions for the effective removal of such preservative.

(a) Only harmless colours and harmless preservatives may be used in articles of food.

(b) A colour, preservative or other substance, even though harmless, shall not be used in the preparation of any article of food in a manner whereby damage or inferiority is concealed.

(c) The Secretary of Agriculture shall determine from time to time the wholesomeness of colours, preservatives and other substances which are added to foods, and shall make public announcement, in such manner as he may deem appropriate, of the results of the investigations. When so published, the results of the investigation shall serve as a guide in enforcing the Act.

The label shall bear, plainly and conspicuously displayed, all the information specifically required by the Act—*e.g.*, the quantity of the contents of food in package form, in accordance with Regulation 26, and the quantity or proportion of the drugs named in Section 8 of the Act, in accordance with Regulations 24 and 25. The label shall also bear such other descriptive matter as the character of the product may require.

The term " label ", as used in the Act, includes any legend and descriptive matter or design appearing upon the article or its container, and also includes circulars, pamphlets and the like

which are packed and go with the article to the purchaser, and such letters, circulars and pamphlets to which reference is made either on the label attached to the package or on the package itself.

The name of the manufacturer or producer need not be given upon the label; but, if given, it must be the true name. The words: "Packed for", "Distributed by" or some equivalent phrase, shall be added to the label in case the name which appears upon the label is not that of the actual manufacturer or producer.

A package of food shall be plainly and conspicuously marked with the quantity of the contents in terms of weight, measure or numerical count on the outside of the container, or of the covering of the package usually delivered to the consumer.

The quantity of the contents, when stated by weight or measure, shall be marked in terms of the largest unit contained in the package, except that, in the case of an article with respect to which there exists a definite trade custom for marking the quantity of the article in terms of fractional parts of larger units, it may be so marked in accordance with the custom. Common fractions shall be reduced to their lowest terms; fractions expressed as decimals shall be preceded by zero and shall be carried out to not more than two places.

The quantity of the contents shall be stated in terms of weight or measure unless the package is marked by numerical count and such numerical count gives accurate information as to the quantity of the food in the package.

An article of food or drugs intended for export is not adulterated or misbranded within the meaning of the Act if it is established by the shipper or exporter that the article is prepared or packed according to the specifications or directions of the foreign purchaser and that no substance is used in the preparation or packing there of in conflict with the laws of the foreign country to which the article is intended to be shipped.

An article intended for export, prepared or packed in accordance with paragraph (a) of this regulation, shall be labelled on the outside container or wrapper so as to show that the article is intended for export and is prepared or packed in accordance with the specifications or directions of the foreign purchaser. This marking is required only on an article which otherwise would be classed as adulterated or misbranded.

An article prepared for export in accordance with paragraphs (a) and (b) of this regulation, if sold or offered for sale for domestic consumption, is subject to all the provisions of the Act regarding domestic sale.

4 The use of *colour* of any kind to conceal damage or inferiority in a food product is defined by the Federal Food and Drugs Act as an adulteration, and, when damage or inferiority are concealed, the employment of artificial colour is not permissible even though certified colours are used and their presence is declared on the label. In general, where colours are legitimately used in foods and beverages, a statement on the label of the presence of artificial colour is required.

When a container of a certified dye is opened, the guarantee of its purity can no longer apply, inasmuch as no one, other than the person or firm breaking the package, can further assume responsibility for its purity and identity.

The following coal-tar dyes are accepted for certification. The first number in each line is that of the dye as listed in the Colour Index of 1924, published by the Society of Dyers and Colourists of England; the second number, in parenthesis, is that appearing in former department announcements and is the identifying number of the dye given in Green's "Systematic Survey of the Organic Colouring Matters", 1904 edition:

Red shades:

- 80 (56) Ponceau/3R;
- 184 (107) Amaranth;
- 773 (517) Erythrosine.

Orange shade:

- 150 (85) Orange I.

Yellow shades:

- 10 (4) Naphthol yellow S.
- 640 (94) Tartrazine.
- 22 Yellow A B (benzeneazo-S-naphthylamine).
- 61 Yellow O B (ortho-tolueneazo-S-naphthylamine).

Green shades:

- 666 (433) Guinea green B;
- 670 (435) Light green S F yellowish;
- Fast green F.C.F. (p.-hydroxy derivative of the sodium salt of alphagurine F.G.C.I. No. 67h).

Blue shade:

- 1180 (692) Indigotine.

Yellow A B and Yellow O B are known as oil-soluble dyes, because they are soluble in edible oils but insoluble in water. The other nine dyes are soluble in water but insoluble in oils.

Official *cotton* standards of the United States have been promulgated by the Secretary of Agriculture under authority contained in two statutes: 5

(1) The United States Cotton Futures Act of August 11th, 1916, as amended March 4th, 1919; and

(2) The United States Cotton Standards Act of March 4th, 1923. (The United States Cotton Standards Act made the standards established under the Cotton Futures Act the official cotton standards for the purposes of the United States Cotton Standards Act as well.)

The cotton standards now in use under these laws are the following:

(a) Official cotton standards of the United States for grades and colours of American upland cotton, otherwise known as the *universal* standards for American upland cotton ("Public Notice establishing Official Cotton Standards of the United States for Grades and Colours of American Upland Cotton", of July 30th, 1923; effective August 1st, 1923).

These standards have been agreed upon and accepted by all of the leading European cotton exchanges, so that they are also termed and referred to as Universal Standards for American cotton. This agreement was made and entered into in 1923 by and between the United States Department of Agriculture and the Liverpool Cotton Association, the Manchester Cotton Association, le Syndicat du Commerce des cotons du Havre, Bremer Baumwollbörse, Associazione Cotoniera Italiana, Association Cotonnière de Belgique, Centro Algodonero de Barcelona, Vereeniging voor den Katoenhandel te Rotterdam, the Federation of Master Cotton Spinners' Associations of England, and the Marché de coton belge of Ghent.

(b) Official cotton standards of the United States for grades of American Egyptian cotton ("Public Notice establishing Official Cotton Standards of the United States for Grades and Colours for American Egyptian Cotton", of July 26th, 1922; effective August 1st, 1923).

(c) Official cotton standards of the United States for length of staple ("Official Cotton Standards of the United States for Length of Staple", of October 25th, 1918; effective October 25th, 1918).

In the main, the provisions of the *Cotton Standards Act* are permissive, but under the Act it is unlawful (quoting from Section 2):

"(a) In or in connection with any transaction or shipment in commerce made after this Act shall become effective; or

"(b) In any publication of a price or quotation determined in or in any connection with any transaction or shipment in commerce after this Act shall become effective; or

"(c) In any classification for the purposes of or in connection with a transaction or shipment in commerce, after this Act shall become effective, for any person to indicate for any cotton a grade or other class which is of or within the official cotton standards of the United States then in effect under this Act by a name, description or designation, or any system of names, description or designation not used in that standard *provided*, that nothing herein shall prevent a transaction otherwise lawful by actual sample or on the basis of a private type which is used in good faith and not in evasion of or substitution for said standards."

Penalties for infraction of these provisions are provided in the law.

CATEGORY 2.

All *wool* stored in federally licensed warehouses must, under the Warehouse Act, approved August 11th, 1916, be graded and *certified* according to the official United States wool standards. With this exception the grades are wholly permissive.¹ 6

CATEGORY 4.

Code of ethics, adopted at St. Louis, Mo., May 23rd, 1911, by the *American Lumber Trades Congress* (a convention of thirty retail, manufacturing and wholesale lumber associations). 7

¹ Official United States standards for grades of wool were promulgated by the Secretary of Agriculture in Service and Regulatory Announcements No. 75, issued July 16th, 1923 ("Public Notice establishing Official Wool Standards of the United States for Grades of Wool", of May 18th, 1923, effective July 1st, 1923).

“ It is the sense of the congress that this code of ethics should apply to all forest products handled by lumbermen.”

Inspection by “ Association Inspection Bureaux ” on lumber can be provided for in the contracts. The shipper must credit buyer with the amount of degrade found by inspection, irrespective of per cent determined between the grade sold and the grade shipped, at an equitable price. No claim on grade or measurement should be considered valid unless made by final consignee within five days after unloading the car.

8 There are grading rules for *cypress lumber* and *shingles*, adopted May 23rd, 1923 copyrighted
9 1916, 1918 and 1922 by the Southern Cypress Manufacturers' Association, containing standard
grades and classification of *cypress* and *tupelo* (bay poplar) as well as rules of classification and
inspection for *tupelo* (bay poplar) lumber.

10 *Hardwood lumber, cypress, veneers, thin lumber and plywood.* — The National Hardwood
Lumber Association, Chicago, has issued, in October 1924, rules for measurement and inspection
of hardwood lumber, cypress, veneers, thin lumber and plywood. These rules give the regulations
under which practically all hardwoods of this country are graded and inspected.

The National Hardwood Lumber Association maintains licensed and bonded inspectors in
the principal hardwood markets and producing centres of the United States and Canada. All
applications for “ original (national) inspection ” must be made to the secretary or a licensed
inspector by a member of the association.

It must be clearly stated in the contract of sale or purchase that national inspection is to
prevail and that the official bonded inspection certificate of the association is the agreed basis
between buyer and seller. Unless it is explicitly stated in the contract of sale or purchase that
the lumber concerned in the transaction is subject to national inspection, such inspection cannot
be insisted upon by either buyer or seller and can only be made available by the mutual consent
of both parties after a dispute has arisen.

The following form for such a clause in contracts of that nature is recommended: “ The
lumber is to be inspected according to the rules and regulations of the National Hardwood
Lumber Association by a national inspector ”.

With the foregoing clause in a contract, lumber may be inspected either at point of shipment
or at destination. But, as the association does not maintain inspectors overseas, for export
shipment only, the inspection at point of shipment is in question.

In the absence of instructions to the contrary a national inspector will inspect and measure
lumber according to the standards provided by the rules of the association.

When an inspection by an authorised inspector of the association is completed, the inspector
shall deliver to the member requesting the inspection a *certificate* in duplicate, certifying to the
amount and grade of lumber so inspected. This certificate is *final* for settlement between seller
and buyer in all cases where an agreement as to the application of national inspection exists
between the parties.

Only members of the National Hardwood Lumber Association can obtain an original national
inspection.

Reinspection is provided for in the rules, and a non-member of the association is also allowed
to call for reinspection. If the reinspection results in favour of the party complaining of more
than four per cent in money value from the original inspection, the party complaining may receive
the amount of such difference directly from the association. The association guarantees in this
way the certificates issued by its inspectors. But, as the association does not maintain inspectors
overseas, it is unable to apply the reinspection guarantee on export shipments.

11 *Rice.* — The major part of the export shipments of rice for foreign countries are covered by
certificates of quality, issued by a regular inspection bureau, and attached to the documents in the
transaction as evidence of quality delivered.

The *Rice Millers' Association* (New Orleans, La.) Inspection, for exemple, has been in operation
since November 1924, and uses, as a basis of inspection, United States Department of Agriculture
Circular 291 (Washington, D.C., October 1923), which gives specifically the grade factors of each
variety of rice. (“ United States Grades for Milled Rice ” embody the recommendations of the
Bureau of Agricultural Economics, United States Department of Agriculture, but are not fixed
and established under the United States grain standards Act.)

The shipper wishing an inspection notifies the inspection bureau by means of an inspection
application (form), which gives all information necessary to the inspection bureau for the complete
identification of the lot in question. Rice is then sampled when out of the shipper's control,
a 10 per cent sampling being made, and the individual probings are then examined for regularity
in the lot. This being ascertained, the lot is then graded under Department Circular 291 referred
to above, actual hand analyses and actual moisture tests to determine keeping qualities of shipment
being made, and the shipper is issued an inspection certificate to cover the shipment. The certificates
(form) are made on “ safety check ” paper, which discloses any attempted erasures or changes.

The Rice Millers' Association Inspection Bureau annually inspects around a million pockets
shipped for export each year on the basis of Department Circular 291. As most of the export
business is done on letter of credit basis, in case the certificate does not read in conformity with
that letter of credit, the bank handling carefully will not recognise the certificate, and the shipper
must supply a certificate reading in accordance with the letter of credit.

Dried fruit. — The Dried Fruit Association of California, San Francisco, subjects all merchandise sold for export and shipped via water by its members to inspection by this association. Official *certificates* (form), issued by the inspection department of this association, certify that the merchandise sold conforms to the recognised standards for the various grades of dried fruit. 12

The *Insecticide Act* of April 26th, 1910,¹ states that the legislative purpose of the Act is declared to be “for preventing the manufacture, sale or transportation of adulterated or misbranded *Paris greens*, *lead arsenates* and other *insecticides*, and also *fungicides*, and for regulating traffic therein”. 13
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The Act is designed to regulate insecticides and fungicides which enter interstate commerce, which are imported into the United States, or which are *exported* from the United States.

By the terms of the law, it is unlawful to manufacture insecticides or fungicides which are adulterated or misbranded. Shipment of adulterated or misbranded insecticides or fungicides to any foreign country is prohibited by the law, and any person who shall ship or deliver for shipment to any foreign country, or export or offer to export the same, shall be guilty of misdemeanour provided that no article shall be deemed misbranded or adulterated within the provisions of the Act when intended for export to any foreign country and prepared or packed according to the specifications or directions of the foreign purchaser.

The Act is enforced by criminal prosecutions, publication of judgment of the courts, and by the seizure and the confiscation of the misbranded or adulterated merchandise. Regulations for collection and examination of specimens of insecticides and fungicides intended for shipment to any foreign country are provided by the law. Specimens can be submitted for examination to the Department of Agriculture or such existing bureaux as may be directed by the Secretary, and, if it shall appear from any such examination that any of such specimens are adulterated or misbranded, the Secretary of Agriculture shall cause notice thereof to be given to the party from whom such sample was obtained.

In addition to the standards and requirements of the Insecticide Act of 1910, twenty-seven of the individual States of the United States have laws regulating the manufacture and sale of this class of merchandise within their respective jurisdictions. These States are: Alabama, California, Colorado, Connecticut, Delaware, Georgia, Idaho, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Montana, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Utah, Washington, Wisconsin.²

There are *International Seed Trade Rules*,³ providing in Section 7 that shipping samples, to be taken from a bulk sample shall be sent to the buyer, to be in his hands prior to the presentation and payment of the draft or bill of exchange. 16

Section 8 provides:

Noxious Weed Seeds. — (a) The term “Absolutely dodder free”, or “Absolutely free from any other noxious weed seed specified in the sale or contract of sale” shall require that no *dodder*, or such other specified noxious weed seed, shall be found in a test of 150 grammes from a sample taken as is provided in Section 7 of these rules. 17
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(b) If the buyer discovers the presence of dodders or such other noxious weed seed as may be specified in the sale or contract of sale in the shipping samples sent by the seller to the buyer, he may, within two days (Sundays and holidays excepted) after such discovery, by cable demand that the seller or his agent shall withhold; and the seller or his agent thereupon shall withhold the presentment of the drafts for payment until the arrival of the bulk of the identical shipments and until a reasonable opportunity shall have been given to the buyer to take a sample from the bulk of the shipment in the method provided in Section 7 of these rules, and to make a 150-gramme test of said sample for the presence of dodder or such other specified noxious weed seed.

(c) In the event of a dispute between the buyer and the seller as to the presence of dodder or such other specified noxious weed seed in the aforesaid 150-gramme test, a Government analyst in the country of the buyer shall make such a test of 150 grammes from a sample drawn by him or his agent as provided in Section 7 of these rules, and such official test shall be conclusive on the buyer and seller in respect to the presence of such dodder or other specified noxious weed seed. Until the determination of such official test, the seller or his agent shall withhold presentment of the draft for payment.

(d) The term “Dodder free” or free of any other noxious weed seed specified in the sale or contract of sale shall require that there shall not be more than ten grains of dodder or such other specified noxious weed seed in one kilogramme of agricultural seed; and, in the event of any dispute between the buyer and the seller as to the presence of dodder or such noxious weed seed

¹ “ Rules and Regulations for carrying out the Provisions of the Insecticide Act of 1910 “, of December 9th, 1910. United States Department of Agriculture, Office of the Secretary, Circular No. 34.

² Details are to be seen in United States Department of Agriculture, Insecticide and Fungicide Board, Service and Regulatory Announcements Nos. 13, 21, 35.

³ “ International Seed Trade Rules “; published by the Wholesale Grass-seed Dealers’ Association.

in the prescribed amount, a test by a Government analyst as hereinabove provided for shall be made and be conclusive on the buyer and seller. Until the determination of such official test, the seller or his agent shall withhold presentment of the draft for payment.

Any dispute arising between the parties to a sale or contract of sale of agricultural seeds, if not settled promptly by said parties, shall be submitted for arbitration and award to the arbitration committee of the Seed Trade Association of the buyer's country. An appeal can be taken to the arbitration committee of a neutral country.

19 There exist Arbitration Rules of the *Wholesale Grass-seed Dealers' Association*. The jurisdiction of the "Arbitration Committee" extends to all disputes relating to the buying and selling of *seeds* between members of the Association, and between members and non-members when in such latter case the dispute is submitted by agreement of the parties.

20 There exist rules of the *Memphis Merchants Exchange Clearing Association*, governing "call boards" and "ring trades" in *cotton seed meal*.

All tenders for meal must be made by transferable notice, accompanied by a *certificate of quality* (form) issued by the Supervising Committee. Any interested party may appeal to the Appeals Committee if the certificate of quality issued by the Supervising Committee is not satisfactory.

The certificate of quality issued by the Supervising Committee, or by the Appeals Committee, shall be final as between members of the Memphis Merchants Exchange Clearing Association; and such certificate shall hold good for tender and delivery on contracts within the time stated on the certificate.

21 The official grades for *hay* and *feed* are incorporated in a mimeographed pamphlet issued by the General Specifications Board of the United States Department of Agriculture.

There are *Rules for Seed Testing*, recommended by the Association of Official Seed Analysts of North America at its tenth annual meeting held at Detroit, Michigan, June 1917; Revised December 1921.

22 *Grain and Cereals*. — The United States Congress has enacted a law approved on August 18th, 1916, and known as the "United States Grain Standards Act"¹. This Act provides that the Secretary of Agriculture is authorized to investigate the handling, grading and transportation of grain and to fix and establish standards of quality and condition for *corn* (maize), *wheat*, *rye*, *oats*,
23 *barley*, *flax seed*, and such other grains as in his judgment the usages of the trade may warrant
24 and permit.

The standards so fixed and established shall be known as the official grain standards of the United States.

The main provisions are given below.

"Section 4. — Whenever standards shall have been fixed and established under this Act for any grain, no person thereafter shall ship or deliver for shipment in interstate or foreign commerce any such grain which is sold, offered for sale or consigned for sale by grade unless the grain shall have been inspected and graded by an inspector licensed under this Act, and the grade by which it is sold, offered for sale, or consigned for sale be one of the grades fixed therefor in the official grain standards of the United States: *Provided*, that any person may sell, offer for sale or consign for sale, ship or deliver for shipment in interstate or foreign commerce any such grain by sample or by type, or under any name, description, or designation which is not false or misleading, and which name, description or designation does not include in whole or in part the terms of any official grain standard of the United States: *further*, any such grain sold, offered for sale, or consigned for sale by grade may be shipped or delivered for shipment in interstate or foreign commerce without inspection at point of shipment by an inspector licensed under this Act, to or through any place at which an inspector licensed under this Act is located, subject to be inspected by a licensed inspector at the place to which shipped or at some convenient point through which shipped for inspection shall be under such rules and regulations as the Secretary of Agriculture shall prescribe, and subject, further, to the right of appeal from such inspection, as provided in Section 6 of this Act: *lastly*, any such grain sold, offered for sale or consigned for sale by any of the grades fixed therefor in the official grain standards may, upon compliance with the rules and regulations prescribed by the Secretary of Agriculture, be shipped in interstate or foreign commerce without inspection from a place at which there is no inspector licensed under this Act to a place at which there is no such inspector, subject to the right of either party to the transaction to refer any dispute as to the grade of the grain to the Secretary of Agriculture,

who may determine the true grade thereof. No person shall in any certificate or in any contract or agreement of sale or agreement to sell by grade, either oral or written, involving or in any invoice or bill of lading or other shipping document relating to, the shipment or delivery for shipment, in interstate or foreign commerce, of any grain for which standards shall have been fixed and established under this Act describe, or in any way refer to, any of such grain as being of any grade other than a grade fixed therefor in the official grain standards of the United States.

“Section 5. — No person, except as permitted in Section 4, shall represent that any grain shipped or delivered for shipment in interstate or foreign commerce is of grade fixed in the official grain standards other than as shown by a certificate therefor issued in compliance with this Act; and the Secretary of Agriculture is authorized to cause examination to be made of any grain for which standards shall have been fixed and established under this Act, and which has been certified to conform to any grade therefor in such official grain standards, or which has been shipped, or delivered for shipment in interstate or foreign commerce. Whenever, after opportunity for hearing is given to the owner or shipper of the grain involved, and to the inspector thereof if the same has been inspected, it is determined by the Secretary that any quantity of grain has been incorrectly certified to conform to a specified grade, or has been sold, offered for sale, or consigned for sale under any name, description, or designation which is false or misleading, he may publish his findings.

“Section 6. — Whenever standards shall have been fixed and established under this Act for any grain and any quantity of such grain sold, offered for sale, or consigned for sale, or which has been shipped, or delivered for shipment in interstate or foreign commerce shall have been inspected and a dispute arises as to whether the grade as determined by such inspection of any such grain in fact conforms to the standard of the specified grade, any interested party may, either with or without reinspection, appeal the question to the Secretary of Agriculture, and the Secretary of Agriculture is authorized to cause such investigation to be made and such tests to be applied as he may deem necessary and to determine the true grade: any appeal from such inspection and grading to the Secretary of Agriculture shall be taken before the grain leaves the place where the inspection appealed from was made and before the identity of the grain has been lost, under such rules and regulations as the Secretary of Agriculture shall prescribe. Whenever an appeal shall be taken or a dispute referred to the Secretary of Agriculture under this Act, he shall charge and assess, and cause to be collected, a reasonable fee, in amount to be fixed by him, which fee, in case of an appeal, shall be refunded if the appeal is sustained. All such fees not so refunded shall be deposited and covered into the Treasury as miscellaneous receipts. The findings of the Secretary of Agriculture as to grade, signed by him or by such officer or officers, agent or agents, of the Department of Agriculture as he may designate, made after the parties in interest have had opportunity to be heard, shall be accepted in the courts of the United States as *prima facie* evidence of the true grade of the grain determined by him at the time and place specified in the findings.

Cotton. — Under Section 3 of the United States Cotton Standards Act,¹ the Secretary of Agriculture of the United States may examine and license cotton classers, who may issue *certificates* of the grade or staple of cotton which they examine. These licensed classers are not employees of the Department of Agriculture of the United States. Their licences merely signify that the Department of Agriculture has examined into the ability and integrity of the holder and has dignified him by a public expression of its confidence. There is no requirement that cotton shipped in commerce must be inspected or classified, but it is required that, if indicated, the grade shall be of the official cotton standards of the United States. 25

Under Section 4 of the Act, the owner or custodian of cotton or any person who has a financial interest in any cotton may submit the cotton or samples thereof to the Department of Agriculture for determination of the true classification of such cotton or samples, including the comparison thereof, if requested, with types or other samples submitted for the purpose; and the Secretary of Agriculture of the United States, through his agents, may make such determinations when requested. The final *certificate* of the Department of Agriculture showing the classification or determination of the cotton so submitted shall be binding on officers of the United States and is declared to be *prima facie* evidence of the true classification or comparison of such cotton in the United States courts when involved in any transaction or shipment in commerce.

The regulations of the Secretary of Agriculture, as published in Service and Regulatory Announcements No. 80, of the Bureau of Agricultural Economics, contemplate three distinct services to be rendered by the Department of Agriculture: (1) An informal classification of samples; (2) the classification of agreed samples submitted by the parties involved in a dispute, and (3) the classification of samples the authenticity of which is established by Government supervision of the storage and sampling.

The purpose of the informal classification of samples is to assist the owner or custodian to determine the commercial value of the cotton. Upon the classification of such samples by its

¹ See Category I (Cotton).

board of cotton examiners, the Department of Agriculture will issue a Form A sample classification memorandum, stating simply that the classification of the samples as and when submitted is as shown therein. Because the department does not undertake to determine the integrity of the samples, Form A memoranda cannot have the weight of certificates.

In the second case, it is provided that, when two parties are in disagreement as to the true classification of any cotton involved in a transaction between them, they may agree upon a set of samples to be submitted to the Department of Agriculture either for a determination of the true classification or for a comparison with types or other actual samples specified in the contract. Upon the classification of such samples by its board of cotton examiners, the department will issue a Form B agreed sample certificate, which, when once reviewed, shall be deemed to be a final certificate within the meaning of the Act, but only as to the parties concerned. This service provides the means for the arbitration and settlement of disputes by a strict classification according to the standards, or by comparison with a private type or other actual samples.

It is proposed in the third case to supervise the storage and sampling of cotton, and, upon the classification of such supervised samples by its board of cotton examiners, to issue a Form C supervised bale certificate. It is required that cotton submitted for this purpose shall first be submitted through an established and recognised cotton exchange working in co-operation with the Department of Agriculture. Form C certificates, when reviewed, will be deemed to be final within the meaning of the Act. The regulations of the secretary provide means by which cotton thus "certificated" may be transferred to a future exchange market and there delivered on future contracts made in accordance with the United States Cotton Futures Act without reclassification.

It is provided by the regulations that the original classification of cotton, for the time being, shall be made either at New York or at New Orleans by the boards of cotton examiners already established in those markets under the United States Cotton Futures Act. Additional boards in the cotton belt may be subsequently set up if the demand for this service requires their establishment. Reviews or appeals under the United States Cotton Standards Act will be held in Washington, D.C., where specialists engaged primarily in the preparation of the standards are already available.

Lest there be any conflict between certificates issued under (2) and (3), it is provided that, in this country, Form B certificates shall not be final when in conflict with Form C certificates, but that as between Form C certificates issued in this country and Form B certificates issued by a duly constituted board in a foreign country, the Form B certificate is final.

Regulation No. 15 of the Secretary of Agriculture of the United States, for administrative purposes, makes effective the provisions of the agreements between the United States Department of Agriculture and the European cotton exchanges and associations above referred to with respect to the adjustment of disputes arising from contracts for the shipment of cotton from the United States. The members of the appeals committees of foreign exchanges which have adopted the official cotton standards of the United States may be designated as officers of the Department of Agriculture for the purpose of passing upon the classification of cotton involved in a dispute between a party in the United States and a party without the United States to a contract made under the rules of such association or exchange. Determinations of classification made by the boards so constituted shall be final.

The Regulation No. 15 is contained in the pamphlet "United States Department of Agriculture Service and Regulatory Announcements No. 80" (Washington Government Printing Office, 1923).

This regulation is as follows:

Section 1. — Paragraph 1: When an association or exchange located in a country other than the United States shall adopt any of the official cotton standards of the United States and when the members of the committee of such associations or exchange having final jurisdiction in the matter of appeals have been designated as cotton examiners by the chief of the bureau, such committee may be constituted for the purposes of this act a board of the Department of Agriculture and authorised to act as follows;

Paragraph 2: In so far as the exchange has adopted the universal standards, the committee may pass upon the classification of cotton involved in a dispute between a party in the United States and a party without the United States to a contract made under the rules of the association or exchange.

Paragraph 3: The submission of samples of cotton involved in such a dispute to such association or exchange or such committee in accordance with the rules of the association or exchange shall be deemed to be a submission to the Department of Agriculture.

Paragraph 4: Determinations of classification made by the boards so constituted shall be final and shall supersede, as to the parties to the dispute, any other certificate, as to grade and colour, affecting such cotton, issued by the Department of Agriculture under the Act and these regulations. When so provided in the articles, rules or by-laws of the association or exchange, such determinations may be evidenced by awards. If an award is made which does not state the classification, such board will, upon request of the owner or custodian of the cotton and the payment of a reasonable additional fee, issue a certificate showing in detail the true classification for grade and colour of such cotton, based upon a comparison of the samples with the universal standards or with a type or other samples on which the cotton has been sold, as the case may be.

Section 2. — The manner of procedure in submitting and handling samples, in classification, and in instituting and conducting arbitrations and appeals, shall be as prescribed in the articles, by-laws and rules of the association or exchange.

Section 3. — No charge shall be made by the Department of Agriculture for services performed under this regulation, but nothing herein shall be construed to prevent the association or exchange from making and collecting such fees for the service of its committee as may be found to be reasonable.

2. The purpose of the *United States Cotton Futures Act*¹ is to regulate the sale of cotton for future delivery on American cotton exchanges. It is required that all such contracts be in writing or evidenced by written memoranda, and a tax of two cents on each pound of cotton involved is imposed unless such contracts conform to certain conditions.

¹ See Category 1 (Cotton).

In practice, there is no dealing in futures contracts other than those falling under Section 5 of the Act.¹

ANNEX TO CATEGORY 4.

Observation. — The movement towards standardisation and specification has, in certain cases, led to the development of new means of protection for buyers. It would be difficult to classify these means under the categories drawn up at the beginning of the present study. Moreover, in view of the large number of types set up by the various associations and of the fact that their work in the field of standardisation and specification is constantly progressing, increasing and changing, we give here only a list of the associations which, to the Secretariat's knowledge, have set up standards and rules of classification. Other associations will probably have to be added to the list.

More detailed information as to the rules regarding standardisation and specification laid down by the various associations may readily be obtained by applying to the associations themselves for the publications they have issued on the particular branch with which they are concerned.

Standardisation and Specification.

The use of methods of standardisation and simplification has become very extensive in America. Such a system not only ensures useful production on scientific lines and in accordance with consumers' requirements, but also protects buyers against being supplied with goods unsuitable for the purpose for which they are offered and sold. The buyer, instead of choosing from samples or in some other way, may thus specify, when giving his order, certain degrees of quality or standard categories which have been drawn up either officially or by well-known commercial groups. He is thus afforded very effective protection against the risks of fraud or of false description of goods—in other words, against the delivery of articles sold as suitable for a certain purpose but in reality not possessing the durability or strength or other qualities which the purchaser, when giving his order, expects them to possess.

In this connection the United States Chamber of Commerce, in a circular dated January 10th, 1923, expressed the view that:

“ Commercial transactions are facilitated and the causes of trade disputes between buyer and seller are reduced when the sale is effected on the basis of certain standard categories of goods which are exactly known to the buyer and the seller; and this commercial usage is of particular importance in international transactions, where commercial practices and conditions differ.”

According to another circular from the United States Chamber of Commerce, Mr. Hoover, Secretary of State, reviewing world trade prospects, mentioned that the establishment of standards of quality providing foreign purchasers with an assurance that goods supplied will be absolutely in accordance with those promised when the transaction was concluded would constitute an important and, indeed, vital factor.

Standardisation and simplification are enforced in America by the Governments of the various States and by private organisations, as regards both industrial and agricultural products. The use of official standards, however—in other words, standards or categories established and prescribed by the Government of a State—is compulsory only to a very limited extent. Apart from the exceptions under Categories 1 to 5, the use of these standard categories is entirely optional, though fairly general in the various branches of commerce. The use of the specifications published by the Federal Specifications Board under the name of “ United States Government Master Specifications ” is, however, obligatory in all United States Government offices and official establishments.

The revised list published by the Federal Specifications Board on April 1st, 1925, contains specifications of industrial and agricultural products classified under 287 items. As, however, new products are constantly being added to the list, the present number of items is undoubtedly much larger.²

¹ The principal provisions of this section are:

I. That there shall be a basis grade which, unless otherwise specified, shall be No. 5, or Middling;

II. That the cotton delivered shall be of or within the grades for which the Secretary of Agriculture of the United States shall have established standards, except that cotton below certain grades, or less than seven-eighths of an inch in length of staple, or cotton which for various enumerated causes is regarded as unmerchantable shall not be delivered; and

III. That in case cotton of a grade other than the basis grade be tendered, the differences for the grades above and below No. 5, or Middling, shall be the actual commercial differences, determined as follows:

If the point or market in which the future contract is consummated is itself a bona-fide “ spot ” market, by the actual differences prevailing in that market; if the point or market where the future contract is consummated is not itself a “ spot ” market, then by the average of the differences prevailing in not less than five bona-fide “ spot ” markets to be determined by the Secretary of Agriculture of the United States as such and designated for the purpose.

It is further provided in substance that all tenders of cotton in settlement of future contracts shall be accompanied by *certificates* of the Department of Agriculture of the United States showing the true classification of the cotton delivered.

² These specifications may be obtained from the Superintendent of Documents, United States Government Printing Office, Washington, or, if not printed, from the Federal Specifications Board.

These standard qualities are widely employed in export trade for the following goods: *grain*—including *wheat, oats, maize, rye, rice, "hafir"*, etc.; *cotton*, articles prepared from *cotton seed* (and the other oleaginous products and derivatives); *tobacco, coal, products derived from mineral oil, building timber, chemical fertilisers, flour, meat and provisions, preserved fish and dried fish, fresh and dried fruits, preserves, patent foods and drugs*. In 1921, the total value of the exports of the above-mentioned goods alone amounted to almost two-thirds of the total exports of the United States. Further, *sales of copper and other metals, cement, various chemical products, iron and steel articles, a large number of mechanical construction materials* and other goods sent abroad in large quantities are effected on the basis of standard specifications and recognised grades and specific qualities.

In addition to the Governments of the various States, there are other organisations dealing with the general adoption, application and use of models, dimensions, categories or fixed qualities for American products. A complete list of these associations is given in the *Standards Year-Book* compiled by the National Bureau of Standards.¹ We give some of the most important below.

- American Association for the Advancement of Science, Smithsonian Institution Building, Washington, D.C.
- 26 American Association of Cereal Chemists, Huntzinger Building, Kansas City, Mo.
American Association of Engineers, 63, East Adams Street, Chicago, Ill.
American Association of Textile Chemists and Colorists, 5, Mountain Avenue, Maplewood, N.J.
- 27 American Automobile Association, National Headquarters, Washington, D.C.
- 28 American Boiler Manufacturers Association, Rockefeller Building, Cleveland, Ohio.
- 29 American Chemical Society, Mills Building, Washington, D.C.
- 30 American Cotton Manufacturers' Association.
- 31 American Electric Railway Association, 292, Madison Avenue, New York, N.Y.
American Foundrymen's Association, 222, West Adams Street, Chicago, Ill.
- 32 American Institute of Electrical Engineers, 33, West Thirty-ninth Street, New York, N.Y.
- 33 American Petroleum Institute, 1508, Kirby Building, Dallas, Tex.
- 34 American Railway Engineering Association, 431, South Dearborn Street, Chicago, Ill.
- 35 Association of American Steel Manufacturers, Carnegie Steel Co., Pittsburgh, Pa.
Association of Edison Illuminating Companies, Eightieth Street and East End Avenue, New York, N.Y.
- Chamber of Commerce of the United States of America, Department of Manufacture, Washington, D.C.
- 36 Institute of American Meat Packers, 509, South Wabash Avenue, Chicago, Ill.
- 37 Institute of Radio Engineers, 37, West Thirty-ninth Street, New York, N.Y.
- 38 National Association of Glue Manufacturers, 1457, Broadway, New York, N.Y.
- 39 National Association of Wool Manufacturers, 80, Federal Street, Boston, Mass.
- 40 National Hardwood Lumber Association, Straus Building, Chicago, Ill.
- 41 National Paper Trade Association, 41, Park Row, New York, N.Y.
- 42 Radio Manufacturers Association, 30, State Street, Cambridge 39, Mass.
- 43 Steel Barrel Manufacturers Institute, Bulkley Building, Cleveland, Ohio.

¹ United States Government Printing Office, Washington.

ZANZIBAR.

On November 27th, 1925, a Decree was published for the purpose of preventing the adulteration of agricultural produce.

Under the terms of this decree, the British Resident may make rules regarding *agricultural produce* intended for sale or export. These regulations will relate to: 1

1. The specific designation of agricultural produce for sale or export and the definition of each such kind of produce.
2. The percentage of impurities or foreign matter, and the maximum amount of moisture admissible in such agricultural produce;
3. The place and manner of storage, the conveyance and the treatment;
4. The mode of packing and the manner in which packages shall be marked;
5. The inspection, grading and branding of products;
6. The percentage which shall be inspected in any one consignment;
7. The abstraction or removal of samples by an Inspector for examination, inspection or analysis.

Inspectors shall be entit'ed at any moment to take from any bulk of agricultural produce a sample sufficient in quantity to enable an analysis or other examination to be made.

The decree further prohibits the forging of all documents, labels, etc., relating to the produce in question.

On the same date rules were made which are known as "*Clove Control Rules*". 2

"Cloves" shall be the specific and sole designation under which the dried flower-buds of the clove may be sold or exported.

"Clove stems" shall be the specific and sole description under which the dried peduncles or budstalks of the clove tree may be sold or exported.

"Mother of cloves" shall be the specific and sole designation under which the dried fruits, whether mature or immature, of the clove tree may be sold or exported.

Cloves, as above defined, intended for sale or export, shall not contain more than 5 per cent of extraneous matter, such as clove stems, mother of cloves, twigs or other extraneous matter.

The content of moisture shall not exceed 16 per cent, as determined by the so-called "Brown Duvel Tester" apparatus, and the cloves must not in any way be sophisticated, dyed, falsified or otherwise deleteriously treated.

The bags, bales or other packages in which any cloves are brought or sent to the Customs must be clearly marked with the owner's trade-mark or other mark of identification. Any other marks which such bags, etc., may previously have borne shall be erased or effectually obliterated.

On November 27th, 1925, also, the Director of Agriculture sent clove-growers a memorandum on the way in which cloves ought to be treated. The memorandum is drawn up in the form of recommendations, more particularly regarding the drying, cleaning and method of determining the dryness of cloves.

**ALPHABETICAL INDEX
OF PRODUCTS IN RESPECT OF WHICH MEANS OF PROTECTION
ARE AVAILABLE FOR FOREIGN BUYERS.**

Note. — This index gives, for each country included in this survey, the list of products in respect of which means of protection are available for foreign buyers. In the following pages, in order to turn up the particulars concerning any specific product, the number or numbers appearing opposite the name of that product in the above index should be looked for in the margin of the text relating to the country concerned.

ARGENTINE REPUBLIC.

	Nos.		Nos.
Cattle	2	Pigs	1
Chilled meat	4	Products of animal origin	3
Frozen meat	3	Sheep	1
Ox	1		

AUSTRALIA.

Boots	5	Margarine	1
Butter	5, 9	Meat	2, 5, 6, 7
Cheese	5, 9	Meat, frozen	5
Chutney	5	Meat, products	5
Conserves	5	Milk	4, 5
Copper	12	Milk, condensed	5
Eggs, in shell	5	Milk, preparations of	5
Egg-pulp	5	Pickles	5
Flour	15	Plants	5
Fruit	3, 5	Rabbits	5
Fruit, pulp of	5	Sauces	5
Gold	30	Seeds	5
Hares	5	Silver	12
Hides	10	Skins	7
Honey	5	Tin	12
Jams	5	Vegetables, fresh and preserved	5
Lead	12	Wheat	14
Leathers	5, 8	Wool	11
Maize	5	Zinc	12

AUSTRIA.

Agricultural implements	32	Forest seeds	22, 29
Agricultural machinery	32	Fuel and combustible substances	31
Alcoholometers	14	Gas	31
Alloys	11	Gas-meters	14
Animal products	25	Gold	10
Building material	30	Gold and silver articles	12
Building parts	30	Gunpowder	6
Cheese	4	Heating apparatus	31
Chemical products	23	Instruments for measuring and weigh- ing foodstuffs	1
Clover seed	21	Kitchen utensils	1
Coal	33	Machinery	30
Colours	2	Margarine	3
Cosmetics	1	Matches	5
Dressings	18	Measures	13
Drugs	23	Medicinal preparations	18
Explosives	6	Minerals	33
Fertilisers	26	Mixed wines	8
Fire-arms	16	Nurseries (trees)	19
Fodder	26	Ores	33
Foodstuffs	1, 24		

	Nos.		Nos.
Pharmaceutical products	23	Table utensils	1
Pharmaceutical specialities	9, 17	Thermometers	15
Phosphorus	5	Toys	1
Plants	19, 20, 27	Tuning forks	35
Products for protecting plants	19	Vegetable products	25
Saccharometers	14	Wallpaper	1
Scales	13	Waters	33
Seed	21	Wearing apparel	1
Seeds	20, 28	Weights	13
Silver	10	Wines	7
Spring waters	34		

BELGIUM.

Alcohol	7	Jam	2
Alimentary fats	12	Lace	33
Alimentary pastes	2	Liqueurs	2
Antiseptic substances	18	Margarine	12
Beer	4	Meat	20
Brandy	7	Medicinal substances	16
Bread	8	Medicaments	17, 26
Butcher's meat	14, 20, 21	Molluscs	11
Butter	12, 30	Narcotics	18
Cables	28	Pastry	2
Cattle	22	Pigs	22
Cement	31	Plants	23
Cheese	19	Poisons	18
Chicory	6	Prepared spirits	7
Coffee	5	Preserves	2
Comfits	2	Soporifics	18
Composite substances	3	Spirits	7
Crustaceans	11	Steam boilers	25, 29
Disinfectants	18	Sugar pastes	2
Electrical material	28	Sweets	2
Fire-arms	24	Syrups	2
Fish	11	Tapioca	13
Flour	8	Vegetables	2
Foodstuffs	1, 32	Vinegar	15
Honey	10	Wine	2
Horses	27	Yeast	9
Horses, asses and mules	22		

BRAZIL.

Barbara wines	2	Must	3
Champagne wines	2	Rhine wines	2
Claret wines	2	Wines	1, 4
Lard	4		

CANADA.

Apples	12	Feeding stuffs	24
Beef	28	Field tomatoes	13
Butter	7	Field root	21, 22
Canned fish	25	Flour	24
Cantaloups	13	Flower seed	22
Cheese	7	Foods (canned, preserved or dried)	15
Cherries	13	Fresh fruits	11
Chop feeds	24	Fruits	16
Clover	20	Garden vegetable seeds	21, 22
Cured fish	6	Grain	10
Dressed poultry	26	Grapes	13, 14
Eggs	8	Grass	20

	Nos.		Nos.
Hay	29	Plums	13, 14
Hogs	27	Poison	5
Jams	18	Potatoes	3, 23
Meat	9	Rape	21
Marmalades	18	Salt	1
Mill by-products from wheat	24	Seed	19
Onions	4	Seed grain	20
Peaches	13, 14	Straw	29
Pears	12, 14	Twine	2
Peas	17	Vegetables	16
Pickles	18		

CZECHOSLOVAKIA.

Beer	2	Hops	3
Clover, seeds	4	Lucerne, seeds	4
Fire-arms, portable	5	Oils, essential	1

DENMARK.

Alimentary fats	5	Meat	20
Alimentary oil	5	Meat and other products of horses, cattle, sheep, goats and pigs	21, 23
Animals	25	Meat preserves, sausages, etc.	23
Articles of consumption	2	Milk	7, 15, 12
Artificial sweetening substances	8	Pasteurised cream	16
Butter	12	Pasteurised milk	16
Cheese	18	Pharmaceutical preparations	2, 9
Concentrated milk	16	Pork	22
Condensed milk	16	Potatoes	27
Cream preparations	16	Powdered milk	17
Cream	7, 16	Precious metals	11
Drinking-waters	2	Prepared meat	23
Eggs	19, 26	Prepared milk	16
Electric belts	10	Sausages	6
Fertilisers	29	Seeds	28
Fodder	30	Spirits	3
Foodstuffs	1, 2, 4	Sterilised cream	16
Living domestic animals	24	Sterilised milk	16
Living plants	27	Wines	3
Margarine	13, 14		

DOMINICAN REPUBLIC.

Agricultural products	1	Seeds	8
Cocoa	7	Separate tobacco leaves	2, 6
Coffee	3	Tobacco leaves	2, 5
Fruits	4, 9, 10		

ESTONIA.

Alimentary fats	3	Industrial machinery	20
Apples	14	Linseed	6
Bacon	18	Maize	4
Butter	3, 11, 17	Meat	2, 9
Cheese	3, 12	Meat products	9, 10
Chemical fertilisers	23	Pharmaceutical products	21
Clover seeds	7	Potatoes	8
Cosmetic products	21	Sausages	10
Eggs	13	Seeds	16, 22
Flax	5	Semolina	4
Flour	4	Silver	19
Food products	21	Spices	21
Foodstuffs	1, 21, 27	Wheat	4
Gold	19	Wood	15

FINLAND.

	Nos.		Nos.
Agricultural commodities	9	Margarine cheese	14
Alcohol	3	Meat	10
Artificial fertilisers	9	Meat products	11
Beverages	1	Milk	4
Butter	12	Milk products	4
Cheese	13	Paper	16
Edible fats	5, 6, 14	Paper pulp	16
Eggs	15	Sausages	11
Fabrics	2	Sawmill products	19
Fodder	9	Seeds	8
Foodstuffs	1	Toys	2
Lard	7	Upholstery	2
Margarine	14	Wood pulp	16

FRANCE.

Agricultural products	1, 2, 4	Juice	41, 48
Alcohol, aromatised	51	Liqueurs	50
Apparatus for weighing and measuring	6	Maltose	34
Beer	59, 60	Margarine	30, 31
Beverages	4, 19	Measures	5, 6
Brandies	51	Medicaments	4
Butter	30	Oleo-margarine	31
Cheese, Rocquefort	63	Perries	15
Chocolate	43, 45, 46, 47	Potatoes	61
Cider	15	Preserves	19, 42
Cocoa	43	Saccharine	20
Cocoa butter	44	Silkworms	62
Cocoa, sweetened	45	Substances, injectable	18
Fertilisers	7	Sugar	21, 22, 23, 24, 25, 26, 27, 28
Foodstuffs	1, 2, 3	Sweetening substances, synthetic	20
Fruits	39	Sweetmeats	39, 40
Glucose	29	Syrups	19, 50, 52, 53, 54, 55, 56, 57, 58
Glucose, crystal	33	Syrup, crystal	33
Glucose, massed	32	Therapeutic sera	16, 17
Honey	35, 37	Toxins, modified	17
Honey, artificial	38	Vinegar	49
Honey, sugar	36	Viruses	17
Jams	42	Weights	5, 6
Jellies	42	Wine	8, 9, 10, 11, 12, 13, 14

GERMANY.

Acetic acid	36	Cigars	24
Acetylene	26	Cinematography	63
Aerated beverages	18	Clinical thermometers	48
Aerial navigation	65	Cocoa	21, 22
Agricultural machinery	66	Coffee	23
Articles in current use	2	Colours	52
Artificial cream	30	Corn brandy	39
Artificial condensed milk	30	Cosmetics	3, 5
Artificial flowers	3	Cycles	60
Artificial edible fats	31	Eggs	56
Artificial lard	9	Electrical apparatus	53
Artificial milk	30	Electrical insulating materials	63
Artificial products for aerated beverages	20	Fabrics	52
Beer	4, 18	Fire-arms	44
Benzine	52	Foodstuffs	2, 3, 5, 28, 34
Benzol	52	Fruit drinks	19
Beverages analogous to wine	4, 15	Fruit juice	4
Beverages containing wine	14	Fruit or berry spirits	39
Boilers	49	Gold	42
Butter	6, 58	Gold and silver articles	42
Candles	3	Half-linen fabrics	55
Cheese	6, 56	Imported fats	11
Chemical apparatus	58	Insulators	51
Cigarettes	32	Jewellery	43

	Nos.		Nos.
Lacquer	52	Remedies	5
Lard	6	Ribbons containing silk	46
Lees	40	Seeds	47
Linen fabrics	54	Silver	42
Liqueurs	4	Soup cubes	12
Locomotives	67	Sparkling wines	41
Machinery for the food industry	70	Spirits	1, 16, 38
Margarine	3, 31	Substitutes for butter, cheese and lard	7
Margarine cheese	31	Substitutes for soup cubes	12
Matches	75	Sweetening substances	33
Measures	27	Syrups	4
Meat	10, 28	Tar	52
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GREAT BRITAIN.

Agricultural products	11	Margarine	3
Anchors	12, 27, 35	Materials	41
Apparatus	41	Measures	20, 21
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Boiler plates	9, 14	Milk-blended butter	2
Boots	25	Motor-cars	42
Butter	2	Motor vessels	11, 13
Chain cables	12, 27	Oils	31
Clinical thermometers	39	Optical instruments	40
Cloth	26	Paper pulp	32
Coal	31	Petroleum	19
Condensed milk	6	Rifles	31
Cotton yarn	30	Rum	4
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Dyes	31	Ships' side-lights	16
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Electrical machinery	34, 36	Spirits	4
Electrical materials	34, 36	Standards of measurement, weight, length and capacity	17, 38
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Fertilisers	10	Tea	5
Food	1, 8, 43, 32	Tops	29
Gas-meters	18	Volumetric glassware	40
Gin	4	Water	31
Gold plate	23	Weights, measures and weighing instruments	20, 21
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Ink	31	Wool	29
Legal electrical standards	38	Yarn	29, 33
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GREECE.

Currants, coming from Corinth	1
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HUNGARY.

	Nos.		Nos.
Acid, acetic	10, 11, 12	Grain	28
Agricultural products	1	Honey	4, 11
Animals, raw materials of animal origin	27	Insects, medicinal	26
Beer	11	Margarine	18, 19
Butter	16	Milk	2
Cereals	4, 7	Oil, Colza	6
Coffee	13, 14	Oil, Table	5
Dairy produce	15	Paste	4, 8, 22
Fats	3, 17, 20	Pimento	4, 24
Fatty substances	3	Plants, industrial	25
Fertilisers	4, 29	Plants, medicinal	25
Flour	4	Seeds	4, 28
Fodder	4, 29	Silver	30
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Gold	30	Wine	9, 10, 23

INDIA.

Cotton	4	Oils	3
Cotton Bales	2	Oil seeds	4
Foodstuffs	1, 3	Wheat	4
Jute	4		

IRELAND.

Animal carcasses	1	Grain	2
Artificial manures	23, 35	Heavy horses	27
Beverages	5	Live animals	1, 12
Bread	2	Margarine	7, 10, 22
Bulls	19	Meat	1, 3, 11
Butter	2, 7, 8, 10, 13, 14, 15, 21, 37	Milk	2, 8, 11
Cattle	3, 17, 28, 32	Milk products	11
Condensed milk	6	Pigs	30
Cheese	9	Plants	18, 24
Cream	8	Ponies	28
Dried milk	6	Potatoes	33
Eggs	16, 20, 26, 37	Poultry	1
Evaporated milk	6	Seed	36
Fish	1	Sheep	29
Flour	2	Silver	25
Feeding stuffs	23, 35	Skimmed milk	6
Food, articles of	4	Stallions	31
Fruit	1	Thoroughbred horses	27
Game	1	Vegetables	1
Gold	25		

ITALY.

Alcohol, malt and cider vinegar	28	Claws	43
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	Nos.		Nos.
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JAPAN.

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Enamelled articles	6	Pencils	7
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LATVIA.

Fish preserves	1
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NETHERLANDS.

Agriculture	38	Electrical articles	18
Anchovies	17, 28	Fats	10
Apples	25	Fertilisers	1, 2, 30
Barley	26	Fish	39
Bovidæ	20	Flax	26
Broad beans	26	Fodder	1, 4
Bulbs	22	Foodstuffs	5, 7
Butter	13	Forestry	38
Cabbages	25	Fresh meat	12
Cattle	11	Fruit	24
Charts	37	Fuel	34
Cheese	15	Gas articles	18
Clover	26	Gherkins	25
Cucumbers	25	Gin	27
Eggs	21	Goats	20

	Nos.		Nos.
Gold	8, 43	Oysters	42
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NORWAY.

Butter	3, 5	Herrings	34, 35, 36
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Ground-nut powder	26		
Herring powder, dried	20		

POLAND.

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Barrels	1	Precious metals, articles made of	4
Beer	2	Scales	1
Boilers	2	Seeds	6, 8
Cheese	5	Sugar	10
Coal	9	Timber	11
Drugs	3	Weights	1
Explosives	2		

PORTUGAL.

	Nos.		Nos.
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Colares wines	4	Table wines	3

ROUMANIA.

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Animals	15	Methyl alcohol	1
Aromas	9	Oils	9
Beer	9	Precious articles	14
Beverages	8	Precious metals	14
Cereals	12	Pure alcohol	7
Cheese	10	Sewing thread	11
Coffee	8	Sparkling wines	4
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SWEDEN.

Artificial fat	11	Margarine	1, 11
Butter	1, 7	Margarine cheese	11
Cheese	12, 16	Matches	6, 19
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Cosmetics	3	Milk	1
Eggs	17	Pig-iron	5
Eats	2	Platinum	15
Fish	18	Platinum articles	15
Flour	2	Salted pigs (sides)	9
Footwear	14	Silver	15
Fruits	18	Silver articles	15
Fold	15	Sole leather	13
Gold articles	15	Steel	5
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Hive animals	10		

SWITZERLAND.

Articles, gold, silver, platinised	23, 24	Jewellery	26, 30, 39, 40
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UNION OF SOUTH AFRICA.

	Nos.		Nos.
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UNITED STATES OF AMERICA.

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Barrels	43	Lead arsenates	14
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Cotton	5, 25, 30	Paper	41
Cotton-seed meal	20	Paris green	14
Cypress	9	Petroleum	33
Cypress lumber, shingles	8, 10	Plywood	10
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Dried fruit	12	Radio	37, 42
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Flax seed	24	Steel	35
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Glue	38	Veneers	10
Grain	22	Wheat	23
Hardwood lumber	10, 40	Wool	6, 39

ZANZIBAR.

Agricultural produce	I	Cloves	2
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(Communicated to the Council and
to the Members of the League.)

Official No C.624.M.246.1930.11.
CORRIGENDUM.

Geneva, December 24th, 1930.

LEAGUE OF NATIONS

Economic and Financial Section of the Secretariat.

SURVEY

OF THE DIRECT AND INDIRECT MEANS AT THE DISPOSAL OF FOREIGN BUYERS
TO ENABLE THEM IN A NUMBER OF COUNTRIES TO ASCERTAIN THE QUALITY
OF THE GOODS ACQUIRED BY THEM.

checked on 20.6.31
On page 41, paragraph 6, d), after the words "Order of June 10th,
1913" add:
"as amended by the Order of June 10th, 1924".

On page 41, paragraph 6, d), omit the words:
"and Order of June 10th, 1921, defining what may be offered for sale
under the name of milk, cream and other produce."

- On page 41, paragraph 6, add:
- "(e) Order of October 22nd, 1925, relating to milk, cream and other
produce.
 - (f) Order of April 22nd, 1913, relating to the examination of certain
articles of consumption.
 - (g) Order of December 3rd, 1914, relating to the use of colouring
matter in the case of certain articles of consumption.
 - (h) Order of May 30th, 1928, relating to honey."

At the end of Category 1 (on page 41), and at the end of Category
2 (on page 45), add the following:
"It should be added that in a large number of communes there are public
health regulations relating to the production of certain commodities,
such as milk and meat, and trade in the same."

On page 41, Category 2, paragraph 1, line 3, for the words "of a
fineness less than 830 per thousand" read:
"Of a fineness less than 826 per thousand"

On page 41, Category 2, paragraph 2, add the following:
"Silver spoons and forks of eleven-twelfths fine may nevertheless be
stamped with the words "11 Lodig" without specifying the fineness per
thousand."

On page 42, at the end of the first paragraph, add:
"The supplementary Law of April 10th, 1926, and the Ordinance of
October 29th, 1926, also contain provisions relating to this mark."

On page 45, Category 3, paragraph 1, for the words "and the Law
of March 20th, 1918, of December 21st, 1918" read:
"the Law of March 29th, 1924, as amended by the Law of April 9th, 1926,
and the Law on the Registration of Companies of March 31st, 1926."

On page 45, Category 3, paragraph 2, lines 1 and 2, after the
words "the collective mark" add:
"and the distinctive mark of the association."

On page 46, Category 5, paragraph 3, line 1, for "of March 20th,
1918" read:
"of March 29th, 1924, as amended by the Law of April 29th, 1926."

Geneva, November 25th, 1931.

LEAGUE OF NATIONS

ECONOMIC RELATIONS SECTION.

SURVEY

**OF THE DIRECT AND INDIRECT MEANS AT THE DISPOSAL OF
FOREIGN BUYERS TO ENABLE THEM IN A NUMBER OF COUNTRIES
TO ASCERTAIN THE QUALITY OF THE GOODS ACQUIRED BY THEM.**

Ad Corrigendum

First line: for "d)" read "a)".

Third paragraph from bottom of page, last line: for "Companies" read
"Associations".

Last line: for "April 29th" read "April 9th".

Ad "Survey"

Page 42. Insert before the paragraph beginning: "The Law of April 1st"
the following sentence:

"In the case of the goods mentioned above, it is forbidden to place on the
cases or packing the word "Denmark" or "Dansk" or a translation thereof
or any indication of a Danish place or any other indication that might
lead to the belief that the butter is Danish".

Page 42. Last line of the paragraph beginning "2. This product ..." replace
"coal" by "tar".

Page 42. The figure "14" in the margin should appear beside the paragraph
relating to milk (at bottom of page).

Page 43. Delete the two paragraphs beginning "If the milk ..." and
"Foodstuffs ..." respectively.

Page 43. Delete the figures 16 and 17 (in the margin); replace 18 by 15 and
19 by 16. The figure 17 should appear beside the paragraph beginning
"The above rules ..."

Page 43. Paragraph 10, beginning "On being made ..." line 1; replace "soft"
by "firm".

Page 43. Insert before the last paragraph which will be numbered 18 in the
margin, the following text:

"18. Since January 1st, 1926, the following provisions of the decree of
the Ministry of Justice of October 22nd, 1925, have been in force:

Milk and cream may not be described as "sterilised" unless all the
microbes and bacteria which they contained have been destroyed by a
special process and may not be offered for sale except in receptacles
with a special stopper.

Milk and cream may not be considered pasteurised unless, twenty-four hours at latest after having been drawn, the milk has been heated to 80°C. at least and then cooled to 12°C.

Pasteurised milk and cream may not be offered for sale except in bottles showing clearly the date of pasteurisation and the place where it was carried out.

Milk or cream that has been treated otherwise than by pasteurisation or sterilisation may not be offered for sale except with the approval of the Ministry of Justice, and may not be sold under the designation of "pasteurised milk". This provision does not apply to milk in powder form or to condensed milk.

Milk and cream which have undergone special treatment must bear a detailed description of that treatment on the label.

It is forbidden to add ordinary milk to pasteurised or prepared milk.

Milk or cream may be described as homogeneous when the fatty parts are distributed in such a way among the whole mass that the latter forms a homogeneous whole and there is no layer of fat on the surface when it is left to settle.

Condensed or concentrated milk is prepared with whole or separated milk with or without the addition of raw sugar (saccharose), but in such a case this fact must be stated. No other product may be added.

Milk in powder form must be made with whole or separated milk and must not contain more than 8% of water. It may be described as having been obtained from whole milk if it contains at least 23% of fatty matter. It is permitted to add sugar or bicarbonate of soda.

When a product is composed of sterilised or homogenised cream, the word "Exportflöde" (export cream) may be added to the usual information, but this word must be written in capitals of the same size and style as the indication of the kind of cream.

If the milk or cream is derived from animals other than cows, that fact must also be stated.

Foodstuffs containing fatty bodies other than milk may not be sold under designations containing the words "milk" or "cream" except by authorisation from the Ministry of Justice."

- Page 43. Insert beside the last paragraph beginning "The Law of April 12th ..." the figure "19".
- Page 44. Last paragraph (24) replace: "through having been in ..." by "or animals coming from ..."
- Page 45. Category 4, line 1, instead of "the trade in living plants and potatoes" read "the campaign against infectious diseases of plants and animal pests".
- Page 45. Category 4, paragraph 2, line 1: for "1929" read "1927".
- Page 45. Same paragraph, last line but one: insert after the word "must" the words "have leads affixed and".
- Page 45. Delete entirely the last paragraph beginning "Another Law ..."

Geneva, December 28th 1931.

LEAGUE OF NATIONS

ECONOMIC RELATIONS SECTION.

SURVEY.

Of the direct and indirect means at the disposal of
foreign buyers to enable them in a number of countries to ascertain the
quality of the goods acquired by them.

The 4th paragraph on page 75 (13-16) should be amended as follows:-

"The Mercantile Marine Department of the Board of Trade issues annual (or more frequent) certificates for passenger steamers (including motor vessels). For this purpose such vessels are surveyed by the Board's surveyors while under construction, and THEREAFTER AT INTERVALS OF NOT MORE THAN A YEAR. THE SURVEY UNDER CONSTRUCTION INCLUDES tests of the materials (e.g. boiler plates etc.) OF THE BOILERS AND MACHINERY, OF VARIOUS FITTINGS (e.g. SAFETY VALVES, etc.) AND OF THE WORKMANSHIP GENERALLY. Regulations governing the construction of the vessels and the testing of the materials, etc. are issued by the Department. Regulations as to the construction and efficiency of life-saving equipment (boats, life-jackets etc.) are also issued and such equipment is inspected by the Board's Surveyors, the boats, jackets, etc. being stamped if found satisfactory. Ships' side-lights are also subject to inspection by Board of Trade Surveyors AND STANDARD TYPES HAVE BEEN APPROVED. INSPECTIONS ARE MADE BY OFFICERS OF THE BOARD OF TRADE OF PROVISIONS TO BE SUPPLIED TO THE CREWS OF SHIPS."

The words in capitals indicate the new passages inserted.

Page 75, penultimate paragraph:

The word "Dublin" in the fourth line should be deleted.

Same page, last paragraph:

In the second line substitute the word "or" for "and".

Page 76, 1st paragraph, 2nd line:

Instead of "Trade Mark Act of 1905", read "Trade Marks Acts 1905-1919".

Page 76, 2nd paragraph (25):

The opening sentence of this paragraph should read as follows:-

"A considerable number of marks have been registered under this Section by both British and foreign associations (for example, the British Engineering Standards Association) and in some instances by foreign Governments."

Page 76, penultimate paragraph (37) should be completed by the following sentence:

"The Board of Trade are also prepared to survey and certify passenger steamers or items of equipment for passenger steamers, as indicated under Category 2."

4

LEAGUE OF NATIONS

League of Nations Publications

II. ECONOMIC AND FINANCIAL

1930

49-55

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- ✓ 1930.II.49(24) Veterinary Questions — General Report of the Sub-Committee of Experts on Veterinary Questions. 561-570H.
- ✓ 1930.II.50. Double Taxation and Fiscal Evasion — Collection of International Agreements and Internal Legal Provisions for the Prevention of Double Taxation and Fiscal Evasion. Vol. III.
- ✓ 1930.II.51(25) Economic Committee — Report to the Council on the Work of the Thirty-third Session, held at Geneva from October 27th to November 1st, 1930. 571-574H.
- ✓ 1930.II.52(26) Second International Conference with a View to Concerted Economic Action (Geneva, November 17th to 28th, 1930) — Final Act. 575-587H.
- ✓ 1930.II.53(27) *Idem.* Foreign Trade of Europe in the Principal Agricultural Products in 1929 — Tables prepared by the Secretariat on the Basis of Official Trade Publications of the Respective Countries (Most Recent Data available). 588-613H.
- ✓ 1930.II.54. Memorandum on International Trade and Balances of Payments 1927-1929 (Three Volumes *).
- ✓ 1930.II.55(28) International Conference for the Unification of the Laws relating to Bills of Exchange, Promissory Notes and Cheques — Second Session, February 23rd, 1931 — Replies by the Governments to the Questionnaire regarding Cheques. 614-659H.

* Volumes 2 and 3 not yet published.

Geneva, November 4th, 1930.

LEAGUE OF NATIONS

VETERINARY QUESTIONS

26

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**1. GENERAL REPORT OF THE SUB-COMMITTEE OF EXPERTS
ON VETERINARY QUESTIONS.**

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I. HISTORY OF THE QUESTION.

In one of its resolutions, the 1927 World Economic Conference noted that "diseases which affect plants and animals diminish agricultural production, and should be scientifically combated on the basis of an international plan and international agreements".

The Conference, moreover, pointed out that "international agreements which establish sanitary supervision, if they provide the contracting countries with adequate guarantees, should, without infringing sovereign rights, remove from the regulations any suspicion of disguised protection and should add to the stability of trade relations, which is one of the conditions of successful production".

At the International Conference for the Abolition of Import and Export Prohibitions and Restrictions, which met at Geneva from October 17th to November 8th, 1927, the countries which exported live-stock products insisted on the adoption of the following declaration, which was included in the Final Act:

"The Conference,

"Approving the resolutions of the International Economic Conference held at Geneva in May 1927 relative to measures for the prevention of diseases of plants and animals by means of international agreements;

"Considering that certain of these agreements—in particular, the Berne Convention of 1881 against phylloxera—have led to successful joint action with favourable results;

"Considering that measures against epizootics and epiphyties should have in view only the protection of animals and plants or of the public health endangered by the consumption of harmful meat or plants, and should in no case be imposed or enforced as a means of hampering or discriminating against the trade of countries exporting products of the stock-breeding industry or agriculture; and

"Considering that it is desirable to adopt only measures of proved efficacy and to make their severity proportionate to the risks of infection anticipated;

"Recommends the Council of the League of Nations to undertake, with as little delay as possible and in the manner which appears to it most expedient, the necessary investigations, consultations and enquiries with a view to summoning a conference or conferences of experts, with special knowledge of all questions relating to the prevention of diseases of animals and plants, which should be invited to propose to the various Governments joint action that would be effective against the evils that all these Governments desire to combat, and at the same time would have due regard to the sovereign rights of States and the interests of international trade.

"The Conference is aware that efforts have been made by certain countries to arrive at the desired results by means of bilateral agreements; it recommends that the bodies to which the Council entrusts the investigations described above should examine the provisions of such agreements and observe their effects."

At its meeting on December 6th, 1927, the Council of the League asked the Economic Committee to study the problems referred to in this declaration.

At its meeting in the same month, the Economic Committee considered means of giving effect to this request.

As it stated in its report to the Council on the work of the above session, the Committee was of opinion that it would be expedient, before anything else was done, to determine the possibilities and to establish a framework for future international action, with the assistance of experts chosen in about equal proportions from countries in favour of such agreements and countries which had hitherto opposed them. It also decided that the question of the protection of animals and that of protecting plants should be dealt with *separately*, and that the first enquiry to be undertaken should be in connection with animals, in view of the number of countries specially interested in this question and its importance in international trade. Moreover, the International Agricultural Institute at Rome had already proposed an international conference with a view to joint international action in the matter of phytopathology. This conference met in April 1929.

In conformity with these decisions of the Economic Committee, the following experts were invited to constitute a Sub-Committee on veterinary matters;

Dr. BÜRGI, Professor, Director of the Veterinary Office of the Federal Department of Public Economy at Berne (Switzerland);

M. J. HAMR, Director of the Veterinary Section in the Ministry of Agriculture at Prague (Czechoslovakia);

Dr. C. O. JENSEN, Head of the State Veterinary Service, Copenhagen (Denmark);

M. J. NOWAK, Professor of Veterinary Medicine at the Cracow Faculty of Medicine (Poland);

M. C. PETROVITCH, Inspector in the Ministry of Agriculture at Belgrade (Yugoslavia);

M. VALLÉE, Professor, Director of the International Research Laboratory at Alfort (France);

Dr. WEHRLE, Director of the Veterinary Department in the "Reichsgesundheitsamt", Berlin (Germany);

M. LECLAINCHE, Professor, Director of the International Office for Contagious Diseases of Animals and Plants.

In a letter of invitation, the subject of the experts' discussions was defined as follows:

“ The aim of the Committee of Experts is to consider what guarantees might be given by countries that export live-stock and what facilities might be granted by importing countries on the basis of these guarantees, and to determine in general the best methods for applying veterinary supervision, taking into account the economic interests of the exporting countries and without prejudice to the interests of countries desiring to take precautions against diseases in animals.

After the first session of the Sub-Committee, which was held from January 30th to February 2nd, 1928, the Economic Committee deemed it expedient to add an Austrian and an Italian expert, in view of the central position of Austria as regards the trade in and transport of animals and the special interest shown by Italy in the success of the work entrusted to the Sub-Committee.

In accordance with this decision, the following experts were invited to join the Sub-Committee:

Dr. KASPER, Counsellor in the Ministry of Agriculture and Forests at Vienna (Austria);
Dr. Comm. C. BISANTI, Head of the Veterinary Service in the Ministry of the Interior at Rome (Italy).

In view of the important interests of Latin-America in the trade in live-stock and meat, the Economic Committee also decided to invite a South American expert to participate in the Sub-Committee's work on this subject.

At its second session from June 20th to June 23rd, 1928, the Sub-Committee of Experts had the assistance of Professor P. de Figueiredo Parreiras-Horta, Director of the Pastoral Industries Department of the Brazilian Ministry of Agriculture, Rio de Janeiro. In addition, the British Government, in compliance with the Economic Committee's request, sent a British expert, and Sir Ralph Jackson, Head of the Veterinary Department in the Ministry of Agriculture and Fisheries, London, was invited to join the experts at their second session.

In compliance with the Sub-Committee's request for special information from technical experts in certain large meat-exporting countries, with a view to conducting a full enquiry into the inspection of meat intended for export, the Economic Committee secured for the Sub-Committee at its *third session from May 29th to June 5th, 1929, the assistance of:*

M. Dionysio MENDY, formerly Director of the Montevideo Veterinary School;
Lt.-Col. H. A. REID (New Zealand), attached to the office of the New Zealand Government in London.

Dr. Juan Richelet, Representative of the Ministry of Agriculture at the Argentine Embassy in London, who had also been invited to attend the third session of the experts as technical expert in the matter of the inspection of meat, was unable to attend that session.

At the first meeting, Dr. Bürgi was elected Chairman of the Sub-Committee. •

The Sub-Committee of Experts appointed M. Vallée Rapporteur, for the first session and Vice-Chairman and Rapporteur for the subsequent sessions.

During the three first sessions the Sub-Committee has had the assistance of:

Dr. FISCHOEDER, Director in the Ministry of Agriculture, Warsaw; and, during its four sessions, the advice of

Dr. MEESSEMEIER, Head of the Veterinary Service in the Prussian Ministry of Agriculture at Berlin, who had accompanied the experts, M. Nowak and M. Wehrle respectively.

At the fourth session of the Sub-Committee, held from October 20th to 26th, 1930, Professor Jensen and Professor Parreiras-Horta were absent, detained by urgent work, M. Voracek, attended as successor to M. Hamr, and M. Markowski, assistant to Professor Nowak.

It devoted all its efforts to the thorough discussion and putting into final form of the present general report. The Sub-Committee endeavoured to deal with the question referred to it for discussion in all its aspects, particularly the case of animal products, to which it had not yet given such full consideration.

The meeting was attended by M. Schüller, member of the Economic Committee of the League of Nations, whose opinions proved, from various points of view, extremely valuable to the experts.

2. GENERAL ASPECT OF THE PROBLEM.

The enquiry entrusted to the experts, as clearly defined in the letter of invitation referred to above, bears on two questions which the Economic Committee held to be inseparable—a ceaseless and increasingly efficient campaign against diseases of animals, and improvements in the international trade in animals and animal products.

It is obviously the duty of all countries to join in the campaign against animal diseases. Every country should, moreover, realise that, if it conducts a strong campaign by all the means which science and organisation place at its disposal against the outbreak and spread of diseases among animals, it is acting, not merely in its own interests, but in the interests of all other countries. This conviction must become stronger if we consider the close relationship which exists between the health of animals and that of human beings. The first item, therefore, in every programme should be the improvement of health conditions by every possible means, including international action. The report of the Economic Consultative Committee on the work of its second session (1929) contains the following observation:

“The Economic Committee had rightly based its action on the principle that a prerequisite of any agreement concerning veterinary questions is that each country shall take effective measures against diseases.”

The Sub-Committee entirely agrees.

In connection with this problem, which is mainly a matter for veterinary science, complaints, whether justified or not, have for nearly a hundred years been made regarding the obstacles placed in the way of the international trade in live-stock and animal products on sanitary grounds (legitimate or otherwise). It is felt that health considerations and commercial policy are not always kept absolutely separate, and that prohibitions on sanitary grounds are sometimes applied in such a way as to constitute a disguised restriction on international trade. This may give rise to some dissatisfaction. If there is an impression that sanitary or health measures applied sometimes in a way contrary to the intentions of their promoters, or are being utilised for economic purposes, reciprocal distrust and possible conflict may arise.

For more than fifty years, therefore, this problem has been engaging the attention of Governments and interested circles. The most highly qualified representatives of the veterinary police have, at various meetings and at international conferences, admitted that some international agreement is necessary on these matters. The application of such an agreement will, however, be difficult owing to the particular situation of each country. In organising the campaign against diseases in animals, account must, it is true, be taken of the geographical situation of each country and of the special conditions which govern the herding and transport of live-stock in conformity with the needs of production—*i.e.*, stockbreeding and industry on the one hand, and consumption on the other.

But all countries are bound, when applying sanitary measures, to have the two following considerations in view—while they must protect themselves, they must not transmit disease to the foreign countries with which they trade. In spite of the recognised necessity of adapting health protection measures to national requirements, these principles make it absolutely necessary to observe the essential rules of veterinary hygiene and veterinary inspection, the importance of which has been endorsed by science.

In conformity with these principles, an international agreement was drawn up in 1924 for the creation in Paris of an International Office for Contagious Diseases of Animals, to be responsible to a large extent for ensuring the execution of the first item in the programme submitted to the experts—namely, the scientific campaign against diseases in animals—a campaign involving special studies on each disease and highly technical research that can only be conducted by qualified specialists.

Though relying¹ as regards this more scientific and technical aspect of the problem, on the help of the International Office for Contagious Diseases of Animals, the Director of which is a member of the Sub-Committee, the experts endeavoured, with regard to other aspects of the problem, to find a middle course between legitimate protection against disease and the necessity of facilitating international trade in live-stock and animal products.

3. ORGANISATION OF THE VETERINARY HEALTH SERVICES AND PUBLICATION OF VETERINARY HEALTH REPORTS.

At its first discussions, the Sub-Committee unanimously agreed on the following principle: mutual confidence in the veterinary organisations of the various countries—particularly in the case of countries that wish to import live-stock and animal products—is absolutely essential for the success of the work of the experts. Such confidence should be founded on absolute certitude that the various countries, and particularly exporting countries, possess a well-organised veterinary service and that the veterinary rules and regulations are faithfully observed. In addition, it is very important, both from a national and international point of view, that Governments should be known to be thoroughly well informed, by responsible technical services, regarding the situation in their country. The experts attached so great an importance to this last point that they laid down the following principle:

“No facilities can be granted as between exporting and importing countries in the matter of trading in animals and animal products unless the exact sanitary situation in the exporting countries is officially known and scrupulously recorded at regular intervals.”

¹ See the report of the Sub-Committee on its first session (February 1928), as set out in document C.525.M.155. 1928.II (E.432).

This requirement may be met by the publication of complete, accurate and honest health bulletins appearing with absolute regularity.

At their first session, the experts agreed to the following principles, which they think should form the basis of all future arrangements on the questions submitted to them:

1. It is indispensable that every country should possess an official veterinary organisation, capable of exercising effective sanitary supervision over the whole territory, divided into definite districts. The whole organisation should be under the authority of a responsible technical veterinary head, acting under the direct orders of the competent Minister of State. It may, however, be admitted that, in exceptional cases, an organisation under the authority of a professional veterinary surgeon, indirectly responsible to the competent Minister, can operate satisfactorily. Nevertheless, the necessary development of veterinary services and the necessarily more formal character of their technical organisation demand that the experts' instructions should be complied with. All organisations which are not based on the above-mentioned requirements must be considered *provisional*.

2. It is indispensable that each country should publish regularly and without delay a health report prepared on the standard lines adopted by the Committee of the International Office for Contagious Diseases of Animals.

After laying down these principles as the basis for their future work, the experts felt that it was necessary to collect information on the methods at present followed in the more important countries in the trade in animals. They therefore prepared a questionnaire¹ concerning the organisation of the various veterinary services and the means these services possessed to collect sanitary information and communicate this information to all concerned.

At its second session, the Sub-Committee considered replies from sixteen countries: Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, France, Germany, Great Britain, Hungary, India, Italy, Norway, Poland, Sweden, Switzerland, Yugoslavia.

Furthermore, replies have since been received from thirteen other countries: Australia, Brazil, Canada, China, Colombia, Mexico, Netherlands, Netherlands Indies, Roumania, Turkey, United States of America, Union of Soviet Socialist Republics and Uruguay. On many important points the experts consider that this information is sufficient to enable them to give a definite opinion as to the ideal method of organising veterinary services and issuing bulletins of information.

I. Organisation of Veterinary Health Services.

The Sub-Committee of Experts again points out the imperative necessity of organising, in each country, a veterinary service under the authority of a veterinary expert directly responsible to the competent Minister of State.

It recognises that such an organisation exists in most of the countries consulted. It feels bound, however, to draw special attention to the fact that certain countries, even in Europe, have not yet entirely satisfied this condition, on which the attainment of the Economic Committee's aims so largely depends.

With regard to the details of the organisation of the veterinary services, the experts are of opinion that it need merely be pointed out that the only veterinary services which can be recognised as *regularly organised* are those which consist of definite sanitary districts under the supervision of a technical veterinary head, responsible to his Minister.

In the countries considered, there are very substantial differences as regards the proportion between the number of Government veterinary officials and, on the one hand, the area of cultivated land and, on the other hand, the number of head of cattle. The disparity between the number of veterinary officials and the area of land under cultivation is much more marked than that between the number of officials and the number of head of cattle. Accordingly, the number and the distribution of veterinary surgeons should be such as to ensure the effective and rapid inspection of all domestic animals.

The experts, however, felt bound to lay down certain important principles concerning the allocation of duties between Government veterinary officials and veterinary surgeons in private practice.

1. The Sub-Committee of Experts desires to make it clear that *only veterinary surgeons who are employed and paid by the Government can be regarded as Government veterinary officials*. It is of opinion that veterinary surgeons in private practice may, in exceptional cases, be entrusted with official health duties, but that in such cases the Government becomes *responsible* for these veterinary agents.

2. Government veterinary officials, or those who may be appointed to perform certain duties, should in all cases hold a State diploma in veterinary medicine and surgery.

3. *Every country should possess a veterinary health organisation which will enable it to make a declaration regarding the origin and so far as it is scientifically known, the state of health of animals intended for export.*

Certificates of origin and health certificates should be signed or countersigned by a Government veterinary official, and must in all cases involve the responsibility of the Government issuing them.

4. Veterinary inspection at frontiers should be carried out only by veterinary officials who are permanent or who are appointed by the Government.

5. The Sub-Committee of Experts, after having examined the question, is of opinion:

(a) That it is to be recommended that the inspection of *meat intended for sale or public consumption* should be entrusted, as a general rule, to persons holding veterinary diplomas and placed under the supervision of the Government technical veterinary services;

¹ See Annex to the report of the Sub-Committee on its first session.

(b) That, as regards meat and meat products *intended for export*, veterinary health inspection must be carried out by veterinary surgeons in the Government services or appointed by Government for that purpose.

6. The Sub-Committee of Experts, having discussed the question and recognising the importance of the disinfection of all means of transport used for the transport of animals and animal products, notes with satisfaction that nearly all the countries which have sent in answers to the questionnaire make such disinfection compulsory after each journey. The Sub-Committee considers that disinfection of this kind should be carried out under the supervision of Government veterinary officials.

II. *Veterinary Health Reports.*

In general, the experts unanimously agreed that *the only sanitary documents (reports, notices, certificates) which can be regarded as trustworthy—for importing countries—are those issued by countries which possess a regularly organised veterinary service* (see I).

With regard to the regular publication of veterinary health bulletins, the experts are of opinion, as stated above, that these documents should comply with the rules recently laid down by the International Office for Contagious Diseases of Animals, and should be in the form advocated by that office.

The International Office for Contagious Diseases of Animals has proposed the following conditions for the publication of the health bulletins which should be adopted in the various countries:

1. The health bulletins should be published on the 1st and 15th of each month, and give all information concerning the previous fortnight.
2. They should be exchanged between the highest veterinary authorities, without recourse to the diplomatic channel.
3. They should give all statistical information regarding the following diseases: cattle plague, foot-and-mouth disease, contagious peripneumonia, anthrax fever, sheep-pox, rabies, glanders, dourine, swine fever.
4. Each country may also give statistical or other information regarding other diseases.

The International Office for Contagious Diseases of Animals has considered the form in which bulletins should be drawn up with a view to presenting in a uniform manner the information thus collected, and is of opinion that the bulletins should certainly indicate the health situation on the date of publication—*i.e.*, the number and names of the major territorial divisions (provinces, departments, districts); the number of communes at present infected, and the number of communes and farms newly infected during the period under consideration.

After discussion, the Sub-Committee of Experts approved the above stipulations. The experts also recommend the standardisation of these bulletins on the basis of a unified nomenclature of diseases.

The experts are of opinion that the model uniform veterinary health bulletin drawn up by the office should be accepted by all the countries concerned, and should be inserted in all future veterinary conventions.

4. ADDITIONAL FORMS OF INTERNATIONAL VETERINARY CO-OPERATION WHICH MAY IMPROVE THE PRESENT POSITION.

I. *Urgent Information Service.*

(a) *Publication of a "Latest News" Bulletin.*

The creation of the International Office for Contagious Diseases of Animals, which has been referred to above and to which more than forty States have adhered, already constitutes a most valuable form of permanent international co-operation, particularly as regards the scientific and technical aspects of the problem. In addition, the participating States are, according to the statutes of the office, bound to send it their health bulletins and notify it telegraphically of the apparition of any particularly serious outbreak of contagious disease among animals.

As regards the collection of this veterinary information supplied by the various countries and its transmission to the participating Governments, no one can deny the importance of the office's work. The service will undoubtedly improve still further in future, and the greatest attention should, therefore, continue to be devoted to it.

All veterinary administrations appreciate at their full value the bulletins of the International Office, which they receive regularly; but these bulletins are bound to arrive late, and cannot, therefore, serve as a warning to the administrations of the various countries in urgent cases. Consequently, the information service of the International Office is mainly of statistical and scientific value and cannot, under present circumstances, be utilised for urgent communications of practical value in stamping out epizootic diseases.

Under the resolutions already passed by the International Veterinary Conferences, held in 1921 at Vienna and at Kovno, which were confirmed by the 1924 Assembly of the International Office, countries usually exchange immediately *inter se* the bulletins they are also bound to communicate to the office. Veterinary conventions which have been concluded between various countries contain the same stipulation. Certain countries send their communications to the authorities of the other countries with absolute regularity, but in many cases notification is received so late that it is of no value except from a statistical standpoint. Several of the experts pointed out that,

in this way, numerous communications are only received four months after the end of the period to which they refer.

It has, moreover, been stated that one of the causes of delay is that these communications are sometimes made through diplomatic channels instead of being sent direct by the competent departments to the departments concerned in the other country. The experts agree that communications should be addressed direct from the competent ministry to the ministry concerned in the other country, and should not pass through diplomatic channels.

In addition to the necessity of accelerating in future the exchange between States of veterinary health bulletins which, according to the conditions laid down by the International Office for Contagious Diseases of Animals, should be issued on the 1st and 15th of each month, it was thought that, even if these dates were strictly adhered to, the bulletins would often appear too late to be of immediate use as health information. The data and information they contain are often several days or even several weeks late. Consideration should therefore be given to the possibility of all countries publishing, at least bi-weekly, a communiqué containing the latest information. Certain countries have already recognised this necessity; they even publish weekly a news bulletin which makes it possible to follow the course of contagious diseases of animals almost from day to day.

The experts are of opinion that, before recommending the universal adoption of a system of urgent information, they should ask for the assistance of the International Office for Contagious Diseases of Animals, which is competent to investigate such a question.

(b) *Information by Telegraph.*

When, however, certain particularly serious infectious diseases make their appearance, it is obvious that a warning to the authorities of other countries which may be exposed to danger should be sent by means more rapid than a printed bulletin which, however speedily it may be printed, could hardly reach the authorities concerned in less than a fortnight.

Consequently, most veterinary conventions concluded between European countries contain—apart from minor variations—the following clauses:

1. If cattle plague or contagious lempneumonia in cattle should break out in the territory of one of the contracting parties, the Government of the other party shall be informed of the outbreak and extent of the disease direct *by telegraph*. (In addition to the above diseases, some veterinary conventions call for notification by telegraph in the case of foot-and-mouth disease and dourine.)

2. As regards an outbreak of contagious disease among animals in the administrative districts of the frontier zones, the authorities shall notify each other immediately and direct.

The experts are of opinion that, in the general interests of veterinary health, a determined effort should at once be made to establish a proper international service supplying information by telegraph, or to help to improve such a service where it already exists. This service should not be limited to the countries which have concluded, or may conclude, veterinary conventions and it should take prompt and decisive action.

The experts consider that the obligations of the various administrations should be limited to what is strictly necessary—*i.e.*, should be restricted to certain particularly serious diseases. The communications should be brief and sent in code. It would seem that a twofold series of communications should be contemplated:

1. Direct communications between the central offices of the services concerned—*i.e.*, between the capitals of the different countries. The communiqués should refer only to the first appearance in the country of the following diseases: cattle plague, swine plague, fowl plague, foot-and-mouth disease, contagious peripneumonia, rabies and dourine.

2. Direct communications from veterinary authorities of first instances established at the frontier to the corresponding authorities in the adjacent State.

Obviously, need for urgent action is greatest between adjacent districts. These communications should therefore refer to all the more important contagious diseases—*i.e.*, those already mentioned above and, in addition, sheep-pox, dourine, glanders, and contagious diseases among fowls.

Local veterinary authorities should also be asked, in all cases, to warn neighbouring authorities telegraphically, and not merely in writing. The latter process would, in many cases, be too slow to be of any real use.

The experts request the International Office for Contagious Diseases to determine the conditions required for the organisation and operation of their rapid information service.

II. *Other Forms of International Co-operation.*

All the foregoing considerations tend to show that an improvement in the international veterinary sanitary situation brought about by the best possible sanitary organisation in all the countries engaged in international trade would be of equal advantage to exporting and to importing countries. The former would be enabled to increase their production and facilities for the sale of their live-stock and animal products; the latter would obtain greater guarantees for the goods they are obliged to import for the needs of the population and would, at the same time, be protecting their own live-stock against the danger of disease as a result of international trade.

It was from the point of view of this common interest that the Economic Consultative Committee, at its last session in May 1929, expressed the hope that the countries concerned would co-operate loyally, adding that it trusted that all the countries represented on the Committee would consider it a duty freely to exchange information and thus each contribute towards the advancement of science.

The sole object in view is to increase our knowledge and apply it more widely; closer and more frequent contact between nations than has hitherto obtained might therefore be of great value.

In addition, in order to carry out fully their task, the experts should try to establish a number of fundamental principles acceptable to all countries. Without in any way infringing on the sovereignty of States, in certain carefully defined circumstances, agreements and special arrangements might be promoted between various countries for strengthening the campaign against diseases in animals and facilitating international trade by improving veterinary relations between the various countries; for, however reasonable the rules accepted by common consent may be, their application must, in the long run, be left to the parties concerned, and everything depends on the manner in which the rules are applied. In view of the possibility, if not the certitude, of some differences of opinion, it would be useless to lay down rigid principles. Differences of opinion should be reduced by encouraging as much contact as possible between the interested parties.

Appropriate means must be found of developing contact between veterinary administrations in the different countries. This might, in the opinion of the experts, be secured in the following way:

(a) *Admission of Students and Teachers of One Country to the Institutions and Laboratories of Another Country.* — The admission of the veterinary students and teachers of one country to the institutes and laboratories of another country should be facilitated and encouraged.

Such relations already exist between numerous countries, in which foreign students are warmly welcomed by veterinary schools and research institutes. The experts are of opinion that it is very important that international interchanges of students should be as effective as possible. Such students should be required to possess a good general education and be sufficiently well acquainted with the languages required. Given these conditions, interchange might complete and amplify the education of foreign students, and familiarise them with the teaching and research methods in use in other countries. Similarly, it would be very desirable for professors, lecturers and assistants to acquaint themselves, by visiting the institutions of other countries, with foreign methods. They would thus increase their own knowledge and enlarge their outlook. It might also be possible to organise special courses for young veterinary officers in particularly suitable institutes and laboratories abroad, thus completing their instruction and providing them with a deeper knowledge of the state of science and research work in the various countries.

(b) *Commissions of Enquiry; Individual Missions; Exchange of Veterinary Officials.* — It would be desirable to organise commissions of enquiry on the lines already followed in the case of human hygiene by the Health Organisation of the League of Nations, and veterinary officials should be exchanged between the various administrations.

A member of the Health Section of the League of Nations briefly explained to the experts the manner in which the interchange of medical officers was organised. Thanks to grants from the Rockefeller Foundation and a special item in the League budget, the Health Section organises study tours in several countries of particular interest from the health point of view. Medical officers from different countries nominated by their Governments take part in these tours.

In addition, individual missions—entrusted generally to the public health officials of a given country—are organised under special arrangements concluded between the Health Organisation and the health services of the countries in question. In this way, a number of officials of one country acquaint themselves with current practice in other countries in which conditions are particularly favourable.

The experts believe that, in veterinary work also, such exchanges might be of great value. They would lead to the study of the special conditions in the various countries of stock raising, distribution, herding and transport of live-stock, which are important factors in determining the danger of infection. These exchanges would familiarise the visitors with the special sanitary measures required to counteract the situation and prevent any introduction of infectious diseases when foreign live-stock and animal products are being imported. These missions would also make it easier to understand the various sanitary systems on which veterinary laws and working methods are based, and to appreciate their practical value.

The experts are of opinion that, in addition to commissions of enquiry consisting of responsible veterinary directors, the programme of which should be drawn up by the competent organisation of the League of Nations in conjunction with the countries concerned, the temporary seconding of young veterinary officials to the veterinary health administrations of other countries would constitute an extremely useful form of international co-operation. These officials would, in the course of several months or years, be able to gain a practical knowledge of the methods and rules

followed by foreign veterinary services, which would be of inestimable value for their training and give them a proper insight into the working of the various veterinary systems.

(c) *Permanent establishment of Veterinary Officials in the Territory of Another Country; Closer Contact between the Veterinary Authorities of the Countries concerned.* — The problem of the permanent establishment of veterinary officials of one country in the territory of another country is no doubt difficult and complicated. Not to mention the various missions which these officials might usefully accomplish, it seems that, in the case of countries between which the trade in animals and animal products is intense, an arrangement of this kind might obviate many difficulties which at present frequently arise in this branch of international trade. As a matter of fact, there already exist certain precedents and examples.

The veterinary conventions which have been concluded between Austria and Czechoslovakia, Germany and Hungary and the conventions between Czechoslovakia and Hungary, Latvia and Roumania include with slight variations the following provisions:

“Each of the two parties grants the other the right to send representatives into its territory, without previous notice, and even to appoint permanent representatives for the purpose of keeping them informed as to health conditions among animals, the organisation of cattle (meat) markets, slaughterhouses, fattening establishments, quarantine measures, etc., and as to the enforcement of the existing veterinary regulations.

“The two contracting parties shall instruct their authorities to give the necessary assistance to the above-mentioned representatives and provide them, as soon as their status has been established, with all the information required.”

The same provisions, subject merely to previous notification in the case of the despatch of representatives, have been agreed to by Austria and Yugoslavia and, on rather less definite lines, between Czechoslovakia and Poland.

The veterinary conventions concluded between Yugoslavia and Hungary, and between Yugoslavia and Greece, contain the following provisions:

“The High Contracting Parties grant each other the right to attach to their legations permanent or temporary veterinary representatives for the purpose of collecting information regarding stock-breeding, the health of live-stock, the organisation of cattle markets, places of embarkation and disembarkation, slaughter-houses, fattening establishments, quarantine stations, etc., and enforcement of the existing veterinary regulations and the present Agreement (the present provisions).

“The two parties undertake to provide these representatives with all information and to afford them all necessary assistance in carrying out their mission.”

The Austrian expert pointed out to his colleagues that, under the veterinary agreements concluded by his country with Germany, Hungary and Yugoslavia, Austrian veterinary surgeons are posted at Munich, Budapest and Zagreb.

Similarly, with the consent of the Government concerned, there are resident British veterinary officials in South America who are responsible for visiting the Argentine, Brazil, Chile and Uruguay; and there are veterinary officials from Australia, New Zealand and the United States resident in London. This exchange of veterinary officials has proved highly satisfactory.

The great advantage of these exchanges lies in the fact that they enable officials from the various veterinary services concerned to consult each other direct on all questions which arise, without having recourse to diplomatic channels.

The only reason for which the experts hesitate to propose the temporary or permanent posting of veterinary officials in the territory of another country as an essential principle is that such a stipulation might be regarded as infringing national sovereignty. The working of this system should be carefully examined, taking into account the particular relations existing between the countries in question. It cannot, however, be denied that this method would possess enormous advantages, and would harmonise the various sanitary requirements, or help to make them better understood. The experts think that the proposal might first be considered for countries for which the trade in live-stock and animal products is of great importance, and which are therefore obliged to regulate that trade by means of special agreements.

Though leaving it to the countries concerned to decide the question of the exchange of more or less permanent veterinary officials, the experts unanimously recognise that, in any event, means should be found to establish closer contact between the veterinary administrations of the countries interested, in order to prevent difficulties that may result from a large trade in live-stock or animal products.

It is already in some cases the custom, as between countries which have concluded veterinary conventions, for the veterinary administrations to communicate direct *inter se* and not through diplomatic channels, when difficulties arise in connection with the trade in live-stock. It would be well if this custom could be extended, since direct communication without recourse to diplomatic action would enable the countries concerned to exchange up-to-date information concerning

complaints or demands on veterinary matters and meet each others' views. If such communications are withheld until diplomatic intervention seems necessary, a regrettable atmosphere of misunderstanding may arise and prohibitive measures may be taken against the trade in live-stock.

5. SANITARY VETERINARY MEASURES APPLIED AND MEASURES APPLICABLE TO THE IMPORT, EXPORT AND TRANSIT OF ANIMALS.

The task of the Committee of Experts is not merely "to consider what guarantees might be given by countries exporting live-stock", but also to define "the facilities which importing countries might grant on the basis of these guarantees".

The Sub-Committee of Experts is of opinion that the principles it has laid down regarding the organisation of veterinary services and the publication of health bulletins are essential points as regard the protection of animals against disease; at the same time, these measures provide *the minimum guarantees requisite*, and correspond to the requirements of veterinary inspection and public health. Naturally, the various methods of international co-operation referred to in the previous chapter will also strengthen these guarantees to a considerable degree.

Having thus indicated the essential factors for the establishment of mutual confidence between countries having common commercial interests, the experts are now able to undertake the other part of their mission—namely, to consider to what extent and by what methods the various countries may come to an agreement to abolish such hindrances to trade as are not justified by or necessary for the legal protection of animals and public health.

The experts therefore felt that, in the first place, it was essential to institute an enquiry into the measures at present in force in the different countries in relation to the import, export and transit of animals and products of animal origin; the actual manner in which these measures are applied in the various countries must be ascertained in order to appreciate the difficulties as regards administration and hygiene which will have to be overcome. To this end the experts, at their second session, prepared a questionnaire¹ which, by decision of the Council, was communicated to the States Members and principal States non-Members of the League of Nations. At their third session, therefore, the experts had at their disposal abundant information, including replies to the questionnaire from thirty-two States: Australia, Austria, Belgium, Bulgaria, Canada, Colombia, Czechoslovakia, Denmark, Estonia, Finland, France, Germany, Great Britain, Hungary, Italy, Irish Free State, Latvia, Mexico, Netherlands, Netherlands Indies, New Zealand, Norway, Poland, Union of South Africa, Spain, Sweden, Switzerland, Turkey, United States of America, Union of Soviet Socialist Republics, Uruguay and Yugoslavia.

Since the session, information has been received from the following countries: Brazil, China, Japan, Roumania, Southern Rhodesia.

(a) *The Two Systems applied in Different Countries.* — The information thus collected shows that serious and permanent obstacles are placed in the way of the trade in live-stock for veterinary health reasons. There are, however, at least two entirely different systems which the various countries apply in regulating international trade—some place a general prohibition on the import of animals into their territory and grant permits in exceptional cases only, while others recognise the principle of free import but restrict this by more or less far-reaching prohibitions.

Under the first system often known as that of "the closed door" permission has to be obtained for the import of any live-stock. The conditions under which imports may be authorised are laid down in decrees which generally contain special regulations for the import of live-stock coming from different countries. This system, of course, does not mean that the import of live-stock from a seriously infected country cannot be prohibited altogether. England, for instance, only allows animals to be imported from certain definite countries in which neither foot-and-mouth disease nor sheep-pox exist.

Moreover, special decrees often encourage imports from given countries, and special regulations may be brought into play as a result of veterinary conventions.

The other system, known as "the open door", is founded on the principle of free import subject to certain prohibitions or legal restrictions. Under this system, certain species of animals are often allowed to enter on obtaining a permit which is almost always accorded if the animals come from a country in which the live-stock is in a good state of health. The granting of special import licences depends, in this case, on epizootic conditions in the countries of origin. It is possible therefore, that the import of animals coming from a country where disease is endemic may be prohibited, but such prohibition is, in principle, only for a limited period. Under this system, special regulations may also be adopted by means of veterinary conventions.

Both systems have advantages from the veterinary sanitary point of view, and their effects on international trade depend solely on the way they are applied. If, under the system of the "open door", permission to import is entirely refused without any decree requiring such total prohibition, the practical results may be more prohibitive than those obtained under the "closed

¹ See Annex to the Sub-Committee's report on its second session (June 1928), given in document C. 525. M. 155. 1928. II (E. 432).

door" system. It should, however, be observed that the system of the "closed door" necessitates various kinds of derogations which generally take the form of special import permits. With regard to these permits, the experts wish to draw attention to two important principles:

I. Permits should be granted in a liberal spirit, and should not be refused except for conclusive veterinary reasons.

II. The application of general permits in favour of specified countries should, whenever possible, be taken into consideration with a view to avoiding individual exceptions, which are only granted for a given number of animals and for a given period.

(b) *Bilateral Veterinary Conventions.* — In applying both systems, as we have seen, relaxations in the legal provisions and consequently trade facilities can be—and are, in fact—accorded under bilateral veterinary conventions between the two States concerned.

These veterinary conventions are of two types. The first includes those which regulate frontier traffic. Such agreements are, in many countries, an absolute necessity on account of the close relations between neighbouring States. In spite of the smallness of the territorial area to which these conventions apply, their importance is by no means negligible, either from the point of view of commercial relations or from that of the special dangers which frontier traffic and grazing involve as regards the introduction of animal diseases. The second, and more important, category includes veterinary conventions intended to lessen throughout the whole territory of the contracting parties the severity of certain laws. Generally, in this case, the parties undertake not to introduce import prohibitions or restrictions except according to the provisions laid down and specified in the conventions. The essential object of these conventions is therefore to ensure the stability of trade and speedy transactions between the two contracting countries by limiting prohibitions and restrictions, both as to duration and area, in conformity with definite rules according to the gravity of the various diseases.

The experts unanimously recognise that bilateral veterinary conventions (whether separate or annexed to commercial treaties) can facilitate international trade. They therefore seem to be an appropriate means of encouraging international trade so far as is compatible with the needs of animal health. Certain experts, however, pointed out that the mere fact that appropriate veterinary sanitary measures are prescribed does not necessarily mean that they will be effective; this depends on the way in which they are carried out. In deciding, therefore, whether it is in a position to conclude a convention of this kind, a Government must consider, not only the general state of health of the live-stock in the countries concerned, but also whether there is any evidence that the measures prescribed are conscientiously carried out. The experts admit that countries with a large and varied live-stock trade, which are consequently likely to spread epizootic diseases, are justified in exercising a certain caution in settling this question, in the interests of the protection of their live-stock.

(c) *Certificates of Origin and Health; Sanitary Inspection on Export; Joint Veterinary Inspection; Transport of Animals by Sea.* — Apart from the facilities granted under bilateral veterinary conventions, whatever system may be adopted, the import of ruminants and pigs is almost everywhere prohibited, though commercial transactions in these animals are the most important of all. When exceptions to this rule are allowed, they refer in most cases only to certain varieties coming from a given locality.

These strict prohibitions are, it is true, justified when epizootic diseases which are highly contagious and highly detrimental from the economic point of view are prevalent in a country. The prohibitions in question may take the form of absolute prohibitions to import, if this is justified by special veterinary reasons.

The experts feel that, apart, from special arrangements—which are, as a rule, very desirable—concluded between two countries by means of bilateral veterinary conventions, a series of precautionary measures differing according to the system of prohibitions, if adopted and applied by the various countries, either autonomously or by joint agreement, might enhance the value of existing guarantees and thus induce the importing countries to afford greater commercial facilities. They draw attention to the following points:

I. Certificates of origin and health are everywhere recognised as indispensable, in order to ensure sincerity and safety in commercial relations. Similarly, certificates concerning animals intended for export are of very high importance to international trade. They are generally required by importing countries and are issued by exporting countries—*i.e.*, they are in common use in international trade. But the impression exists that certificates are not always issued with the necessary conscientiousness and care, and that the certificates issued by various exporting countries are not always equally valid as guarantees. The confidence which may be placed in these certificates, even when they are issued by Government veterinary officials, depends entirely on the excellence of the veterinary organisation and the severity of the veterinary officials in a given country.

The experts unanimously agree that a certificate has no real value unless it involves the full moral responsibility of the Government in whose territory it is issued. They consider it essential that certificates for animals intended for export should only be issued on the absolute responsibility of the country delivering them.

Being convinced that this is an absolute necessity, the experts have laid down as one of the principles which should govern the organisation of veterinary services that:

“Certificates of origin and health certificates should be signed or countersigned by a Government veterinary official, or by a veterinary surgeon having authority from the Government to do so, and must in all cases involve the responsibility of the Government issuing them.”

By “the responsibility of the Government” the experts mean that the Government shall recognise that it is responsible for the selection of its veterinary officials who are authorised to sign or countersign the certificates, and that the latter must be liable to disciplinary or penal penalties in order that their responsibility may be involved if they neglect their duties.

There are very few countries which do not yet possess a complete veterinary sanitary organisation directly dependent on the State. Those of them, however, which, like Great Britain exercise direct and effective supervision over the action of the local veterinary authorities in connection with international trade, and take full and entire responsibility for that action deserve the confidence of other nations. The experts are therefore of opinion that the principle of the responsibility of the State for certificates of origin and health certificates in respect of animals is of very special importance. Such responsibility might also be involved where special accredited and authorised veterinary agents are appointed to issue certificates. These agents should be subject to disciplinary control involving the responsibility of the State. The experts therefore feel bound to insist on a principle which harmonises with the usual method of organisation of veterinary services; they have thought this fact to be of sufficient importance to warrant its inclusion as a special chapter in this report. Though they recognise the difficulties that might arise as a result of the special conditions of the administrative systems in the various countries with regard to the legal status of veterinary surgeons authorised to sign or countersign certificates, the action of the latter should, in every case, involve the entire responsibility of the issuing State as indicated above.

Finally, with regard to the manner in which the certificates should be issued, it would be very desirable to establish a model form, if not a uniform text, for the certificate of origin and health for the various kinds of animals under consideration. It is therefore interesting to note that the assembly of the International Office for Contagious Diseases of Animals, at its last session, considered the problem of the unification of health certificates and drew up a uniform model. This question is still on the agenda of the office.

II. It is obvious that, in the commercial interests of any country, the health of animals about to be exported should be as satisfactory as possible. The exporting country should therefore endeavour to prevent the export abroad of all animals that are not in perfect condition. It is even in the interests of the exporting country to forestall a refusal on the part of the authorities of the importing countries to allow the live-stock to enter their territory. It is highly important, therefore, that the veterinary inspection of animals, which should take place before the issue of a health certificate, should be made most conscientiously.

In the course of our report, we have on many occasions insisted on the principle that importing countries should be able to feel absolutely certain regarding the sanitary precautions taken, for their benefit, by animal-exporting countries. The latter should, by the effectiveness of the sanitary measures they adopt, endeavour to diminish as far as possible the risks incurred by importing countries. It is impossible for an importing country to exercise an absolutely effective control. Consequently, the sanitary measures adopted by importing countries can never be regarded as a sufficient guarantee for the protection of native live-stock and the health of human beings. On the contrary, the institutions in the exporting countries and the measures adopted by them must always be the main guarantee afforded to the importing country for the effective protection of the latter against the entry of diseased animals.

In the light of these premises, the experts have carefully considered the desirability, and even the necessity, of additional sanitary inspection to take place at the time of the export of the animals —*i.e.*, at the frontier. They came to the unanimous conclusion that such inspection might in certain cases produce very satisfactory results and might provide an important guarantee.

The information collected by the experts shows that several exporting countries do not carry out any inspection at the frontier. In some countries, such inspection is compulsory, while in others it is optional. The experts are of opinion that such frontier control should take the form, not so much of a veterinary inspection as of a careful verification of the certificates of origin, waybills, etc., accompanying each consignment, in order to ascertain that the animals have really been consigned from the places specified in the certificates and not from places that are not free from all infection. The experts are of opinion that a veterinary inspection of animals at the frontier, which would in most cases entail the detainment of live-stock at the frontier stations, is not to be recommended in view of the fact that any crowding of animals in a limited space considerably increases the danger of infection.

Consequently, the experts are also opposed in principle to the system of quarantine, which they feel should be applied only to certain animals and more particularly to pedigree stock.

The experts feel that the effect of the supervision they propose would be to render the veterinary inspection previous to the issue of a health certificate much stricter. In point of fact, the veterinary official issuing the certificate would take care to fulfil his duties most punctiliously if he knew that a further very careful examination would, or might, be made at the frontier of his country.

Under these circumstances, the mere inspection of wagons and the conditions under which transport is effected should, in general, be sufficient, in addition to the verification of the documents accompanying the consignment, as a complement to the stricter inspection which would have already been made in the interior.

Nevertheless, there still remains a danger that animals may, in spite of all precautions, contract a disease *en route*, or that animals with disease in a state of incubation when inspection took place may become definitely diseased during transport. If the disease which has broken out *en route* is not discovered in time and if, consequently, the consignment is not withdrawn, the infected live-stock will come before the inspecting authorities of the other country, an eventuality which should be avoided at all costs in the interests of the exporting country itself. The result of such an occurrence would certainly be that the authorities of the importing country would adopt rigorous measures, even going so far as to suspend, for a time, all imports from the country in question—a decision which would be very prejudicial to that country's trade.

The experts, therefore, have also considered whether veterinary inspection in the importing country when the animals are received should not be carried out in the presence of veterinary officials of the exporting country.

The experts believe that the system of joint inspection by veterinary inspectors of the two countries concerned merits very careful consideration.

For this purpose the use of international railway stations, or of common frontier stations where they exist, has been found practical. Moreover, more of such stations might be established in suitable places. It would, however, be necessary to provide the stations with the most modern equipment for conducting all veterinary operations required.

This system would offer the further advantage that the inspection of live-stock in the presence of veterinary officials of the exporting country would tend to eliminate the feelings of resentment experienced by the owners of animals the entry of which is refused or the slaughter of which becomes necessary.

Certain experts referred to the advantage of transporting animals by sea, so that animals can be slaughtered at the port of landing and need not enter the country. Other experts, however, emphasised the enormous commercial risk of having a whole cargo refused as a result of disease in a few animals.

(d) *Application of Sanitary Measures according to the Seriousness of the Disease.* — In the light of the information provided, the experts have thus indicated a few of the essential ways in which the supervision generally exercised on the import and export of live-stock might be improved. They consider that the joint application of the principles they have laid down concerning the organisation of veterinary services and the publication of health information might, together with their other recommendations, help appreciably to diminish the dangers inherent in the international trade in live-stock. The experts are therefore of opinion that it is possible to indicate, on an essentially scientific basis, the veterinary measures which, in the present state of our knowledge, seem both indispensable and appropriate for the avoidance of the import of the most serious diseases.

The various contagious animal diseases at present classified are here divided into four groups according to their seriousness and degree of transmissibility. It seems reasonable to indicate the following measures as indispensable and appropriate for each of the groups considered.

I. *First Group.*

This comprises only one disease: cattle plague.

The import of cattle may be prohibited from countries which have not been completely and certainly free from the disease for at least twelve months.

The time from which this period is to be counted is the date on which all veterinary measures were abrogated in the exporting country.

As regards animals, the prohibition extends to all species of ruminants, whether domestic or wild, and also to pigs.

II. *Second Group.*

This group comprises the following diseases: (1) foot-and-mouth disease; (2) swine plague; (3) sheep-pox; (4) contagious peripneumonia of cattle; (5) fowl plague; (6) fowl cholera; (7) white diarrhoea of chickens.

Any country which is entirely free from one of the diseases enumerated above, or is relatively little infected, is fully entitled to prohibit completely the import of receptive animals coming from the infected countries, except in the cases of fowl cholera and white diarrhoea of chickens.

Some experts are of opinion that, in the case of foot-and-mouth disease and swine plague, total prohibition would be too drastic, and that prohibition might be limited to the infected territory and neighbouring districts.

Countries already infected may allow this rule to be relaxed, having regard to the epidemic type of the disease in the places and at the time considered, the possibility of the import of a new type of virus (foot-and-mouth disease and probably swine plague), and the economic purpose for which the imported animals are intended.

Facilities for import may possibly be contemplated for animals which have been subjected in proper time to active or passive immunisation, and for animals which are intended to be sent direct to special slaughter-houses.

III. *Third Group.*

This group comprises the following diseases: rabies, dourine, glanders.

All countries are trying to eradicate these three diseases. Drastic measures as regards import are, in the case of countries at present free from these diseases, justified by the fear of reintroduction.

For purposes of import, guarantees may be demanded in the case of all these diseases. One form of such guarantee would be certificates identifying the animals as coming direct from districts which are certainly free from the disease in question. In the case of dourine, an import prohibition on stallions seems justified.

IV. *Anthrax (Milzbrand).*

Duly identified animals should come from places (stables, pastures, etc.) which are unquestionably and habitually free from anthrax.

V. *Diseases affecting Stock-Raising.*

Trade in animals specially intended for cattle-raising (more particularly breeding or pedigree animals) would be improved if there were a system of inspection which made it possible to issue an official guarantee that the animals come from farms which are unquestionably free from those diseases which, although not generally classed among contagious diseases, nevertheless cause considerable loss or constitute a danger to public health. Such are, for instance, epizootic abortion in the various species (cows, mares, sows), undulant fever, contagious mammitis, tuberculosis in all species.

6. TRANSIT OF ANIMALS.

In many of its aspects, the problem of the transit of animals is essentially international and is, from several points of view, a matter of primary importance,

In a continent like Europe, certain countries have a surplus of live-stock which they are not always able to sell in the markets of the neighbouring countries. Other countries have not sufficient live-stock and, if the neighbouring nations were to prohibit the transit of animals, they would be unable to meet their requirements.

Several experts therefore insisted that the transit of live animals may become a fundamental need for an importing country if that country has to make good a deficiency in its meat supply, seeing that certain countries are obliged to obtain their supplies from distant sources. If transit were not subject to regulations, and if each nation were entirely free to prohibit the transit of live-stock without good reason, the countries forced to import live-stock would be deprived of an article of prime necessity.

Thus defined, the question becomes of basic importance from the point of view of international trade.

When it is considered that a convoy of animals may have to traverse the territory of several countries in order to reach its destination, the international character of the problem is obvious.

International rules governing the main conditions under which the transit of live-stock may take place would, in many cases, obviate the necessity of those special arrangements which have so often to be concluded between a large number of interested countries.

It cannot be denied that the transit of animals involves, for the transit countries, some risk of infection. In particular, if transport necessitates long journeys over a wide territory, with the passage of numerous herds along the roads, the necessity of watering and feeding the animals undoubtedly involves some danger of infection of the native live-stock. But opinions differ as to the degree of risk occasioned by the transit of live-stock. Some countries hold it to be the same as in the case of imports, and therefore subject live-stock in transit to the same conditions as imported live-stock. On the other hand, most countries consider that transit under certain conditions does not involve the same danger as import, and grant, by means of veterinary conventions or special arrangements, certain facilities to live-stock passing in transit.

On this point, also, there were two opposite currents of opinion in the Sub-Committee.

Some experts held that the transit of animals involved the same risks as their import, if not greater risks. They maintained that it was not possible, for technical reasons and on account of the expense, to close the wagons so hermetically that no droppings or other infected matter could pass through. During the journey, also, it was necessary to water and feed the animals, which, in most cases, necessitated their detrainment.

Most of the experts, however, though recognising that transit countries incurred certain risks, thought that the danger might be greatly reduced, if not altogether eliminated. They are of opinion that transit countries are entitled to require the same certificates of origin and health as in the case of imports, and that animals should be subject to sanitary inspection at the frontier.

The detrainment of animals naturally involves the greatest danger; but this might, even on a long journey, be avoided by what is known as the "chain sealing" system. This system makes it possible to water and feed the animals in the wagons. These experts think that the danger of droppings or food débris falling from the wagons should not be exaggerated. Scattering of droppings might be reduced to a minimum by some apparatus installed in the trucks, if it be held that the construction of special trucks is precluded on account of the high cost.

Generally speaking, these experts felt that the transit of animals should, on account of its economic importance, always be authorised if guarantees are provided against the dangers incurred by the country of transit. A proper equilibrium must be sought between the sanitary interests of the transit countries and the lawful claims of international trade, which might be seriously affected by exaggerated obstacles placed in the way of transit.

The Sub-Committee of Experts recognises that this danger could be lessened by measures of various kinds:

(a) By requiring, in the case of animals presented for transit, guarantees similar to those required in the case of imported animals;

(b) By prohibiting or regulating the temporary unloading of animals during their journey through the territory of the transit country—which unloading may be necessary in order that the animals may receive attention (cleaning, feeding, milking, etc.);

(c) The experts think that a great advantage would be secured if it were technically and economically possible for railways to adapt trucks on hygienic lines so that they would be free from the defects of these now used—namely, the falling out of droppings and other matter which might cause infection;

(d) In any case, transit countries are fully justified in requiring the country of destination or transit to allow the unconditional entry of the animals and to recognise that no responsibility for the health condition of the animals is incurred by reason of transit.

7. IMPORT, EXPORT AND TRANSIT OF MEAT AND MEAT PREPARATIONS.

The difficulties which the trade in live-stock encounters as a result of veterinary regulations and the considerable development in the foodstuffs industry has resulted in an evergrowing international trade in meat and meat preparations. This tendency is accentuated by the fact that modern refrigerating plant makes it possible to transport these commodities over long distances without any serious drawbacks.

Though it cannot be denied that the danger of contamination is appreciably less in the case of meat and meat preparations than in the case of live animals, the danger—as is proved by numerous observations and experiments—undoubtedly exists.

In addition to preventing the spread of animal diseases, the veterinary authorities have to see that no meat or meat preparations which could be harmful to man are placed on the market.

The trade in live animals being limited by the requirements of the veterinary authorities the regulation of the traffic in meat and meat products is, from an economic standpoint, all the more important.

Countries which possess a surplus of live-stock, and also a well-developed foodstuffs industry, endeavour to export animal products where the trade in live-stock is impeded or hampered by distance or by sanitary requirements.

Moreover, the dangers connected with most animal products mainly affect human health, and the progress of science has made very searching investigations possible, so that the risk of infection is considerably diminished.

(a) *Meat.* — In general, meat can be imported more easily than live animals. Some countries, however, require an import permit, either because no veterinary conventions have been concluded on the subject, or for the import of particularly large quantities, or again for meat coming from certain localities.

The seriousness of the danger to human diet represented by different classes of meat (fresh, chilled or frozen) in certain cases varies according to whether the meat is eaten raw or cooked. If we take the case of parasitic diseases transmissible to man, frozen meat seems less dangerous than any other kind. On the other hand, the virulence of certain germs is preserved by freezing, and this question is still under consideration.

In any case, the experts unanimously agree that less danger to health attaches to the trade in meat than to the trade in live-stock. All meat, however, whether fresh, chilled, or frozen, is inspected under practically the same conditions and with the same severity by the veterinary and health authorities, no distinction being drawn between the various varieties.

In most countries, consignments have to be accompanied by a certificate of origin and a certificate of health attesting that the animal was in perfect condition before it was slaughtered and that its meat after slaughter has been found healthy. Except in a few countries, meat is inspected at the frontier. In order to ensure efficient inspection, it is generally stipulated that meat must be imported in quarters or entire carcasses, and sometimes that certain internal organs shall remain actually attached to the carcase.

Although the inspection of meat at the frontier, and of attached viscera, is harmful from the point of view of preservation, the experts readily admit that, in the case of all meat, countries should be allowed to lay down rules as to the locality in which the inspection should take place, whether at the frontier or at the place of destination. Though the adherence of internal organs which decompose rapidly may, as regards the preservation of the meat, have certain drawbacks, its importance for a thorough general inspection is sufficient to warrant this stipulation.

In the case of *chilled and frozen meat*, which mainly comes from overseas countries, the great length of the voyage practically precludes the presence of organs which are specially liable to decomposition. Some countries, therefore, no longer insist upon this point. The experts are, however, of opinion that it is important that this meat should be submitted for inspection in a state in which effective examination is possible, especially as regards the lymphatic and serous glands.

In the case of transport by rail, this examination is only feasible at the place of destination. As a general rule, the inspection at the frontier should be limited to the verification of the certificates and papers accompanying the consignment, a method which is also followed in the case of fresh meat—for instance, in Austria and Czechoslovakia.

(b) *Meat Preparations.* — Whereas the examination of meat preparations proper—such as hams or bacon, salted or dried, meat in large pieces and salted or dried meat, etc.—is generally regarded as possible, differences of opinion exist as to the relative difficulty of effectively inspecting minced meat or meat cut up in small pieces, even when histological, bacteriological and chemical methods are employed. These differences of opinion are reflected in the varying strictness of the regulations in the different countries. The experts unanimously recognise that even histological, bacteriological or chemical examination may in such cases prove inadequate.

Differences do, in fact, exist as regards the granting of import authorisations. Some countries refuse to grant them, others require one for each consignment, while others grant general and unlimited authorisations only requiring health certificates of the same type as in the case of meat imports. Germany and Poland, for instance—though the latter allows exceptions in veterinary conventions—totally prohibit the import of preserved meat and sausages. Switzerland only excludes preserved meat which contains vegetable matter or parts of animal organs, and fresh sausages.

Whereas certain experts expressed the opinion that, provided the necessary rules were strictly observed, the trade in preserved meat and sausages presented no serious risk, other experts thought the special measures adopted by the respective countries were fully justified.

It is true that scientific requirements necessitate very rigorous hygienic measures, and that practically no arguments are available against the scientific convictions of certain experts. On the other hand, countries which are quite as strict theoretically, nevertheless actually apply a more liberal system. The only way to encourage a more liberal tendency seems to be to increase confidence in the veterinary and health organisation and the processes of manufacture in the various countries. In this instance, also, international co-operation by interchange of veterinary staff or officials for the supervision of manufacture might be useful.

(c) *Certificates and Other Guarantees.* — The best method of facilitating the trade in meat and meat preparations is undoubtedly the establishment of a reliable official inspection certificate made out by official veterinary officers and certifying that the meat and meat preparations in question are derived from animals which were inspected before and after slaughter and of which the meat was recognised as fit for consumption.

If these certificates were made out in a trustworthy and conscientious manner, mutual confidence would be considerably increased and international trade would undoubtedly be increased.

Other methods likely to facilitate this trade are the conclusion of bilateral conventions, which already exist between certain countries, and, in the case of countries between which there is a great volume of trade, the maintenance of veterinary officials of one country in the territory of the other, as is already the practice between Great Britain and the South American Republics.

(d) *Transit.* — While in the case of the import of meat and meat preparations veterinary measures are indicated, it is certainly desirable that the greatest facilities should be granted for the transit of these foodstuffs. In particular, control at the frontier of countries of transit should be confined to the examination of certificates. Trucks should only be opened if the Customs authorities concerned consider this necessary in order to check the contents.

Permits for the conveyance of meat and meat preparations in transit would appear to be superfluous; or, at least, they should be very freely granted, especially when it is certain that the country of destination is prepared to accept them.

Wherever possible, the supervisory officials of adjacent countries might undertake inspection jointly, as is already done at joint or international stations.

8. INTERNATIONAL TRADE IN ANIMAL PRODUCTS (MEAT EXCEPTED).

(a) *Diseases to be considered.*

The experts are unanimous in regarding trade in those products of animal origin which are considered below to be less dangerous than trade in live-stock and meat. They admit, however,

that the danger of these products may differ for man and for animals. The danger varies according to whether effective disinfection is or is not practicable.

In international trade, the only diseases of animals the transmission of which through animal products need be taken into consideration up to the present are:

1. Symptomatic anthrax;
2. Cattle plague;
3. Foot-and-mouth disease;
4. Swine plague.

Ad 1. — The reality of the danger of *symptomatic anthrax* is universally admitted, and recent observations in Germany and Great Britain prove how serious it is. The virus lurks in skins and hides and sometimes also in bones and meat. It may be transmitted by soiled wool, hair, horns, etc., and, generally speaking, by all portions of the carcase.

The permanent nature of the virus and its considerable power of resisting all methods of destruction increase the danger of infection.

Ad 2. — Experiments have shown that the virus of *cattle plague* does not possess a long life in external media. Nevertheless, the conditions under which products are preserved may protect it from the usual influences (desiccation, light, etc.), and, moreover, the action of antiseptics on the various animal products is insufficiently known. What is known, however, of the resistance of other viruses thought to be even more fragile (*foot-and-mouth disease*) justifies the measures of extreme caution hitherto applied.

Ad 3. — It is an ascertained fact that the *foot-and mouth disease virus* is much less fragile than, until quite recently, it was thought to be. It resists desiccation for several weeks after the contamination of foodstuffs, such as hay, bran and flour. It is only destroyed by relatively high temperatures, and cold preserves it.

Fresh animal products should therefore be regarded as dangerous. Further research is necessary to determine the duration of the virulence of *foot-and-mouth disease* under various conditions.

The results of the very careful enquiries which have been conducted into the virulence of *foot-and-mouth disease* should warn us against accepting too rigidly the classical data concerning the resistance of viruses of other diseases of the same type—*cattle plague*, *swine plague*, *fowl cholera*, etc. Generally speaking, our knowledge of the resistance of viruses in animal tissues or products will have to be thoroughly revised.

Ad 4. — All that has just been said with regard to the case of *foot-and-mouth disease virus* applies also entirely to *swine plague virus*.

(b) *Guarantees required.*

The sanitary guarantees which can be given in the case of animal products are of three kinds:

(1) When the countries of origin are totally free from diseases, the transmission of which is to be feared;

(2) When the animal products come entirely from animals free from those diseases which could not possibly have been indirectly contaminated in the course of manipulation or transport;

(3) When the animal products have been subjected in the country of origin to disinfection recognised as effective, and could not have been contaminated after such disinfection during the manipulation or transport.

With regard to (1), the fact that an exporting country is definitely free from disease affords an absolute guarantee. Such guarantee could only be provided by countries possessing an administrative and veterinary organisation under which the diseases in question could not remain undiscovered. In any other circumstances exported animal products must always be regarded *a priori* as suspect and dangerous.

With regard to (2), the guarantee that the animal products come from healthy animals is often required in international trade. Valid certificates can only be provided when these products come direct from establishments subject to permanent veterinary supervision (industrial slaughter-houses, etc.); in all other cases they are of very little value owing to the difficulty of identifying for certain the locality of origin.

In addition to the above guarantee, an indication should be given of the precautions taken to avoid the contamination of products during transport. In the case of anthrax, virulent products may affect various matter, such as food for animals (seeds, oil-cake, etc.), and thus cause their indirect contagion.

With regard to (3), any uncertainty as to the immunity of the animal products necessitates their disinfection or (as the case may be) examination with a view to ascertaining the presence of virus. In general, such action will have to be taken before exportation. It implies the use of methods of proved effectiveness under the control and responsibility of the exporting State.

Co-operation in such supervision by representatives of the importing countries concerned is eminently desirable as being calculated to strengthen the value of the certificates of health issued.

Certificates issued should state very accurately the means of disinfection or supervision employed. A guarantee will be given that all precautions have been taken to avoid contamination after disinfection and during transport.

In the case of goods covered by a collective sanitary certificate, the veterinary sanitary authorities of the ports, railway stations and warehouses can issue valid partial certificates to the same effect, to accompany reshipments or parts of a consignment. Such partial certificates will be accompanied by a certified copy of the original certificate.

In all cases in which the guarantees of the harmlessness of animal products are held to be inadequate, importing countries are absolutely entitled to require either disinfection on import or examination with a view to ascertaining the presence of certain viruses. They may impose in their territory special measures in regard to the transport and industrial treatment of suspect products.

No prohibition, limitation or sanitary formality should be placed in the way of *the transit* of animal products without grave reasons, if the animal products comply with the usual conditions in regard to the healthy condition of goods in transport, and if it is certain that they will be accepted by the countries to which they are consigned.

The International Office for Contagious Diseases of Animals is requested to continue its studies and enquiries with regard to the conditions of disinfection and sanitary supervision of these products; for international agreements in this matter are, in the experts' opinion, well adapted to facilitate trade in such products.

2. REPORT OF THE ECONOMIC COMMITTEE TO THE COUNCIL.

The Sub-Committee of Experts on Veterinary Questions submitted to the Economic Committee a general report on the work done during the past four sessions.

The Sub-Committee of Experts was asked to consider what guarantees might be given by countries which export live-stock and animal products, and what facilities might be granted by importing countries on the basis of these guarantees; also to determine, in general, the best methods for applying veterinary supervision, taking into account the economic interests of the exporting countries and without prejudice to the interests of countries desiring to take precautions against diseases of animals.

In their general report, the experts first express their unanimous opinion on the principles that should govern the organisation of veterinary health services and the publication of veterinary health reports in the different countries. On both these subjects the experts reached definite conclusions as to the essential guarantees to be offered to States interested in the international trade in animals and animal products, guarantees which would give the necessary confidence regarding the health of imported animals and the wholesomeness of those animal products with which this trade is concerned.

The experts considered that a general application of these principles constitutes an essential condition of future progress.

In the field of international co-operation, the experts recognised the necessity of organising an urgent information service, if need be by telegraph. The relevant technical details should be studied by the International Office for Contagious Diseases of Animals in Paris. The experts considered a series of proposals, and made unanimous some important recommendations regarding the means of ensuring other forms of international co-operation which would be closer and more effective than it has hitherto been possible to realise.

The general report then gives the results of a thorough and detailed study of sanitary veterinary measures applied and measures applicable at present to the export, import and transit of animals. The experts devoted particular attention to the issue of certificates of origin and health, sanitary inspection at the time of export and import, methods of transport and details connected therewith.

The experts proceeded to classify contagious diseases according to their seriousness, and also differentiated between the dangers of the propagation of the various animal diseases, both by the import of animals and meat and by the import of other animal products. General transit facilities are proposed. Further, the experts contemplated a series of modifications in the veterinary measures applicable to international trade; these modifications might be made by good organisation of veterinary health services and information in the countries concerned, particularly the exporting countries.

The concluding portions of the general report are more particularly concerned with the risks of contagion by meat and meat preparations, as this trade is very important, particularly in the case of overseas countries which export large quantities of meat. Further, other animal products, such as skins and hides, pelts, horns, hoofs, wool, hair, bristles, etc., were thoroughly considered from this point of view. The experts reached the conclusion that this part of their work should be further studied in detail by the International Office for Contagious Diseases of Animals in Paris, particularly as regards the virulence of the different viruses by which disease might be propagated and the different methods of disinfection. The experts consider that international co-operation might, in this particular matter be of real assistance to international trade in these products.

The Economic Committee considered with great attention the contents of this report, and the main conclusions reached by the experts. Until the conditions mentioned above are realised, which the Committee hopes will soon be the case, it considers that States should, for the present,

be allowed to regulate in their own interest a considerable part of the international trade in the products of stock-rearing—namely, the trade in live-stock and meat. A diminution in the severity of the veterinary measures at present in force concerning the export and import of such products seems, for the time being, to be a subject on which bilateral agreements would be more appropriate.

On the other hand, the unanimous conclusions reached by the experts show that the countries concerned would probably accept an international convention regulating the transit of animals and animal products, and a multilateral international agreement dealing with the export and import of animal products, except meat.

Further, the experts' recommendations regarding veterinary organisation and services and the publication of veterinary health reports in accordance with the recommendations of the International Office for Contagious Diseases of Animals, which has dealt with this problem for several years, and their proposals for closer co-operation between the various veterinary health services in the countries concerned, might be included in a multilateral international convention which might, apparently without much difficulty, be accepted by the various countries interested in promoting international trade in the products of the stock-raising industry.

The Economic Committee accordingly requested those of its members whom it had already appointed to keep in touch with this work, to draw up, with the help of the experts who might be consulted in any way they think most appropriate, preliminary draft conventions concerning:

- (a) The organisation of veterinary health services and the methods that should be adopted for exchanging veterinary health information and for ensuring closer international co-operation between the different veterinary services;
- (b) Transit of animals and animal products (including meat);
- (c) The export and import of animal products, except meat.

The Economic Committee thinks that these main conclusions, based on the work of the veterinary experts, should be communicated to the Commercial Conference which is to be held on November 17th, 1930. That Conference will thus be able to appreciate the progress of the work done under the auspices of the Economic Organisation of the League.

Geneva, November 4th, 1930.

LEAGUE OF NATIONS

ECONOMIC COMMITTEE

**REPORT TO THE COUNCIL
ON THE WORK OF THE THIRTY-THIRD SESSION**

Held at Geneva from October 27th to November 1st, 1930.

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The following members of the Committee were present :

M. A. DI NOLA (<i>Acting Chairman</i>)	M. F. PEROUTKA
M. F. DOLEZAL	M. R. SCHÜLLER
M. P. ELBEL	Mr. R. J. SHACKLE (replacing Sir Sydney CHAPMAN)
M. N. ITO	M. W. STUCKI
M. F. VAN LANGENHOVE	M. M. TODOROVIC
Mr. H. A. F. LINDSAY	M. POSSE (replacing M. TRENDELENBURG).
M. V. LUNDAVIK	

The following took part in the discussions on :

- (a) *The most-favoured-nation clause and the programme of future negotiations:*
M. J. A. NEDERBRAGT (Netherlands) } Corresponding members of the
M. A. DE NICKL (Hungary) } Committee.
- (b) *The most-favoured-nation clause:*
M. ENGELL (Denmark) } Experts appointed by their respective
M. G. JAHN (Norway) } Governments.
M. HJELT (Finland) } Observers appointed by their respective
M. FELDMANS (Latvia) } Governments.
- (c) *Agricultural questions:*
M. VAN RIJN, Member of the Agricultural Economic Committee at the International
Institute of Agriculture.
M. BRIZI, Secretary-General of the International Institute of Agriculture.
- (d) *Veterinary questions:*
M. BÜRGI, Director of the Swiss Federal Veterinary Office.
M. VALLÉE, Director of the National Research Laboratory, Alfort (Seine), France.

I. CONSTITUTION OF THE BUREAU OF THE COMMITTEE FOR 1931.

In accordance with the procedure adopted by the Committee at its twenty-third session in 1927, and approved by the Council, M. DI NOLA, Vice-Chairman of the Committee, will be Chairman of the Committee for 1931, as from January 1st next.

The Committee elected M. SCHÜLLER Vice-Chairman for 1931.

II. PROPOSALS FOR THE NEGOTIATIONS WITH A VIEW TO CONCERTED ECONOMIC ACTION.

In accordance with the terms of Article 1 of the Protocol regarding the programme of future negotiations, dated March 24th, 1930, the Committee studied the replies made by Governments to the questionnaire annexed to that article with a view to formulating proposals that might serve as a basis for the negotiations contemplated in the Protocol. These proposals are reproduced in the Annex.

III. VETERINARY CONVENTIONS.

The Committee's report on this question and the general report on the work of the Sub-Committee of Experts on Veterinary Questions have been printed separately in document C.633.M.252.1930.II.

IV. AGRICULTURAL QUESTIONS.

In consultation with representatives of the International Institute of Agriculture, including M. van Rijn, member of the Agricultural Economic Committee at the International Institute of Agriculture, and M. Brizi, Secretary-General of the Institute, the Economic Committee decided to call a meeting early in January 1931 of the Sub-Committee of Agricultural Experts which it previously convened in January 1930. It will add representatives of the Irish Free State, Latvia and Sweden to the experts already appointed and will request the Director of the International Labour Office to nominate a person who, whilst having special experience in labour problems, will, if necessary, be able to supply the Sub-Committee of Experts with information as to the relationship between those problems and the general problems with which the Committee is concerned.

The experts will consider the whole of the reports which they have themselves forwarded to the Secretariat on the agricultural crisis and on the question of the divergence between prices paid to producers and prices paid by consumers.

V. CUSTOMS NOMENCLATURE.

The Committee noted the report submitted to it during the Eleventh Assembly by the Sub-Committee of Experts for the unification of Customs nomenclature.¹ This report contains, *inter alia*, certain suggestions as to the procedure to be followed for the adoption of the unified nomenclature and the measures to be taken in order to preserve the unity of the nomenclature. As, however, the experts have not yet finished their work, the Committee decided to postpone the consideration of these suggestions until the nomenclature is nearly completed.

VI. NATIONALITY OF GOODS.

This question, which is very important as regards the application of the most-favoured-nation clause, was carefully considered by the Committee. On the basis of the information collected by the Secretariat, the Committee agreed to lay down certain fundamental principles, particularly as to the criterion by which the nationality of goods should be determined. This criterion should be that of the *origin* of the goods, and the Committee decided what meaning should be given to the term "*country of origin*" in the case of both *natural* and manufactured products. The Committee also prescribed the treatment which in its opinion should be granted to *nationalised* goods and to goods that have merely been warehoused in Customs warehouses, free ports, etc., or have undergone during transport certain operations (unloading, reloading, etc.) which do not involve any industrial change in the goods themselves.

As, however, the application of these principles may give rise to certain technical difficulties, the Committee decided to submit them, for consideration from that point of view, to the Sub-Committee of Experts which has already been appointed to consider methods of specific taxation and questions relating to gross weight, net weight, tare, etc.

VII. STAMPING OF TEMPORARILY-IMPORTED SAMPLES OF ARTICLES MADE OF PRECIOUS METALS.

The Economic Committee was unable to consider the material on this question collected by the Secretariat in time to permit of any useful exchange of views on this subject. In order that its members might have an opportunity to study the different problems raised by this question, the Committee thought it advisable to postpone its consideration to the next session.

¹ See document E.609.

VIII. PROCEDURE FOR APPEAL IN CUSTOMS MATTERS.

The comparative study of the laws and regulations in force in various countries as regards appeals against the Customs classification and taxation of goods was submitted to the Economic Committee which did not, however, form any definite opinion on certain points, particularly concerning the practical application of such laws and regulations. Accordingly, the Committee decided to supplement the information it has already collected on this question and, for that purpose, to ask for the assistance of the International Chamber of Commerce.

IX. MARKS OF ORIGIN.

The Economic Committee considers that the various laws in force as regards marks of origin and the complaints aroused by their application constitute an important problem for international trade.

Certain conclusions on questions of principle have already been submitted to the Committee by its Rapporteurs. But as the manner in which the provisions are applied is often of capital importance, the Committee thinks that further information as to the actual situation is necessary before its investigations can be continued.

Accordingly, the Committee decided to submit the information prepared by the Secretariat to a small group of experts including not only officials of those countries whose laws contain provisions relating to marks of origin for foreign goods, but also others concerned, particularly exporters who are nationals of countries where serious complaints as to the obstacles encountered through the application of these laws are often made.

The Bureau of the Economic Committee was instructed to arrange for the constitution of this group of experts.

X. MOST-FAVOURED-NATION CLAUSE.

In pursuance of an urgent recommendation of the Eleventh Assembly, the Committee was anxious, at the present session, to begin a study of certain disputed questions concerning the application of the most-favoured-nation clause. They include, particularly, the question whether Customs quotas and anti-dumping duties or countervailing duties are compatible with the spirit of that clause, and also the question of the interpretation that should be given to the expression "similar products".

The countries which raised the question in the Assembly (Denmark, Estonia, Finland, Latvia, Netherlands, Norway, Sweden, Switzerland) were invited to send experts to take part in this discussion. The experts appointed by the Governments of Denmark, the Netherlands and Norway were present, whilst the Swiss and Swedish points of view were explained by the two ordinary members of the Committee who are nationals of those countries. Latvia and Finland sent observers.

The discussion was chiefly directed to the question of Customs quotas, and on this subject the Economic Committee noted that there was a divergence of opinion. Nevertheless, this question cannot be considered solely from the theoretical standpoint. Accordingly, the Committee desires further information, especially as to the nature and causes of certain important cases that were mentioned during the discussion.

The object of the enquiry into the question of *similar products*, or products of the same kind, should be to indicate, by consideration of the tariff provisions in the various commercial treaties, cases of discrimination based on the essential characteristics of commodities, and on the other hand, cases in which the discrimination is based on purely unessential characteristics and may therefore be regarded as having been imposed with a view to restricting artificially the operation of the most-favoured-nation clause.

The Committee considered that the investigation of measures to prevent dumping could best be undertaken in connection with the enquiries now being pursued into subsidies and export bounties that form part of the investigation mentioned below.

The Committee decided to instruct a Sub-Committee of some of its members, with the addition of the Netherlands and Danish experts, to study these three points, so that at its next session it might have before it a complete report on the question.

XI. DUMPING.

During the present session, the Committee held a preliminary exchange of views with regard to "dumping", which was the subject of one of the resolutions on economic matters adopted by the Eleventh Assembly. It decided to continue its investigation into dumping in all its forms, with particular reference to means which are adopted by States and which are likely to hinder the free play of economic laws—*e.g.*, export bounties and subsidies. The Committee hopes that by its next session, in February 1931, its investigation will be sufficiently advanced to enable it then to submit at least a provisional report on this question.

XII. ENQUIRY REGARDING THE PRESENT ECONOMIC DEPRESSION.

The Committee has had before it a memorandum submitted by the Secretariat concerning the procedure to be adopted in pursuance of the resolution of the Assembly dealing with the problems of the present economic depression and the recurrence of such depressions. It considers that the procedure it proposes will carry out the instructions of the Assembly. These questions will, however, also arise for discussion at the next meeting of the Financial Committee.

ANNEX.

PROPOSALS OF THE ECONOMIC COMMITTEE TO SERVE AS A BASIS FOR THE
FUTURE NEGOTIATIONS.

Note. — These proposals were drawn up on the basis of the replies¹ from Governments to the questionnaire annexed to Article I of the Protocol relating to the programme of future negotiations.

The Protocol of March 24th, 1930, defined the aim of the negotiations which are to be pursued with a view to giving effect to the resolutions of the tenth Assembly of the League of Nations in regard to concerted economic action.

These negotiations are to relate, in particular, to Customs measures likely to lead to a reduction of tariffs, and to "all other practical measures aiming at a better organisation of production and at a more rational distribution of products".

The countries desirous of taking part in these negotiations were asked to communicate their views on a number of questions specified in the Protocol. Their replies have been co-ordinated by the League Secretariat, and the Economic Committee was instructed to collate the proposals contained therein which, when submitted on November 17th, 1930, to the Governments consulted, would serve as a basis for the projected negotiations.

In the actual words of the Protocol, the Economic Committee was asked to take account, when carrying out its work, of the situation then existing, and to formulate its proposals with a view to ensuring positive results. The Economic Committee has kept this double recommendation in view.

The analysis of the replies from Governments shows that there are three main desiderata:

The first of these relates to problems which the Economic Organisation of the League has already considered and for which it has prepared a solution: there is a desire to see the contemplated action pursued to its full and successful completion and agreements now framed or completed fully carried out.

The second desideratum is a general improvement in Customs matters by the reduction or consolidation of duties.

The third refers to the problem of the commercial exchanges of the agricultural countries in Eastern Europe.

I.

CONCLUSION OR APPLICATION OF CONVENTIONS ALREADY DRAWN UP.

The concerted action which it is proposed to take cannot be dissociated from the economic work already accomplished by the League. That work is its starting-point. Any new agreements must be based thereon. It is therefore of importance, in the first place, to strengthen this foundation for future work.

1. *Convention for the Abolition of Prohibitions.*

Mention may be made in the first place of the Convention for the Abolition of Import and Export Prohibitions.

This Convention entered into force on the date contemplated, but it only takes effect between a small number of States and under conditions which render it precarious. The eleventh Assembly regretted this situation and expressed the hope that the "States concerned will not abandon their decision to remove, by the abolition of prohibitions, one of the chief obstacles to the free movement of goods".

It is particularly desirable at the present juncture that this hope should be realised for, while there has no doubt been a considerable decrease in the number and importance of these restrictions during the past few years, it would be a mistake to conclude that the Convention is no longer of practical value. In the absence of any contractual undertaking, there is a danger that certain States may again resort to prohibitions in the hope of escaping from their present difficulties. This would mean new impediments to trade. That would be a backward step in the work already accomplished to promote trade, which might jeopardise, or at all events seriously retard, any subsequent action.

The Convention was ratified by nineteen States, including most of the States which have since signed the Protocol regarding future negotiations. Unfortunately, certain temporary exceptions provided for in Article 6, paragraph 1, and the power conferred on States under

¹ For the text of the replies, see documents 2nd Conf./A.E.C./1 and Addenda.

Article 4 to maintain or impose veterinary prohibitions, have hindered certain countries from complying with the provisions of the Convention. The consequence of the economic interdependence of the majority of the European countries has been that the abstention of a few signatories has involved that of most of the others.

As regards some of these exceptions, the conditions are no longer the same as they were when the Convention was signed.

Moreover, thanks to the efforts of the League of Nations, such progress¹ has been made in the investigation of the international organisation of the campaign against animal diseases, of the development of veterinary services, and technical co-operation of States, that it is now possible to look forward to the early conclusion of agreements which should give importing and exporting States guarantees they do not at present possess, and the absence of which hampered the international trade in live animals and animal products.

That being the case, present circumstances would appear to make it imperative for the European States to undertake a further effort to secure the accession to the Prohibitions Convention of all the signatory States. It is therefore desirable that the future negotiations should deal with this subject.

2. Commercial Convention.

Mention should be made of another important point—the question of bringing into force the Commercial Convention of March 24th, 1930. This is another not less important condition for the success of the future negotiations.

The Commercial Convention represented the first stage in the general plan outlined in the recommendations of the tenth Assembly.

By inaugurating a period of calm and stability in Customs matters and in contractual relations, and by establishing in this sphere a real union between most of the European countries, the Convention aims at creating a situation favourable to the successful prosecution of the future negotiations for the better organisation of trade.

The Committee, having regard to the recommendations submitted to it as a guide in its work, *expresses its firm conviction that one of the most important and most urgent objects of the negotiations beginning on November 17th must be to ensure that the conditions necessary for the entry into force of this Convention are fulfilled.*

On this point, too, the eleventh Assembly made an earnest appeal to all the States concerned to see that the Convention should be “ put into force between the States signatories and obtain the accessions of the greatest possible number of other States ”.

Like the Convention for the Abolition of Prohibitions, the Commercial Convention constitutes a necessary safeguard under present circumstances. Without it, there is a danger that States will yield to the difficulties of the hour and denounce some of their commercial agreements, so as to free themselves from irksome tariff obligations, and that there will thus be a new and disastrous increase in Customs barriers.

Finally, apart from its immediate importance, the Commercial Convention forms a useful basis for future tariff negotiations ; it may be added to and developed, and it can thus facilitate a further step forward in the international settlement of Customs questions.

3. Convention on the Treatment of Foreigners.

The Convention on the Treatment of Foreigners is a third undertaking which the Economic Organisation has not so far been able to bring to a successful conclusion, but which no scheme of concerted action can ignore. On this point, the eleventh Assembly stated that “ real progress in the direction of economic union cannot be restricted to the movement of commodities and capital, but must necessarily extend, under as liberal a system as possible, to the economic activities of companies and individuals ”. The work undertaken encountered serious difficulties. The Conference summoned to carry it through was unable to reach a conclusion at its first session. By arranging for a further session, it nevertheless indicated its determination to frame a Convention drawn up in the most liberal spirit and marking a real advance on the present situation. The Conference itself laid down the procedure for the continuation of its work.

The Committee, while not modifying this procedure in any way, is of opinion that the States which meet on November 17th should begin preliminary discussions between themselves which would promote the success of the General Conference.

¹ The Sub-Committee of Experts on Veterinary Questions submitted to the Economic Committee, at its session in October 1930, a general report on the work of its four sessions. In the opinion of all the members of the Economic Committee and of the veterinary experts, this report furnishes technical data which make it possible now to frame draft proposals for a convention relating to the following questions :

(1) Organisation of veterinary services, methods of exchanging veterinary information, closer international co-operation between the various services ;

(2) Transit of cattle and animal products, including meat ;

(3) Import and export of animal products, with the exception of meat.

II.

TARIFF NEGOTIATIONS FOR THE GENERAL IMPROVEMENT OF TRADE.¹

The replies from Governments clearly indicate that the latter have a second object in view. This relates to tariff negotiations for the general improvement of trade.

Two proposals merit special attention.

One of these which appears in several replies has been formulated with special precision by the British Government. It aims at reducing Customs duties by taking groups of commodities and proceeding by stages. In the first place, some such groups as textile fabrics and machinery might be selected as a subject for negotiations. The negotiations might then be extended to other products of industry, agriculture, stock-raising, and fisheries.

In the other proposal, States are divided into two groups : those which, while hitherto retaining their tariff autonomy, pursue a liberal commercial policy, and those again which, while pursuing the policy of conventional tariffs, possess a more or less protectionist Customs regime. This distinction corresponds, moreover, to that drawn in the Commercial Convention of March 24th, 1930. The first States would undertake to maintain their liberal system in return for tariff benefits which would be granted to them by the second group, and which would remain subject to the most-favoured-nation clause. This proposal, which also is put forward in several replies, is most clearly formulated by the Netherlands Government.

The two proposals just mentioned are evidence of the same spirit and have the same end in view. The British Government seems indeed to establish a certain connection between the continuation of the undertaking not to create new protective duties, which it assumed on signing the Commercial Convention and the conclusion of agreements for the progressive reduction of the Customs barriers of States which pursue a protectionist policy.

While there can be no possible question as to the object in view, differences of opinion may nevertheless exist as to the method to be adopted.

On the one hand, it was pointed out that the Economic Committee had already made a close examination of proposals similar to that submitted by the British Government, and that experience had shown that the procedure was necessarily slow and complicated, although it was recognised that two useful conventions had been concluded on these lines—namely, those relating to export duties on hides and skins and on bones.

The objection was also raised that it might be difficult to provide within the limits of groups of commodities, no matter how extensive, the compensating advantages and concessions which are a necessary condition for any negotiations. Further, a reduction in tariff duties based on the total Customs revenue and on the application to this revenue of a certain percentage of reduction would involve various difficulties ; in particular, this method may not be adaptable to the economic conditions special to each particular case, and it may impose on States sacrifices for which there would not always be a compensating advantage.

Finally, it was pointed out that States which pursue the method of conventional tariffs have already, to a varying degree, reduced or consolidated their Customs duties.

On the other hand, the method of negotiations between the group of States pursuing an autonomous commercial policy and the group pursuing the policy of conventional tariffs would have a more limited effect than the method contemplated in the British proposal. It was maintained that it would lead to an agreement restricted to a certain number of countries, that it would only affect a limited number of Customs duties and, finally, that it might make it difficult to bring about a progressive reduction extending to European Customs tariffs as a whole.

In view of these various considerations, the Economic Committee was of opinion that both the proposed methods should be retained, and that both should be submitted to the forthcoming Conference of Governments, in the hope that the Conference might be able usefully to co-ordinate them with a view to the proposed negotiations.

In formulating this conclusion, the Economic Committee has kept in mind the provision in the Final Act of the Conference whereby the enquiries and negotiations contemplated in Articles 1 and 2 of the Protocol should proceed *pari passu*. It considers that the matters mentioned in Article 2 may accordingly be included in the tariff negotiations which will take place on the basis of the above proposals.

Finally, the Committee, taking into account the present situation, as it was explicitly recommended to do in the Protocol, cannot disguise the fact that the economic depression which is being felt in all countries makes the success of the contemplated negotiations a matter of exceptional difficulty. Nevertheless, although the crisis creates serious obstacles, the evils it is causing everywhere in the world bring home more clearly the need for an improvement in the conditions of trade and the impossibility of effecting real progress in this direction by any means other than the concerted and joint action of States.

¹ *Note.* — As the Economic Committee cannot indicate in detail the main proposals submitted on this subject, it strongly recommends careful consideration of the replies received from the Netherlands, Belgium, Austria, and, in particular, the British Government.

III.

NEGOTIATIONS REGARDING THE SYSTEM OF TRADE OF THE AGRICULTURAL COUNTRIES
OF EASTERN EUROPE.

A third important consideration is raised in the identical replies from Hungary, Roumania and Yugoslavia, with which Poland has associated herself in the resolutions of the Warsaw Conference. The Governments of these countries regard an increase in the purchasing power of their populations as the most effective means of extending markets and improving international trade. With this object, their chief endeavour is to take effective steps to ensure the disposal of their surplus agricultural produce at prices which will secure the farmer a reasonable return.

The first means they propose is preferential Customs treatment in the European importing countries for the produce in question ; it was pointed out that this treatment should not lead to an increased production of cereals in the countries benefiting thereby.

The three countries named observe that, while such preferential treatment would, of course, constitute an exception to the general most-favoured-nation clause, it could not prejudice the interests of overseas countries, as the latter must still remain the principal source of supply for Europe, whose production falls far short of its needs.

It is further pointed out that the Customs duties in the general tariff would remain applicable to exports from outside Europe and that, as prices would be fixed on the basis of those duties, the proposed system would in no way reduce the protection afforded to agricultural interests in the importing countries ; the only sacrifice the latter are asked to make is a certain reduction in Customs duties.

The three Danubian States further ask :

(a) That the European importing countries should consolidate all import duties on European agricultural produce at a reasonable level, so as to leave a margin of profit to agricultural producers in the exporting countries ;

(b) That there should be complete freedom of trade in cereals and agricultural produce on the European market ;

(c) That all impediments to trade and measures of every kind which have the effect of artificially limiting imports of cereals and other agricultural produce or of displacing centres of consumption should be entirely abolished.

While the replies from the Danubian States bring forward the question of agricultural produce in general, they lay chief stress on cereals—naturally enough, when it is remembered that the trade in cereals is a vital problem for those three countries.

These demands were brought to the knowledge of the last Assembly of the League, which was at the same time informed of the results of the Conference of the agricultural countries held at Warsaw last August. The Conference drew up a programme for co-operation among the agricultural countries of Eastern Europe with a view to putting an end to the unbridled competition among them in organising their production and trade on a better-balanced system.

The Assembly displayed the keenest interest in this part of the programme. It took the view that the differences in economic conditions, especially the price of money, form a serious obstacle to the natural development of European prosperity. It was inevitable, however, that the demand for preferential treatment should raise a controversy in the Assembly, because it amounts to an attack on the principle of most-favoured-nation treatment. The Assembly, nevertheless, expressed the view that, having regard to the present depression, the States signatories of the Protocol should not, in their negotiations, reject *a priori* any solution that might improve their economic relations. It showed that it was anxious not to prevent the countries of Europe from devising a better economic organisation, but reminded them that the tenth Assembly, in its resolution regarding concerted economic action, had reserved to other countries the right to take steps to protect their own interests.

Subject to this reservation, the Assembly considered that the demand of the three agricultural countries—which also appears in the Warsaw resolutions—should be included in the negotiations which are to open on November 17th between the States signatories of the Protocol.

Reference had to be made to these facts, because the Economic Committee was bound to bear them in mind in examining the replies of Hungary, Roumania and Yugoslavia.

To form a just idea of the extent of the demand for preferential treatment put forward by the three Danubian States, it is necessary to state accurately the volume of the trade to which it applies.

Theoretically, as we have seen, it questions the important principle of most-favoured-nation treatment. The preferential treatment requested would obviously constitute an exception to the most-favoured-nation clause ; it could therefore only be applied with the assent of the States receiving this treatment under the treaties in force.

In actual fact, however, the cereal exports of the three countries concerned are negligible in comparison with the aggregate imports of the other European countries. Seen in its true proportions, therefore, the problem is not attended by such difficulties as appearances would suggest.

Nor must it be forgotten that the range of distribution of surplus cereals is limited by transport costs. The normal markets for these surpluses of the Danubian States are restricted to a few contiguous or neighbouring countries—chiefly Austria, Czechoslovakia, Germany, Italy and Switzerland. The most important of these consuming markets have to import considerable quantities of cereals, and these are obtained almost entirely from overseas, the share of the Danubian States being relatively negligible.

It remains to consider the position of those European countries in which, owing to the distance, cereals from the Danubian countries cannot normally find a market. Whether they would consent to preferential treatment accorded the importing countries is not an immediate practical difficulty, but merely a question of principle.

The European countries which are asked to give preferential treatment to cereals from Eastern Europe would, of course, be justified in asking for a consideration in return. This consideration would naturally take the form of Customs facilities for their imports into the Eastern countries. It does not, of course, imply the granting of preferential treatment, because that would lead to new discriminations which would inevitably raise great difficulties. Moreover, it must not be forgotten that the countries which might grant preferential treatment to cereals from Eastern Europe are far and away the chief exporters of industrial products to the agricultural countries from which they desire compensation.

Having regard to the various factors in the question, the Economic Committee considers that the proposal for the grant of preferential treatment to cereals from Eastern Europe should be included in the programme of future negotiations.

It is understood that any agreement that might be reached on such a basis could not come into force until it had been endorsed by those States, whether signatories to the Protocol or not, which are guaranteed most-favoured-nation treatment by treaty.

The Economic Committee would add that in any case the granting of preferential treatment should be regarded as an exceptional measure, to meet abnormal circumstances.

While the agricultural countries of Eastern Europe attach special importance to their demand for preferential treatment, they do not refuse to consider any other measure which might directly or indirectly help to ensure the disposal of their surplus produce on satisfactory terms.

Such measures might relate to the organisation of trade and in the establishment of selling organisations in exporting countries and buying organisations in importing countries.

Accordingly, consideration should be given to the possibility of setting up a Commission to continue investigations in connection with the improvement of the European trade in cereals, both from the point of view of markets and from those of internal organisation, the standardisation of products, storage, transport, and the development of credit.

CONCLUSIONS.

Having carefully analysed the replies from Governments, the Economic Committee is of opinion that if the following proposals formed the basis of the future negotiations, they might lead to positive results :

1. *Re-examination of the Convention on Import and Export Prohibitions, with the object of securing the accession of all the signatory States and doing away with the temporary exceptions as far as possible.*
2. *Conditions necessary for bringing the Commercial Convention of March 24th, 1930, into force between the largest possible number of States.*
3. *Endeavour to secure a preliminary understanding among European countries in order to ensure a satisfactory issue for the second session of the Conference on the Treatment of Foreigners.*
4. *Tariff negotiations with a view to a general improvement in trade on the basis of the proposals set forth in the second section of the present report.*
5. *Negotiations regarding the trade system of the agricultural countries of Eastern Europe.*

[Communiqué au Conseil
et aux Membres de la
Société des Nations.]

N^o officiel: **C. 655. M. 270.** 1930.II.

Genève, le 9 décembre 1930.

SOCIÉTÉ DES NATIONS

DEUXIÈME CONFÉRENCE INTERNATIONALE

EN VUE D'UNE

ACTION ÉCONOMIQUE CONCERTÉE

(Genève, du 17 au 28 novembre 1930)

ACTE FINAL

LEAGUE OF NATIONS

SECOND INTERNATIONAL CONFERENCE

WITH A VIEW TO

CONCERTED ECONOMIC ACTION

(Geneva, November 17th to 28th, 1930)

FINAL ACT

Série de Publications de la Société des Nations

II. QUESTIONS ÉCONOMIQUES
ET FINANCIÈRES
1930. II. 52.

ACTE FINAL

LES GOUVERNEMENTS DE L'ALLEMAGNE, DE L'AUTRICHE, DE LA BELGIQUE, DE LA GRANDE-BRETAGNE ET DE L'IRLANDE DU NORD, DE LA BULGARIE, DU DANEMARK, DE L'ESPAGNE, DE L'ESTONIE, DE LA FINLANDE, DE LA FRANCE, DE LA GRÈCE, DE LA HONGRIE, DE L'ÉTAT LIBRE D'IRLANDE, DE L'ITALIE, DE LA LETTONIE, DE LA LITHUANIE, DU LUXEMBOURG, DE LA NORVÈGE, DES PAYS-BAS, DE LA POLOGNE, DU PORTUGAL, DE LA ROUMANIE, DE LA SUÈDE, DE LA SUISSE, DE LA TCHÉCOSLOVAQUIE ET DE LA YOUGOSLAVIE,

Ayant reçu la convocation qui leur a été adressée par le Secrétaire général de la Société des Nations, en vue de participer à une Conférence ayant pour objet:

1^o De prendre une décision, conformément à l'article XIII de la Convention commerciale du 24 mars 1930, quant à la date et aux conditions de la mise en vigueur de cette Convention;

2^o D'assurer — conformément à une décision prise le 3 octobre 1930 par le Conseil de la Société des Nations comme suite au vœu exprimé par la onzième Assemblée, et sur la base des propositions élaborées par le Comité économique au cours de sa trente-troisième session¹ — la mise en œuvre progressive du programme de négociations ultérieures établi par le Protocole du 24 mars 1930,

Ont à cet effet désigné les délégations suivantes:

ALLEMAGNE.

<i>Premier délégué:</i>	
Le docteur H. E. POSSE,	Directeur ministériel au Ministère de l'Economie du Reich.
<i>Délégués:</i>	
Le docteur L. IMHOFF,	Conseiller ministériel au Ministère de l'Economie du Reich.
M. O. SARNOW,	Conseiller ministériel au Ministère des Finances du Reich.
Le docteur A. WALTER,	Conseiller ministériel au Ministère du Ravitaillement et de l'Agriculture du Reich.
M. E. WIEHL,	Conseiller de Légation au Ministère des Affaires étrangères.
<i>Conseiller technique:</i>	
Le docteur M. FREUDENTHAL,	Conseiller de Légation au Ministère des Affaires étrangères.
<i>Secrétaire:</i>	
M. J. VON ALBERT,	Landrichter.

AUTRICHE.

<i>Délégués:</i>	
Le docteur Richard SCHÜLLER,	Directeur de la Section économique au Département des Affaires étrangères.
Le docteur R. BOLLER,	Conseiller au Ministère fédéral du Commerce et des Communications.

BELGIQUE.

<i>Délégués:</i>	
M. F. VAN LANGENHOVE,	Secrétaire général du Ministère des Affaires étrangères.
Son Excellence M. J. BRUNET,	Ministre plénipotentiaire.
M. M. SUETENS,	Directeur au Ministère des Affaires étrangères.
<i>Conseiller technique:</i>	
M. VAN DER VAEREN,	Directeur général au Ministère de l'Agriculture.
<i>Secrétaire:</i>	
M. E. NICAISE,	Attaché au Cabinet du Ministre des Affaires étrangères.

¹ Voir document 2^o Conf./A.E.C./2 ou document C.641.M.260.1930.II.

FINAL ACT.

THE GOVERNMENTS OF AUSTRIA, BELGIUM, GREAT BRITAIN AND NORTHERN IRELAND, BULGARIA, CZECHOSLOVAKIA, DENMARK, ESTONIA, FINLAND, FRANCE, GERMANY, GREECE, HUNGARY, THE IRISH FREE STATE, ITALY, LATVIA, LITHUANIA, LUXEMBURG, THE NETHERLANDS, NORWAY, POLAND, PORTUGAL, ROUMANIA, SPAIN, SWEDEN, SWITZERLAND AND YUGOSLAVIA,

Having received the invitation sent to them by the Secretary-General of the League of Nations to take part in a Conference for the purpose of:

(1) Taking a decision in accordance with Article XIII of the Commercial Convention of March 24th, 1930, with regard to the date and conditions of putting this Convention into force;

(2) Ensuring—in conformity with a decision taken on October 3rd, 1930, by the Council of the League of Nations in response to the recommendation made by the Eleventh Assembly, and on the basis of the proposals drawn up by the Economic Committee during its thirty-third session¹—the progressive carrying into effect of the programme of future negotiations contained in the Protocol of March 24th, 1930,

Have appointed for this purpose the following delegations:

GERMANY.

<i>First Delegate:</i> Dr. H. E. POSSE,	Ministerial Director at the Ministry of Economic Affairs of the Reich.
<i>Delegates:</i> Dr. L. IMHOFF, M. O. SARNOV, Dr. A. WALTER, M. E. WIEHL,	Ministerial Counsellor at the Ministry of Economic Affairs of the Reich. Ministerial Counsellor at the Ministry of Finance of the Reich. Ministerial Counsellor at the Ministry of Supplies and Agriculture of the Reich. Counsellor of Legation at the Ministry of Foreign Affairs.
<i>Technical Adviser:</i> Dr. M. FREUDENTHAL,	Counsellor of Legation at the Ministry of Foreign Affairs.
<i>Secretary:</i> M. J. von ALBERT,	Landrichter.

AUSTRIA.

<i>Delegates:</i> Dr. Richard SCHÜLLER, Dr. R. BOLLER,	Director of the Economic Section, Department of Foreign Affairs. Counsellor at the Federal Ministry of Commerce and Communications.
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BELGIUM.

<i>Delegates:</i> M. F. VAN LANGENHOVE, His Excellency M. J. BRUNET, M. M. SUETENS,	Secretary-General of the Ministry of Foreign Affairs. Minister Plenipotentiary. Director at the Ministry of Foreign Affairs.
<i>Technical Adviser:</i> M. VAN DER VAEREN,	Director-General at the Ministry of Agriculture.
<i>Secretary:</i> M. E. NICAISE,	“ Attaché au Cabinet ” of the Minister for Foreign Affairs.

¹ See document 2nd Conf./A.E.C./2. or document C.641.M.260.1930.II.

GRANDE-BRETAGNE ET IRLANDE DU NORD

ainsi que toutes parties de l'Empire britannique non membres séparés de la Société des Nations.

Premier délégué:

Sir Sydney CHAPMAN, K.C.B., C.B.E.,

Principal Conseiller économique du Gouvernement
de Sa Majesté en Grande-Bretagne.

Délégué:

Mr. C. J. FLYNN,

Du Département des Douanes et Accises.

Conseillers techniques:

Mr. R. J. SHACKLE,
Mr. F. H. TAYLOR,

Du « Board of Trade ».
Du « Board of Trade ».

Secrétaire:

Mr. G. S. BAILEY,

Secrétaire particulier de sir S. Chapman.

BULGARIE.

Premier délégué:

Son Excellence M. le professeur
Dimitri MICHAYKOFF,

Ministre du Commerce, de l'Industrie et du Travail.

Délégué:

M. Dimitri MIKOFF,

Chargé d'Affaires à Berne, Délégué permanent auprès
de la Société des Nations.

Expert:

M. Ivan GABENSKY,

Chef de la Section du Commerce et de l'Industrie
au Ministère du Commerce, de l'Industrie et du
Travail.

DANEMARK.

Délégués:

Son Excellence M. C. V. BRAMSNAES,
Son Excellence M. J. CLAN,

Ministre des Finances (chef de la Délégation).
Envoyé extraordinaire et Ministre plénipotentiaire,
ancien Président de la Commission des traités
de commerce.

M. William BORBERG,

Délégué permanent auprès de la Société des Nations.

ESPAGNE.

Délégués:

Son Excellence
M. Luis RODRIGUEZ DE VIGURI,
M. Carlos BADIA,

Ministre de l'Economie nationale.
Directeur général du Commerce au Ministère de
l'Economie nationale.
Chef d'administration à la Direction générale des
Douanes du Ministère des Finances.

M. Federico LACASA,

Secrétaire:

M. Juan DE LAS BÁRCENAS,

Secrétaire d'ambassade au Bureau espagnol de la
Société des Nations au Ministère des Affaires
étrangères.

ESTONIE.

Délégué:

M. A. SCHMIDT,

Ministre adjoint des Affaires étrangères.

FINLANDE.

Délégués:

Son Excellence M. le docteur R. HOLSTI,

Envoyé extraordinaire et Ministre plénipotentiaire,
Délégué permanent auprès de la Société des
Nations.

Son Excellence M. le docteur K. JÄRVINEN,

Professeur à l'Ecole des Hautes Etudes commerciales
à Helsinki, ancien Ministre des Finances et du
Commerce.

GREAT BRITAIN AND NORTHERN IRELAND

and all parts of the British Empire which are not separate members of the League of Nations.

Principal Delegate:

Sir Sydney CHAPMAN, K.C.B., C.B.E.,

Chief Economic Adviser to His Britannic Majesty's Government in Great Britain.

Deputy Delegate:

Mr. C. J. FLYNN,

Board of Customs and Excise.

Technical advisers:

Mr. R. J. SHACKLE,

Board of Trade.

Mr. F. H. TAYLOR,

Board of Trade.

Secretary:

Mr. G. S. BAILEY,

Private Secretary to Sir S. Chapman.

BULGARIA.

First Delegate:

His Excellency Professor Dimitri MICHAYKOFF,

Minister of Commerce, Industry and Labour.

Delegate:

M. Dimitri MIKOFF,

Chargé d'Affaires at Berne, Permanent Delegate accredited to the League of Nations.

Expert:

M. Ivan GABENSKY,

Head of the Section of Commerce and Industry at the Ministry of Commerce, Industry and Labour.

DENMARK.

Delegates:

His Excellency M. C. V. BRAMSNAES,
His Excellency M. J. CLAN,

Minister of Finance, Head of the Delegation.
Envoy Extraordinary and Minister Plenipotentiary,
former President of the Commission for Commercial Treaties.

M. William BORBERG,

Permanent Delegate accredited to the League of Nations.

SPAIN.

Delegates:

His Excellency
M. Luis RODRIGUEZ DE VIGURI,
M. Carlos BADIA,

Minister of National Economy.
Director-General of Commerce at the Ministry of National Economy.
Chief of Administration at the General Department of Customs, Ministry of Finance.

M. Federico LACASA,

Secretary:

M. Juan DE LAS BÁRCENAS,

Secretary of Embassy at the Spanish League of Nations Office in the Ministry of Foreign Affairs.

ESTONIA.

Delegate:

M. A. SCHMIDT,

Deputy Minister for Foreign Affairs.

FINLAND.

Delegates:

His Excellency Dr. R. HOLSTI,

Envoy Extraordinary and Minister Plenipotentiary,
Permanent delegate accredited to the League of Nations.

His Excellency Dr. K. JÄRVINEN,

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Secrétaires :

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Secrétaire de légation à la Délégation permanente auprès de la Société des Nations.

Délégués :

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M. P. ELBEL,

M. E. LÉCUYER,

M. P. ARNAL,

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Directeur des Accords commerciaux au Ministère du Commerce.

Administrateur des Douanes.

Consul au Ministère des Affaires étrangères.

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Secrétaire :

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Secrétaire d'ambassade.

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Délégué :

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Délégués adjoints :

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Sénateur, Ambassadeur.

Délégués adjoints :

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Directeur général de l'Agriculture.

Directeur général de la Production industrielle et des Echanges au Ministère des Corporations.

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Le docteur G. DE VECCHI.

Inspecteur supérieur au Ministère des Corporations.

Secrétaire :

Le docteur A. BERIO,

Secrétaire de légation.

Secretaries:

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M. P. HJELT,

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Secretary of Legation to the Permanent Delegation accredited to the League of Nations.

Delegates:

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M. P. ARNAL,

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Secretary:

M. F. SEYDOUX,

Secretary of Embassy.

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Deputy Delegates:

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Director-General of Agriculture.

Director-General of Industrial Production and Exchanges at the Ministry of Corporations.

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Secretary:

Dr. A. BERIO,

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LETTONIE.

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LITHUANIE.

Délégué:

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LUXEMBOURG.

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NORVÈGE.

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Délégué:

Le docteur J. A. NEDERBRAGT,

Directeur des Affaires économiques et consulaires
au Département des Affaires étrangères, Président
des Commissions pour les traités de commerce.

POLOGNE.

Premier délégué:

Son Excellence le docteur F. DOLEZAL,

Sous-Secrétaire d'Etat au Ministère de l'Industrie
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M. A. ROMAN,

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PORTUGAL

Premier délégué:

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Délégués:

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Ancien Ministre du Commerce, Professeur à l'Institut
supérieur de commerce de Lisbonne, Directeur à
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M. João Augusto FERREIRA DA COSTA,

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LITHUANIA.

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Paris.

LUXEMBURG.

Delegates:
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M. J. P. MERTZ,

Member of the "Conseil supérieur" of the Economic
Union of Belgium and Luxemburg.
Director of the Federation of Agricultural Associa-
tions.

NORWAY.

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M. N. ÖSTBYE,

Chief Director of the Central Statistical Office.
Head of Department at the Ministry of Customs.

Secretary:
M. T. SEIPPEL,

Secretary at the Ministry of Foreign Affairs.

THE NETHERLANDS.

Delegate:
Dr. J. A. NEDERBRAGT,

Director of Economic and Consular Affairs at the
Department of Foreign Affairs, President of
the Commercial Treaties Commissions.

POLAND.

First Delegate:
His Excellency Dr. F. DOLEZAL,

Under-Secretary of State at the Ministry of
Industry and Commerce.

Delegates:
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M. A. ROSE,
M. A. ROMAN,

Director of the Department of Commerce at the
Ministry of Commerce and Industry.
Director of the Economic Department at the
Ministry of Agriculture.
Head of the Economic Office at the Ministry of
Foreign Affairs.

Technical Advisers:
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M. H. STEBELSKI,

Counsellor at the Ministry of Industry and Commerce.
Editor at the Ministry of Foreign Affairs.

PORTUGAL.

First Delegate:
Dr. CAEIRO DA MATTA,

Professor of International Law at the Universities of
Coimbra and Lisbon, Rector at the University of
Lisbon, and Director of the Bank of Portugal.

Delegates:
His Excellency M. Antonio Augusto CURSON,
M. João Augusto FERREIRA DA COSTA,

Former Minister of Commerce, Professor at the High
Institute of Commerce at Lisbon, Director at the
General Customs Administration.
Professor at the High Institute of Commerce at
Lisbon.

Délégué adjoint:

M. A. FERRAZ DE ANDRADE,

Premier secrétaire de légation, Chef de la Chancellerie portugaise auprès de la Société des Nations.

Délégués:

Son Excellence M. M. MANOÏLESCO,
Son Excellence M. E. NECULCEA,
M. C. POPESCU,

Ministre de l'Industrie et du Commerce.
Ministre plénipotentiaire.
Directeur général au Ministère de l'Industrie et du Commerce.

Experts:

M. J. MATASARU,
M. A. HOLBAN.

Attaché commercial en Suisse
Conseiller au Ministère de l'Industrie et du Commerce.

Secrétaire:

M. F. VRIONI,

Chef du Cabinet, Ministère de l'Industrie et du Commerce.

Délégués:

Son Excellence M. V. LUNDBIK,
M. E. INSULANDER,
M. C. GÜNTHER,

SUÈDE.

Ancien Ministre du Commerce, Directeur en chef de la Fédération des industries suédoises.
Directeur général et Chef de l'Administration royale de l'Agriculture.
Directeur des Affaires commerciales au Ministère Royal des Affaires étrangères.

Secrétaire:

M. E. DE POST,

Secrétaire au Ministère des Affaires étrangères.

Délégués:

M. W. STUCKI,
M. E. WETTER,

SUISSE.

Directeur de la Division du Commerce au Département fédéral de l'Economie publique.
Vice-Président de la Direction de la Société suisse du Commerce et de l'Industrie.

Secrétaire:

M. R. RUBATTEL,

Premier Chef de section de la Division de l'Agriculture au Département fédéral de l'Economie publique.

Délégués:

Son Excellence M. Z. FIERLINGER,
Son Excellence le docteur F. PEROUTKA,
Le docteur L. PAZDERKA,

TCHÉCOSLOVAQUIE.

Délégué permanent auprès de la Société des Nations, Envoyé extraordinaire et Ministre plénipotentiaire auprès du Conseil fédéral suisse.
Chef de Section au Ministère du Commerce, ancien Ministre.
Chef de section au Ministère de l'Agriculture.

Secrétaires:

Le docteur V. HAVLAS,
M. L. RADIMSKY,

Secrétaire au Ministère du Commerce.
Docteur en droit, Secrétaire de légation au Ministère des Affaires étrangères.

Délégués:

Son Excellence M. I. CHOUMENKOVITCH,
M. M. TODOROVITCH,
M. V. STOYKOVITCH,
M. M. PILJA,

YOUGOSLAVIE.

Délégué permanent auprès de la Société des Nations, Envoyé extraordinaire et Ministre plénipotentiaire auprès du Conseil fédéral suisse.
Professeur à l'Université de Belgrade.
Directeur de politique agraire au Ministère de l'Agriculture.
Inspecteur au Ministère du Commerce et de l'Industrie.

Deputy Delegate:
M. A. FERRAZ DE ANDRADE,

First Secretary of Legation, Chief of the Portuguese Office accredited to the League of Nations.

Delegates:
His Excellency M. M. MANOÏLESCO,
His Excellency M. E. NECULCEA,
M. C. POPESCU,

Experts:
M. J. MATASARU,
M. A. HOLBAN,

Secretary:
M. F. VRIONI,

ROUMANIA.

Minister of Industry and Commerce.
Minister Plenipotentiary.
Director General at the Ministry of Industry and Commerce.

Attaché commercial in Switzerland.
Counsellor at the Ministry of Industry and Commerce.

“Chef du Cabinet”, Ministry of Industry and Commerce.

Delegates:
His Excellency M. V. LUNDBIK,
M. E. INSULANDER,
M. C. GÜNTHER,

Secretary:
M. E. DE POST,

SWEDEN.

Former Minister of Commerce, Director General of the Federation of Swedish Industries.
Director General and Head of the Royal Administration of Agriculture.
Director of Commercial Affairs at the Ministry of Foreign Affairs.

Secretary at the Ministry of Foreign Affairs.

Delegates:
M. W. STUCKI,
M. E. WETTER,
Secretary:
M. R. RUBATTEL,

SWITZERLAND.

Director of the Commercial Division at the Federal Department of Public Economy.
Vice-President of the Direction of the Swiss Society of Commerce and Industry.

First Head of Section at the Division of Agriculture at the Federal Department of Public Economy.

Delegates:
His Excellency M. Z. FIERLINGER,
His Excellency Dr. F. PEROUTKA,
Dr. L. PAZDERKA,

Secretaries:
Dr. V. HAVLAS,
M. L. RADIMSKY,

CZECHOSLOVAKIA.

Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council.
Head of Section at the Ministry of Commerce, Former Minister.
Head of Section at the Ministry of Agriculture.

Secretary at the Ministry of Commerce.
Doctor of Law, Secretary of Legation at the Ministry of Foreign Affairs.

YUGOSLAVIA.

Delegates:
His Excellency M. I. CHOUMENKOVITCH,
M. M. TODOROVITCH,
M. V. STOYKOVITCH,
M. M. PILJA,

Permanent Delegate accredited to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council.
Professor at the University of Belgrade.
Director of Agrarian Policy at the Ministry of Agriculture.
Inspector at the Ministry of Commerce and Industry.

Conseillers techniques :

M. R. BOUYDITCH,

Conseiller au Ministère des Finances, Section des
Douanes.

M. M. LAZAREVIC,

Conseiller au Ministère du Commerce et de l'In-
dustrie.

M. I. MOHORITCH,

Conseiller général de la Chambre de Commerce, de
l'Industrie et des Métiers à Ljubljana.

Secrétaire :

M. S. OBRADOVITCH,

Secrétaire au Ministère du Commerce et de l'In-
dustrie.

Ont assisté à la Conférence en qualité d'observateurs :

ÉTATS-UNIS D'AMÉRIQUE.

M. Prentiss B. GILBERT,
M. James W. RIDDLEBERGER,

Consul à Genève.
Vice-Consul à Genève.

CHINE.

Le docteur WOO KAISENG,
M. CHEN-TING,

Ministre plénipotentiaire.
Secrétaire de légation.

CUBA.

Son Excellence
M. G. DE BLANCK Y MENOCAI,

Envoyé extraordinaire et Ministre plénipotentiaire,
Délégué permanent auprès de la Société des
Nations.

RÉPUBLIQUE DOMINICAINE.

M. C. ACKERMANN,

Consul à Genève.

JAPON.

M. Masatoshi AKIYAMA,

Secrétaire de l'Ambassade du Japon à Rome.

ÉTATS-UNIS DU MEXIQUE.

M. A. Castro LEAL,

Observateur permanent des Etats-Unis du Mexique
auprès de la Société des Nations.

PERSE.

M. A. MOTAMEDY,

Premier Secrétaire de légation.

TURQUIE.

CHEVKRET FUAD Bey.

Consul à Genève.

Technical Advisers:

M. R. BOUYDITCH,	Counsellor at the Ministry of Finance, Department of Customs.
M. M. LAZAREVIC,	Counsellor at the Ministry of Commerce and Industry.
M. I. MOHORITCH,	Counsellor-General of the Chamber of Commerce, Industry and Crafts at Ljubljana.
<i>Secretary:</i>	
M. S. OBRADOVITCH,	Secretary at the Ministry of Commerce and Industry.

Present at the Meeting as Observers:

UNITED STATES OF AMERICA.

M. Prentiss B. GILBERT,	Consul at Geneva.
M. James W. RIDDLEBERGER,	Vice-Consul at Geneva.

CHINA.

Dr. WOO KAISENG,	Minister Plenipotentiary.
M. CHEN-TING,	Secretary of Legation.

CUBA.

His Excellency	Envoy Extraordinary and Minister Plenipotentiary,
M. G. DE BLANCK Y MENOCAI,	Permanent Delegate accredited to the League of Nations.

DOMINICAN REPUBLIC.

M. C. ACKERMANN,	Consul at Geneva.
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JAPAN.

M. Masatoshi AKIYAMA,	Secretary of the Japanese Embassy at Rome.
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UNITED STATES OF MEXICO.

M. A. Castro LEAL,	Permanent Observer of the United States of Mexico accredited to the League of Nations.
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PERSIA.

M. A. MOTAMEDY,	First Secretary of Legation.
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TURKEY.

CHEVKRET FUAD Bey,	Consul at Geneva.
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Ces délégations se sont, en conséquence, réunies à Genève du 17 au 28 novembre 1930.

Le Conseil de la Société des Nations a appelé aux fonctions de président de la Conférence Son Excellence M. H. COLIJN, Ministre d'Etat des Pays-Bas.

La Conférence a adopté les résolutions ci-après :

A. CONVENTION COMMERCIALE.

La Conférence a décidé de poursuivre, au cours d'une session ultérieure dont la date sera déterminée par le Secrétaire général de la Société des Nations, après consultation du Président de la Conférence, les travaux prévus au second alinéa de l'article XIII de la Convention commerciale du 24 mars 1930.

Elle constate que les délégués des pays au nom desquels l'instrument de ratification a été déposé au Secrétariat de la Société des Nations avant le 1^{er} novembre 1930, ont décidé de considérer les ratifications ou demandes d'adhésion à la susdite Convention déposées ou introduites auprès du Secrétaire général après le 1^{er} novembre 1930 et avant le 25 janvier 1931, comme ayant les mêmes effets que si le dépôt de la ratification ou la demande d'adhésion avaient été effectués avant le 1^{er} novembre 1930.

B. NÉGOCIATIONS TENDANT A L'AMÉLIORATION GÉNÉRALE DES ÉCHANGES SUR LA BASE DE LA PROPOSITION N° 4 DU COMITÉ ÉCONOMIQUE ¹.

La Conférence, ayant soigneusement examiné les méthodes auxquelles il convient de recourir pour mettre en œuvre les négociations envisagées par le Protocole relatif au programme de négociations ultérieures, constate, en ce qui concerne la quatrième proposition du Comité économique, que les négociations visées dans la proposition susdite ne pourraient être entamées à la fois entre tous les Etats signataires.

La Conférence a cependant noté avec satisfaction que certains Etats se sont déclarés disposés à négocier, dans certaines conditions, avec d'autres Etats en vue d'apporter à leurs relations commerciales des améliorations dont les Etats tiers seraient appelés à bénéficier en vertu de la clause de la nation la plus favorisée.

La Conférence exprime l'espoir qu'il sera possible de parvenir par cette voie à une détente générale dans le domaine des échanges internationaux.

C. NÉGOCIATIONS RELATIVES AU RÉGIME DES ÉCHANGES DES ÉTATS AGRICOLES DE L'EUROPE CENTRALE ET ORIENTALE, SUR LA BASE DE LA PROPOSITION N° 5 DU COMITÉ ÉCONOMIQUE ¹.

La Conférence a pris connaissance de l'étude à laquelle s'est livré le Sous-Comité désigné par elle en vue d'examiner la question des négociations relatives au régime des échanges des Etats agricoles de l'Europe centrale et orientale.

Elle a été mise au courant des efforts entrepris au cours des derniers mois par ces Etats afin de surmonter la crise dont ils sont atteints, et elle a pris note des déclarations faites par leurs représentants, d'après lesquelles le but principal de leurs efforts consiste à adapter le niveau des prix d'exportation des principaux produits agricoles à leur prix de revient.

* * *

Elle a pris note de la proposition ² présentée par la Bulgarie, la Hongrie, la Pologne, la Roumanie et la Yougoslavie, relative à un *régime douanier préférentiel* des céréales originaires de ces pays, ainsi que du contenu du rapport ci-annexé.

Elle souligne l'importance des questions soulevées par le Comité économique dans sa proposition N° 5 ¹, en ce qui concerne *l'organisation* du commerce des céréales, l'institution d'organismes d'exportation et d'importation ainsi que la collaboration des ces organismes.

* * *

Enfin, considérant que la question du *crédit agricole*, discutée à la Société des Nations depuis la Conférence économique internationale de 1927, ainsi qu'à l'Institut international d'Agriculture, est actuellement d'une importance capitale pour certains pays et demande une solution urgente, elle prend acte avec intérêt du mémorandum établi à ce sujet par la Conférence de Varsovie du 11 novembre 1930 ³.

¹ Voir document 2° Conf. / A.E.C. / 2.

² Voir document 2° Conf. / A.E.C. / 1.

³ Voir document 2° Conf. / A.E.C. / 11.

These delegations accordingly met at Geneva from November 17th to 28th, 1930.

The Council of the League of Nations appointed His Excellency M. H. COLIJN, Minister of State of the Netherlands, to act as President of the Conference.

The Conference adopted the following resolutions:

A. COMMERCIAL CONVENTION.

The Conference has decided to continue at a later session, the date of which will be determined by the Secretary-General of the League of Nations in consultation with the President of the Conference, the work provided for in paragraph 2 of Article XIII of the Commercial Convention of March 24th, 1930.

It notes that the delegates of the countries on whose behalf the instruments of ratification were deposited at the Secretariat of the League of Nations before November 1st, 1930, have decided to consider ratifications or requests to accede to the said Convention deposited or lodged with the Secretary-General after November 1st, 1930, but before January 25th, 1931, as having the same effect as if the ratification had been deposited or the request to accede had been lodged before November 1st, 1930.

B. NEGOTIATIONS WITH A VIEW TO A GENERAL IMPROVEMENT IN TRADE ON THE BASIS OF PROPOSAL No. 4 OF THE ECONOMIC COMMITTEE.¹

The Conference, having carefully considered the methods for setting on foot the negotiations contemplated by the Protocol of Future Negotiations, notes, as far as point 4 of the proposals of the Economic Committee is concerned, that the negotiations referred to in the aforesaid proposal could not be entered upon by all the signatory States en bloc.

The Conference has however noted with satisfaction that certain States have declared themselves willing to negotiate, under certain conditions, with other States in order to assure improvements in their commercial relations, from which third States would benefit in virtue of the most-favoured-nation clause.

The Conference expresses the hope that it will be possible in this way to arrive at a general "détente" in the field of international commercial exchanges.

C. NEGOTIATIONS RELATING TO THE TRADE SYSTEM OF THE AGRICULTURAL COUNTRIES OF CENTRAL AND EASTERN EUROPE, ON THE BASIS OF PROPOSAL No. 5 OF THE ECONOMIC COMMITTEE.¹

The Conference has noted the enquiry conducted by the Sub-Committee appointed by it to examine the question of negotiations concerning the trade of the agricultural States of Central and Eastern Europe.

The efforts made during the last few months by these States to overcome the crisis from which they are suffering have been explained to it and it has noted the statements made by their representatives to the effect that the main object of their efforts is to adapt the level of export prices of the main agricultural products to the cost price of those products.

* * *

It has noted the proposals² submitted by Bulgaria, Hungary, Poland, Roumania and Yugoslavia concerning a *preferential Customs regime* for cereals coming from these countries, and also the contents of the Report annexed hereto.

It stresses the importance of the questions raised by the Economic Committee in its proposal No. 5¹ as regards the *organisation* of the trade in cereals, the establishment of exporting and importing organisations and collaboration between these organisations.

* * *

Finally, considering that the question of *agricultural credits*, discussed by the League of Nations since the World Economic Conference of 1927 and by the International Institute of Agriculture, is at present a matter of capital importance for certain countries and calls for urgent solution, it notes with interest the memorandum³ prepared on this subject by the Warsaw Conference of November 11th, 1930.

¹ See document 2nd Conf./A.E.C./2.

² See document 2nd Conf./A.E.C./1.

³ See document 2nd Conf./A.E.C./11.

Notant avec satisfaction que le Comité financier de la Société des Nations a décidé, avec l'approbation du Conseil, de discuter la question du crédit agricole à sa session de janvier 1931, la Conférence demande instamment au Conseil que ce problème soit abordé vigoureusement, en tenant compte de ses aspects économiques aussi bien que financiers et en vue d'une réalisation prochaine, notamment en ce qui concerne les pays agricoles de l'Europe centrale et orientale.

D. CONVENTION INTERNATIONALE POUR L'ABOLITION DES PROHIBITIONS ET RESTRICTIONS A L'IMPORTATION ET A L'EXPORTATION.

La Conférence, s'inspirant des vœux exprimés par la onzième Assemblée et adoptant le point de vue du Comité économique qu'un nouvel effort des Etats européens en vue d'assurer à la Convention l'adhésion de tous les Etats qui l'avaient signée semble indiqué par les circonstances actuelles;

Prenant acte des déclarations faites par quelques délégations:

Prie les délégués de recommander à leurs gouvernements d'examiner la situation actuelle, tant au point de vue matériel qu'au point de vue juridique, de manière que ceux-ci puissent faire connaître au Secrétaire général de la Société des Nations l'attitude qu'ils comptent adopter en cette matière.

La Conférence exprime l'espoir que les communications de cette nature soient faites à temps pour permettre l'examen de la situation à l'occasion de sa prochaine session.

E. CONFÉRENCE SUR LE TRAITEMENT DES ÉTRANGERS.

La Conférence, informée que des conversations se poursuivent actuellement entre quelques gouvernements en vue de rechercher les principes sur la base desquels pourrait être établie une Convention relative au traitement des étrangers qui constituerait un progrès par rapport à la situation présente,

Exprime le vœu que ces conversations conduisent à des résultats permettant à la Conférence internationale pour le traitement des étrangers de reprendre ses travaux dans des conditions favorables.

F. QUESTIONS NON TARIFAIRES VISÉES A L'ARTICLE 2 DU PROTOCOLE RELATIF AU PROGRAMME DE NÉGOCIATIONS ULTÉRIEURES.

La Conférence, ayant pris connaissance du mémorandum du Secrétariat¹ sur les travaux de l'Organisation économique en matière non tarifaire,

Félicite l'Organisation économique de l'activité qu'elle a déployée dans le but de donner suite aux résolutions et vœux contenus dans l'article 2 du Protocole relatif au programme de négociations ultérieures et aux résolutions de la onzième Assemblée de la Société des Nations;

Exprime le vœu que l'Organisation économique active dans toute la mesure du possible l'étude des différentes questions faisant l'objet des résolutions et vœux ci-dessus rappelés, surtout l'étude des questions qui paraissent susceptibles d'aboutir rapidement à des solutions satisfaisantes.

G. CONTINUATION DES TRAVAUX DE LA CONFÉRENCE.

La Conférence estime qu'il serait désirable que, lors d'une de ses prochaines sessions, elle soit mise en mesure d'examiner quelle action ultérieure pourrait être envisagée.

¹ Voir document 2^e Conf./A.E.C./14.

Noting with satisfaction that the Financial Committee of the League of Nations has decided, with the approval of the Council, to discuss the question of agricultural credits at its January 1931 session, the Conference earnestly requests the Council that the consideration of this question should be undertaken energetically, taking into account its economic as well as its financial aspects, with a view to obtaining speedy results, particularly as regards the agricultural countries of Central and Eastern Europe.

D. INTERNATIONAL CONVENTION FOR THE ABOLITION OF IMPORT AND EXPORT PROHIBITIONS AND RESTRICTIONS.

The Conference, bearing in mind the recommendations of the Eleventh Assembly, and endorsing the view of the Economic Committee that a further effort of the European States to secure the adhesion to the Convention of all the signatory States appears to be indicated in present circumstances;

Noting the statements made by certain delegations:

Requests the delegates to recommend their Governments to examine the present situation, both from a material and from a legal point of view in order that they may be in a position to inform the Secretary-General of the League of Nations of the attitude which they intend to take up in this matter.

The Conference expresses the hope that the communications on this subject will be made in time to allow of consideration of the position at its next session.

E. CONFERENCE ON THE TREATMENT OF FOREIGNERS.

The Conference, being informed that conversations are at present proceeding between certain Governments with a view to finding principles, on the basis of which a Convention on the Treatment of Foreigners which would represent an improvement of the present situation might be drawn up:

Expresses the hope that these conversations may lead to results enabling the International Conference for the Treatment of Foreigners to resume its labours under favourable conditions.

F. NON-TARIFF QUESTIONS REFERRED TO IN ARTICLE 2 OF THE PROTOCOL REGARDING THE PROGRAMME OF FUTURE NEGOTIATIONS.

The Conference, having noted the Memorandum¹ by the Secretariat on the work of the Economic Organisation with regard to non-tariff questions,

Congratulates the Economic Organisation on the activity it has displayed with a view to giving effect to the resolutions and recommendations contained in Article 2 of the Protocol regarding the Programme of Future Negotiations and to the resolutions of the Eleventh Assembly of the League of Nations;

Expresses the hope that the Economic Organisation should, as far as possible, expedite the study of the different questions referred to in the above-mentioned resolutions and recommendations and particularly those questions in regard to which early and satisfactory solutions seem possible.

G. CONTINUATION OF THE WORK OF THE CONFERENCE.

The Conference considers it desirable that, in the course of some one of its forthcoming sessions, it should be placed in a position to consider what further action could be contemplated.

¹ Document 2nd Conf./A.E.C./14.

EN FOI DE QUOI, les délégués ont signé le présent Acte.

IN FAITH WHEREOF, the delegates have signed the present Act.

FAIT à Genève, le vingt-huit novembre mil neuf cent trente, en simple expédition qui sera déposée dans les archives du Secrétariat de la Société des Nations; copie conforme en sera transmise à tous les Membres de la Société des Nations, ainsi qu'aux Etats non membres ayant participé à la Conférence.

DONE at Geneva, the twenty-eighth day of November, one thousand nine hundred and thirty, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations, and to the States non-members which took part in the Conference.

ALLEMAGNE

POSSE

GERMANY

AUTRICHE

SCHÜLLER

AUSTRIA

BELGIQUE

F. VAN LANGENHOVE.
J. BRUNET.
M. SUETENS

BELGIUM

GRANDE-BRETAGNE
ET IRLANDE DU NORD

GREAT BRITAIN
AND NORTHERN IRELAND

ainsi que toutes parties de l'Empire britannique non membres séparés de la Société des Nations.

and all parts of the British Empire which are not separate Members of the League of Nations.

S. CHAPMAN
C. J. FLYNN

BULGARIE

D. MICHAYKOFF

BULGARIA

DANEMARK

C. V. BRAMSNAES

DENMARK

ESPAGNE

Carlos BADIA

SPAIN

ESTONIE

A. SCHMIDT.

ESTONIA

FINLANDE

Kyösti JÄRVINEN
Rudolf HOLSTI.

FINLAND

FRANCE

Jules GAUTIER
P. ELBEL

FRANCE

GRÈCE

R. RAPHAËL

GREECE

HONGRIE

NICKL

HUNGARY

ITALIE

Giuseppe DE MICHELIS

ITALY

LETTONIE

J. FELDMANS.

LATVIA

LITHUANIE

DOBKEVICIUS

LITHUANIA

LUXEMBOURG

Albert CALMES

LUXEMBURG

NORVÈGE

Gunnar JAHN

NORWAY

PAYS-BAS

NEDERBRAGT.

THE NETHERLANDS

POLOGNE

Franciszek DOLEZAL

POLAND

PORTUGAL

José CAEIRO DA MATTA
Antonio Augusto CURSON

PORTUGAL

ROUMANIE

E. G. NECULCEA
Cesar POPESCU

ROUMANIA

SUÈDE

V. G. LUNDBIK.

SWEDEN

SUISSE

STUCKI
WETTER

SWITZERLAND

TCHÉCOSLOVAQUIE

Zd. FIERLINGER
A. PEROUTKA.

CZECHOSLOVAKIA

YUGOSLAVIE

I. CHOUMENKOVITCH

YUGOSLAVIA

Copie certifiée conforme.

Certified true copy.

Pour le Secrétaire général:

For the Secretary-General:

Conseiller juridique du Secrétariat.

Legal Adviser of the Secretariat.

ANNEXE.

RAPPORT DU SOUS-COMITÉ CHARGÉ D'EXAMINER
LA QUESTION DES NÉGOCIATIONS RELATIVES AU RÉGIME DES ÉCHANGES
DES ÉTATS AGRICOLES DE L'EUROPE CENTRALE ET ORIENTALE

ANNEX.

REPORT OF THE SUB-COMMITTEE APPOINTED TO EXAMINE
THE QUESTION OF THE NEGOTIATIONS CONCERNING THE TRADE OF THE
AGRICULTURAL STATES OF CENTRAL AND EASTERN EUROPE.

Sous la présidence de M. STUCKI (Suisse), un Sous-Comité — auquel avaient été appelées, d'une part, les délégations d'Etats dits agricoles de l'Europe orientale, Bulgarie, Hongrie, Pologne, Roumanie, Yougoslavie; d'autre part, les délégations d'Etats de l'Europe centrale et occidentale, importateurs de produits agricoles, Allemagne, Autriche, France, Italie, Suisse, Tchécoslovaquie — a été chargé d'étudier la question des négociations relatives au régime des échanges des Etats agricoles de l'Europe orientale avec les Etats de l'Europe centrale et occidentale.

1. Le Sous-Comité a soumis à un examen approfondi la proposition de la Bulgarie, de la Hongrie, de la Pologne, de la Roumanie et de la Yougoslavie, relative au *traitement douanier préférentiel* à accorder aux céréales originaires de ces pays et, à ce sujet, réserve faite de la question de principe et de la possibilité d'application, il s'est mis d'accord sur les points suivants:

I. — Le régime préférentiel susmentionné devrait être considéré comme une dérogation conditionnelle, exceptionnelle et limitée à la clause de la nation la plus favorisée, qui doit caractériser le régime normal du commerce international.

II. — Le régime préférentiel ne serait accordé que pour les céréales (blé, maïs, orge, avoine seigle) et leurs dérivés.

III. — Le traitement préférentiel ne saurait porter atteinte aux intérêts des pays exportateurs d'outre-mer, ceux-ci restant toujours les principaux fournisseurs de l'Europe, dont la production est largement déficitaire.

Le traitement préférentiel ne devrait être établi que d'accord avec les pays qui jouissent du traitement de la nation la plus favorisée et ne pourrait être appliqué qu'avec leur assentiment.

Les Etats liés actuellement par des traités de commerce bilatéraux, conclus sur la base de la clause de la nation la plus favorisée, devraient donc reconnaître, comme une exception admise à la clause de la nation la plus favorisée, le régime préférentiel, accordé dans les conditions susindiquées.

IV. — Le régime préférentiel ne devrait compromettre en rien la protection des intérêts agricoles des pays importateurs et ne devrait en aucun cas porter dommage aux agriculteurs des pays européens importateurs. Les pays exportateurs ne veulent pas demander à ceux-ci un sacrifice. L'absorption des exportations européennes ne devrait pas accroître le volume total des importations de céréales auxquelles ont recours normalement les pays dits industriels.

Les pays exportateurs ne songent pas à accroître leur production de céréales, la production mondiale dépassant déjà la consommation.

V. — Le régime préférentiel ne serait accordé que pour des quantités qui seraient limitées, par voie de contingents ou par une autre méthode, étant entendu que, pour ces quantités limitées, le consentement des pays qui jouissent du traitement de la nation la plus favorisée serait indispensable à un régime préférentiel.

VI. — Le régime préférentiel ne serait demandé qu'aux Etats importateurs de céréales d'origine européenne qui frappent de droits protecteurs lesdites importations. Il ne serait pas demandé aux pays européens qui laissent entrer les céréales en franchise ni à ceux qui leur appliquent des droits d'entrée insignifiants.

VII. — Si des Etats européens, sollicités d'accorder aux céréales un traitement préférentiel, demandaient une contre-partie aboutissant aussi à une préférence dans le régime douanier, celle-ci ne pourrait être mise en vigueur qu'avec le consentement des pays intéressés qui jouissent du traitement de la nation la plus favorisée.

VIII. -- La délégation italienne a déclaré, pour ce qui la concerne, qu'elle se borne à prendre note des précisions mentionnées dans les alinéas I à VII au sujet d'un régime douanier préférentiel à accorder aux céréales et à leurs dérivés originaires des pays agricoles de l'Europe orientale, et elle a déclaré n'être pas favorable à l'introduction de ce régime préférentiel.

2. Le Sous-Comité a été mis au courant des efforts entrepris au cours des derniers mois par les pays agricoles de l'Europe orientale en vue de surmonter la crise dont ils sont atteints, et il a pris note des déclarations faites par les représentants de ces Etats et d'après lesquelles le but principal de leurs efforts est l'adaptation du niveau des prix d'exportation des principaux produits agricoles à leur coût de revient, ce but étant conforme aux buts poursuivis par l'action économique concertée de la Société des Nations et rentrant dans cette action comme seul moyen efficace susceptible d'augmenter le pouvoir d'achat des pays agricoles.

Le Sous-Comité constate l'importance des efforts tentés par les pays agricoles de l'Europe orientale pour arriver à une meilleure *organisation* de l'exportation de leurs excédents — travaux essentiels pour la rationalisation de la vie économique internationale. Il émet l'opinion que l'étude

Under the Chairmanship of M. STUCKI (Switzerland), a Sub-Committee—to which had been invited, on the one hand, the delegations of the so-called Agricultural States of Eastern Europe: Bulgaria, Hungary, Poland, Roumania, Yugoslavia, and on the other hand, the delegations of States of Central and Western Europe which import agricultural products: Austria, Czechoslovakia, France, Germany, Italy and Switzerland—was appointed to study the question of negotiations concerning the trade of the Agricultural States of Eastern Europe with the States of Central and Western Europe.

1. The Sub-Committee examined very carefully the proposal of Bulgaria, Hungary, Poland, Roumania and Yugoslavia, concerning the *Preferential Customs treatment* of cereals grown in these countries, and in this connection, leaving aside the question of principle and the possibility of application, it agreed to the following points:

I. — The above-mentioned preferential regime would need to be regarded as a conditional, exceptional and limited derogation to the most-favoured-nation clause, which must characterise the normal regime of international trade.

II. — The preferential regime would only be accorded for cereals (wheat, maize, barley, oats and rye) and their derivatives.

III. — Preferential treatment should not harm the interests of overseas exporting countries, inasmuch as the latter will always be the main providers of Europe — a continent which is very far from producing enough to satisfy its own requirements.

Preferential treatment would require to be established in agreement with the countries enjoying most-favoured-nation treatment, and could not be applied unless they agree.

The States at present bound by bilateral commercial treaties concluded on the basis of the most-favoured-nation clause would therefore be called on to recognise as an admitted exception to the most-favoured-nation clause the preferential treatment granted under the above-mentioned conditions.

IV. — The preferential regime must not in any way endanger the protection of the agricultural interests of the importing countries, and should not in any case cause any injury to agriculturists in European importing countries. Exporting countries do not intend to ask these agriculturists to make a sacrifice; the absorption of European export should not increase the total volume of imports of cereals of the so-called industrial countries. Exporting countries do not intend to increase their production of cereals, as world production is already greater than the world's power of absorption.

V. — The preferential regime would only be accorded for quantities to be limited by quotas or other methods, it being understood that for these limited quantities the consent of the countries enjoying most-favoured-nation treatment would be indispensable before such a regime could be established.

VI. — The demand for preference would only be addressed to countries which import cereals of European origin and impose protective duties on the same. It would not be demanded of those European countries which admit cereals free of duty nor of those countries whose import duties are insignificant.

VII. — If European countries, on being approached with a view to giving preference to cereals, demand an offsetting advantage amounting likewise to a Customs preference, such preference would not be admissible without the consent of the interested countries enjoying most-favoured-nation treatment.

VIII. — The Italian delegation states that, so far as it is concerned, it confines itself to noting the details specified in paragraphs I-VII with regard to preferential treatment for cereals and their derivatives having their origin in the agricultural countries of Eastern Europe, and is opposed to the introduction of such a preferential system.

2. The Sub-Committee has been informed of the efforts made in recent months by the agricultural countries of Eastern Europe with a view to overcoming the depression from which they are suffering, and it has noted the statements made by the representatives of these countries to the effect that the principal object of their efforts is the adaptation of the export price level in the case of the principal agricultural products to the cost of production—an object which is in conformity with the aims of the concerted economic action of the League of Nations, and finds its place in that action as being the only efficacious means of increasing the purchasing power of agricultural countries.

The Sub-Committee notes the importance of the efforts made by the agricultural countries of Eastern Europe to arrive at better *organisation* of export of their surpluses, which it considers an

de ces problèmes devrait être poursuivie dans toute son étendue par une conférence économique ultérieure.

3. Le Sous-Comité constate qu'à plusieurs reprises la question du *crédit agricole* a été discutée à la Société des Nations depuis la Conférence économique internationale de 1927 ainsi qu'à l'Institut international d'Agriculture. Il considère que cette question est actuellement d'une importance capitale pour certains pays et qu'elle demande d'urgence une solution.

La pénurie des capitaux présente une entrave sérieuse au développement des relations commerciales entre les pays dits industriels et les pays dits agricoles, ce qui abaisse considérablement le pouvoir d'achat des pays dits agricoles et trouve une répercussion dans la diminution de l'exportation des marchandises des pays dits industriels.

Le fait que les capitaux abondent sur certains marchés et ne peuvent être obtenus par d'autres pays, même avec de grands sacrifices, révèle une anomalie profonde qui semblerait pouvoir être écartée, en une certaine mesure, par une meilleure organisation faisant disparaître les obstacles s'opposant actuellement à l'octroi de tels crédits.

Le Sous-Comité a pris acte, avec grand intérêt, du mémorandum fortement documenté qu'a établi, au sujet du crédit agricole à moyen terme, la Conférence qui s'est tenue à Varsovie du 10 au 13 novembre 1930.¹

Il note avec satisfaction que le Comité financier de la Société des Nations a décidé, avec l'approbation du Conseil, de discuter la question à sa session de janvier 1931. Il estime que la Conférence devrait adresser un appel pressant au Conseil de la Société des Nations, pour que ce problème soit vigoureusement abordé en vue d'une action réalisatrice de grande envergure, notamment en ce qui concerne les pays du Centre et de l'Est de l'Europe.

¹ Voir document 2^e Conf. /A.E.C./11.

essential feature of the rationalisation of international economic life. It is of opinion that the whole range of these problems should be studied by a future economic conference.

3. The Sub-Committee notes that the question of *agricultural credits* has been discussed on several occasions by the League of Nations since the World Economic Conference of 1927, as well as by the International Institute of Agriculture. The Sub-Committee is of opinion that this question is of capital importance at the present time for certain countries, and calls urgently for a solution.

The shortage of capital constitutes a serious obstacle to the development of commercial relations between the countries described as "industrial" and those described as "agricultural", and the purchasing power of the "agricultural" countries is considerably reduced thereby, leading to a corresponding reduction of the export of goods from the "industrial" countries.

The fact that there is an abundance of capital in certain centres, while in other countries it is unobtainable, even at great sacrifices, discloses a serious anomaly which might apparently be eliminated to a certain extent by a better organisation, which would tend to remove the obstacles which at present stand in the way of the granting of such credits.

The Sub-Committee has taken note with much interest of the well-documented memorandum on the subject of medium-term agricultural credits drawn up by the Conference of Warsaw of November 10-13th, 1930.¹

The Sub-Committee notes with satisfaction that the Financial Committee of the League of Nations has decided, with the approval of the Council, to discuss the question at its session in January 1931. The Sub-Committee is of opinion that the Conference should make an urgent appeal to the Council of the League that the consideration of this problem should be undertaken energetically, with a view to practical action on a large scale, particularly in the case of the countries of Central and Eastern Europe.

¹ See document 2nd Conf. /A.E.C./11.

N° officiel: **2^e Conf./A.E.C./4 (1).**

Genève, le 1^{er} décembre 1930.

SOCIÉTÉ DES NATIONS

**DEUXIEME CONFERENCE INTERNATIONALE
EN VUE D'UNE ACTION ECONOMIQUE CONCERTEE**

**COMMERCE EXTERIEUR DES PRINCIPAUX PRODUITS
AGRICILES EN EUROPE, EN 1929**

**TABLEAUX PRÉPARÉS PAR LE SECRÉTARIAT
sur la base des publications sur le commerce extérieur
des pays respectifs (données les plus récentes)**

LEAGUE OF NATIONS

**SECOND INTERNATIONAL CONFERENCE
WITH A VIEW TO CONCERTED ECONOMIC ACTION**

**FOREIGN TRADE OF EUROPE IN THE PRINCIPAL
AGRICULTURAL PRODUCTS, IN 1929**

**TABLES PREPARED BY THE SECRETARIAT
on the basis of official trade publications
of the respective countries (most recent data available)**

Série de Publications de la Société des Nations

**II. QUESTIONS ÉCONOMIQUES
ET FINANCIÈRES
1930. II. 53.**

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IMPORTATIONS EN ET EXPORTATIONS DE PAYS EUROPÉENS, DE CÉRÉALES,
PRODUITS LAITIERS ET VIANDES, EN 1929.

(Valeur en millions de dollars).

Note. — Les chiffres sont approximatifs et sont tirés des tableaux détaillés ci-joints ; la distribution entre pays européens et extraeuropéens est basée sur la proportion par poids indiquée dans ces tableaux.

Dans les tableaux détaillés, les articles dont la valeur totale s'élevait à moins d'un demi-million de dollars ont été omis, en général ; cependant, il a été tenu compte de ces valeurs et de leur distribution par provenance (ou destination) lors de l'élaboration de ce tableau sommaire.

Summary Table.

IMPORTS INTO AND EXPORTS FROM EUROPEAN COUNTRIES OF CEREALS, DAIRY
PRODUCE AND MEAT, IN 1929.

(Value in million dollars).

Note. — The figures are approximate and are taken from the detailed tables attached, the distribution as between European and extra-European countries being based on the proportion by weight shown in those tables.

In the detailed tables, items whose total value amounted to less than half a million dollars have been, as a rule, omitted ; but such values, and their distribution by provenance (or destination), have been taken into account in compiling this summary table.

Pays Countries	IMPORTATIONS provenant de — IMPORTS from											EXPORTATIONS vers — EXPORTS to												
	Pays d'Europe European countries			Pays extraeuropéens Extra-European countries			Pays inconnus Unknown			TOTAL			Pays d'Europe European countries			Pays extraeuropéens Extra-European countries			Pays inconnus Unknown			TOTAL		
	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)	Céréales Cereals (a)	Produits laitiers Dairy products (b)	Viandes Meats (c)
Allemagne....	39.5	136.1	11.4	178.8	—	17.0	—	—	—	218.3	136.1	28.4	51.3	0.8	0.2	0.8	—	0.1	—	—	—	52.1	0.8	0.3
Autriche.....	20.9	1.4	7.5	4.1	—	4.9	—	—	—	25.0	1.4	12.4	0.2	1.5	0.4	—	—	—	—	—	0.2	1.5	0.4	
Belgique.....	7.5	10.9	3.9	76.9	—	6.0	8.5	0.2	0.6	92.9	11.1	10.5	1.5	1.0	2.1	—	0.1	—	0.6	—	0.5	2.1	1.1	2.6
Bulgarie.....	—	—	—	—	—	—	—	—	—	1	1	1	3.1	0.3	—	0.2	0.3	—	0.5	—	—	3.8	0.6	—
Danemark ² ...	20.7	1.5	0.4	18.3	—	0.1	—	—	—	39.0	1.5	0.5	4.2	144.2	114.2	—	0.7	—	—	—	4.2	144.9	114.2	
Espagne.....	0.1	2.2	0.1	32.3	0.1	1.1	—	—	—	32.4	2.3	1.2	—	—	0.1	0.5	0.1	0.3	—	—	0.5	0.1	0.4	
Estonie.....	3.8	—	—	1.3	—	—	—	—	—	5.1	—	—	—	9.6	0.9	—	—	—	—	—	0.5	0.1	0.4	
Finlande.....	8.6	—	0.3	1.1	—	0.6	—	—	—	9.7	—	0.9	—	14.5	0.1	—	0.1	—	—	—	—	9.6	0.9	
France.....	0.2	12.0	2.5	110.4	0.4	3.8	6.2	0.9	2.8	116.8	13.3	9.1	0.4	7.7	0.9	—	6.7	0.3	0.1	1.1	0.5	0.5	15.5	1.7
Grèce.....	4.8	1.6	0.1	31.3	0.1	0.1	1.4	0.2	—	37.5	1.9	0.2	—	—	—	—	—	—	0.1	—	—	0.1	—	
Hongrie.....	0.9	0.4	0.1	0.1	—	—	—	—	—	1.0	6.4	0.1	32.2	0.5	2.2	1.3	—	—	—	—	33.5	0.5	2.2	
Irlande, Etat L.	6.3	2.8	8.8	26.1	—	—	—	—	—	32.4	2.8	8.8	1.0	25.1	20.5	—	0.1	—	0.1	—	1.1	25.2	20.5	
Italie.....	10.1	4.2	2.2	116.9	0.3	11.2	0.6	0.5	—	127.6	5.0	13.4	—	7.0	2.4	—	7.3	0.5	0.1	1.2	0.6	0.1	15.5	3.5
Lettonie.....	9.6	0.1	0.1	0.3	—	0.3	2.9	—	—	12.8	0.1	0.4	—	11.4	0.3	—	—	—	—	—	—	11.4	0.3	
Lithuanie.....	0.8	—	—	—	—	—	—	—	—	0.8	—	—	0.1	3.8	1.7	—	—	—	—	—	—	0.1	3.8	1.7
Norvège ²	3.0	0.7	1.6	16.6	—	0.6	—	—	—	19.6	0.7	2.2	—	0.5	—	—	2.8	—	—	0.3	—	—	3.6	1
Pays-Bas.....	17.8	1.4	0.2	72.9	0.3	1.9	—	—	—	90.7	1.7	2.1	2.6	79.8	34.4	—	9.1	—	—	—	2.6	88.9	34.4	
Pologne ²	2.1	0.3	—	0.5	—	1.1	—	—	—	2.6	0.3	1.1	16.5	10.1	10.1	—	0.7	0.1	0.5	17.2	10.2	10.6		
Portugal.....	4.3	0.3	—	4.4	—	0.1	—	—	—	7.8	0.3	0.1	—	—	—	0.1	0.1	—	0.1	—	—	0.1	0.2	
Roumanie.....	0.1	0.1	—	—	—	—	—	—	—	40.1	40.1	4	47.1	—	2.6	0.2	0.2	1.1	—	0.1	—	47.3	40.3	43.7
Royaume-Uni.	4.9	183.6	180.7	361.2	159.2	304.1	30.4	14.9	37.9	396.5	357.7	522.7	0.9	1.7	3.3	—	4.0	0.7	1.1	1.5	0.6	2.0	7.2	4.6
Russie	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
U.R.S.S. ⁵ ...	—	—	—	—	—	—	0.8	—	—	0.8	—	—	4.8	17.3	6.5	—	—	—	8.6	0.4	1.7	13.4	17.7	8.2
Suède.....	12.1	1.2	0.3	11.7	—	0.9	—	—	—	23.8	1.2	1.2	4.0	20.1	11.0	—	—	—	—	—	4.0	20.1	11.0	
Suisse.....	9.1	7.3	1.1	33.3	—	0.1	—	—	—	42.4	7.3	1.2	—	16.5	—	—	11.7	—	—	—	—	28.2	—	
Tchéco- slovaquie...	16.0	1.3	0.5	0.6	—	0.1	—	—	—	16.6	1.3	0.6	11.7	0.8	1.1	—	—	—	—	—	—	11.7	0.8	1.1
Yougoslavie..	0.5	0.1	—	0.7	—	—	—	—	—	1.2	0.1	—	26.8	0.8	2.6	—	0.2	—	—	—	—	26.8	1.0	2.6
Total Europe 26 pays....	203.7	369.5	221.8	1.099.8	160.4	354.0	50.8	16.7	41.3	1.354.3	546.6	617.1	208.4	375.0	217.6	3.0	43.5	3.1	11.8	4.8	4.5	223.2	423.3	225.2

(a) Froment, seigle, orge, avoine, maïs. — (b) Lait, beurre, fromage. — (c) Viandes de bœuf, de mouton (et d'agneau) et de porc ; lard (et jambon).

¹ Chiffres de 1928, sauf pour la viande pour la Bulgarie (chiffres de 1927).

² Répartition d'après la proportion de 1928 (sauf pour les importations de froment et les exportations de produits laitiers et des viandes, du Danemark). Pour le Danemark et la Norvège, les totaux sont approximatifs, ayant été calculés selon les prix moyens de 1928.

³ Pas indiqué séparément.

⁴ Chiffres de 1926, répartis selon la proportion de 1923.

⁵ 12 mois finissant le 30 septembre.

(a) Wheat, rye, barley, oats and maize. — (b) Milk, butter, cheese. — (c) Beef, mutton (and lamb), pork and bacon (and hams).

¹ 1928 figures, except Bulgaria's meat (which is 1927).

² Distributed according to the 1928 proportion (except Denmark's import of wheat and exports of dairy produce and meats). For Denmark and Norway, the totals are approximate, having been calculated at 1928 average prices.

³ Not shown separately.

⁴ 1926 figures, distributed according to the 1923 proportion.

⁵ 12 months ending September 30.

Importations en ALLEMAGNE.

1929

Imports into GERMANY.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Pays-Bas.....	13	2	5	I	2
Roumanie.....	II	12	615		37
Suède.....	14		I		
Hongrie.....	30	9	17		6
Tchécoslovaquie....	6	17	63		
Autres pays euro- péens.....	II	18 ¹	25	6 ¹	9
Argentine.....	967	53	189	84	419
Canada.....	753	17	453	II	I
Etats-Unis.....	232	13	168	3	139
Australie.....	94		151		
Autres pays extra- européens.....	10	3	79	6	56
Total.....	2.141	144	1.766	III	669
VALEUR en R.M. (000,000).....	448	27	303	19	119
Equiv. en \$ (000,000)	107	6.4	72.1	4.5	28.3

Pays de provenance Country of origin	Farine de froment Wheat flour	Farine de seigle Rye flour	Pommes de terre Potatoes	Graine de lin Linseed
	Tonnes métriques — Metric tons			
France.....	I			
Pays-Bas.....	3		143	
Hongrie.....	2			
Belgique.....	I		72	I
Italie.....			66	
Autres pays européens.....	4 ²		24	20 ³
Canada.....	7			
Etats-Unis.....	12			2
Algérie.....			2	
Argentine.....				278
Indes.....				13
Autres pays extra-européens...			I	2
Pays inconnus.....		0.06		
TOTAL.....	30	0.06	308	316
VALEUR en R.M. (000,000)....	10	0.02	31	105
Equiv. en \$ (000,000).....	2.4	0.005	7.4	25.0

¹ Dont Pologne 15 (seigle), 6 (avoine).

¹ Of which, Poland 15 (rye), 6 (oats).

² Dont Sarre 2.

² Of which, Saar 2.

³ Dont Lettonie 5, Lithuanie 6, Pologne 4.

³ Of which, Latvia 5, Lithuania 6, Poland 4.

Importations en ALLEMAGNE.

1929

Imports into GERMANY.

(Suite — Continued)

Pays de provenance Country of origin	Lait Milk	Beurre Butter	Fromage Cheese	Pays de provenance	Œufs Eggs	
	Tonnes métriques — Metric tons				Nombre (000.000)	Number = M. T.
Lithuanie	9	4		Belgique ...	314	19
Suisse	11	12	7	Pays-Bas ..	762	47
Pays-Bas.....		33	41	U.R.S.S. ...	479	30
Danemark		44	6	Bulgarie....	189	11
Autres pays euro- péens.....	7 ¹	43 ²	12	Roumanie ..	174	11
				Pologne	158	8
				Danemark..	175	12
				Autres pays européens.	449	27
				Chine	41	3
				Egypte.....	6	—
				Autres pays extra-eu- ropéens ..	6	—
TOTAL ...	27	136	66		2,753 =	168
VALEUR en R.M. (000,000).....	5	461	106			280
Equiv. en \$ (000,000).....	1.2	109.7	25.2			66.6

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats			
				de bœuf Beef	de mouton Mutton and lamb	de porc Pork	Lard et jambon Bacon and hams
				Têtes — Head			Tonnes métriques — Metric tons
Danemark	255		42	3.7		8.5	
Lithuanie	38	7.2	92	0.8	0.1	0.6	
Autriche	18					0.3	
Pays-Bas				12.4	1.1	6.3	3.4
Autres pays euro- péens.....	8	0.9	7	1.5		1.2	0.4
Argentine				43.8	2.5	0.2	
E.U.A.				0.3		3.7	2.4
Australie.....				9.5			
Brésil.....				4.2			
Autres pays extra- européens				3.0	0.4	0.3	
TOTAL	319	8.1	141	79.2	4.1	21.1	6.2
VALEUR en R.M. (000,000).....	89	0.2	16	77	4.4	28	9.9
Equiv. en \$ (000,000)	21.2	0.05	3.8	18.3	1.05	6.7	2.35

¹ Dont Autriche 4.

² Dont Pologne 10, Suède 11.

¹ Of which, Austria 4.

² Of which, Poland 10, Sweden 11.

**Exportations (y compris
Réparations) d'ALLEMAGNE.**

1929

**Exports (including War
Reparations) from GERMANY.**

Pays de destination Country of destination	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Royaume-Uni	99	2		116	
Italie	33			2	
Pays-Bas	40	66	1.1	123	
France	24	2		4	
Tchécoslovaquie	17	17		3	
Danemark	10	144	0.4	50	
Lettonie	12	78	2.4	33	
Suède	36	57		36	
Finlande		77	0.1	14	
Norvège	4	21		2	
Pologne	11	2		6	
Autres pays euro- péens	9	86	3.8 ²	117 ¹	
Autres pays	9				
Egypte	5				
Autres pays extra- européens	3				
Pays inconnus					0.1
TOTAL	312	552	7.8	506	0.1
VALEUR en R.M. (000,000)	59	83	1.6	75	0.03
Equiv. en \$ (000,000)	14.0	19.8	0.4	17.9	0.007

Pays de destination Country of destination	Farines de froment Wheat Flour	Farines de seigle Rye flour	Pommes de terre Potatoes	Graine de lin Linseed
	Tonnes métriques — Metric tons			
Italie			33	
France	4.0		14	
Royaume-Uni	15.7	0.8		1.0
Pays-Bas	16.8	1.1	1	1.9
Suisse	10.1		8	0.1
Finlande	7.1	19.3	8	
Norvège	1.6	11.0		
Autriche	0.4	0.4	7	
Autres pays européens	10.5	7.2	36 ³	0.8
Iles Canaries			2	
Argentine			3	
Autres pays extraeuropéens ...		0.6	1	
TOTAL	66.2	40.4	113	3.8
VALEUR en R.M. (000,000)	11	7.9	10	1.5
Equiv. en \$ (000,000)	2.6	1.9	2.4	0.36

Pays de destination Country of destination	Lait Milk	Beurre Butter	Fromage Cheese	Œufs Eggs
	Tonnes métriques — Metric tons			
Héligoland	0.15	0.02		0.03
Tchécoslovaquie	0.28		0.08	0.29
Suisse		0.03	0.04	0.03
Royaume-Uni		0.04	0.05	0.02
Territoire de la Sarre		0.02	1.36	
Autres pays européens	0.17	0.04	0.50 ⁴	0.90 ⁵
Etats-Unis			0.15	
TOTAL	0.60	0.15	2.18	1.27
VALEUR en R.M. (000,000)	0.13	0.51	2.8	2.2
Equiv. en \$ (000,000)	0.03	0.12	0.67	0.5

¹ Dont Suisse 34.
² Dont Lituanie 1.8.
³ Dont Territoire de la Sarre 20.
⁴ Dont Belgique 0.29.
⁵ Dont Suède 0.24, Italie 0.20.

¹ Of which, Switzerland 34.
² Of which, Lithuania 1.8.
³ Of which, Saargebiet 20.
⁴ Of which, Belgium 0.29.
⁵ Of which, Sweden 0.24, Italy 0.20.

Exportations (y compris Réparations) d'ALLEMAGNE. 1929 Exports (including War Reparations) from GERMANY.
(Suite — Continued)

Pays de destination Country of destination	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats			
				de bœuf Beef	de mouton and lamb Mutton	de porc Pork	Lard et jambon Bacon and hams
				Tonnes métriques — Metric tons			
Têtes — Head							
Italie.....	0.98						•
Tchécoslovaquie....	0.09						0.05
Pologne.....	0.06						
U.R.S.S.		49.4					
Danemark.....		12.9					
Héligoland.....				0.03		0.02	
Suisse.....				0.02		0.04	0.03
Royaume-Uni.....						0.13	
France.....							0.01
Autres pays européens.....	0.37	5.5	17.3 ¹				0.01
Chili.....	0.13						
Sud-Ouest Afrique brit.....						0.08	
Etats-Unis.....							0.09
Autres pays extra- européens.....							0.01
Pays inconnus.....				0.02		0.05	0.04
TOTAL.....	1.63	67.8	17.3	0.07	0	0.32	0.24
VALEUR en R.M. (000,000).....	1.1	4.0	2.5	0.2	0	0.2	0.9
Equiv. en \$ (000,000)	0.26	0.95	0.60	0.05	0	0.05	0.21

Importations en AUTRICHE. 1929 Imports into AUSTRIA.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean “unknown” or “unimportant”.

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Hongrie.....	161	57	27	26	22
Yougoslavie.....	27		1		21
Tchécoslovaquie....		43	33	54	1
Roumanie.....			5		4
Allemagne.....				20	3
Autres pays euro- péens.....	12	5	3	1	7
Canada.....	23				
Argentine.....	5				59
Etats-Unis.....	6				7
Pays inconnus.....					1
TOTAL.....	234	105	69	101	125
VALEUR en shillings (000,000).....	72	26	21	23	36.1
Equiv. en \$ (000,000)	10.12	3.66	2.95	3.23	5.08

¹ Dont Sarre 11.5, France 5.2.

¹ Of which, Saar 11.5, France 5.2.

Importations en AUTRICHE.

1929

Imports into AUSTRIA.

(Suite — Continued)

Pays de provenance Country of origin	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment Wheaten	de seigle Rye		
Tonnes métriques — Metric tons				
Hongrie	124	5.95	5	0.3
Italie.....			18	
Tchécoslovaquie		0.59	27	
Allemagne		0.30	7	
Autres pays européens.....	10	0.09	8	0.1
Canada.....	3			
Etats-Unis.....	6	0.04		
Autres pays extraeuropéens ...	1			
TOTAL.....	144	6.97	65	0.4
VALEUR en schillings (000,000) .	68	2.7	7	0.3
Equiv. en \$ (000,000)	9.56	0.38	0.98	0.04

Pays de provenance Country of origin	Lait Milk	Beurre Butter	Fromage Cheese	Œufs Eggs
	Tonnes métriques — Metric tons			
Danemark		0.33		
Yougoslavie.....	0.24			2.2
Tchécoslovaquie	0.30		1.4	0.1
Hongrie	0.25			3.0
Suisse	0.14		0.4	
Pays-Bas	0.16	0.09	0.3	
Autres pays européens.....	0.22	0.8	0.3	8.8 ¹
Nouvelle-Zélande	0.04			
Chine				0.7
Autres pays extraeuropéens ...	0.01			0.1
TOTAL	1.36	0.50	2.4	14.9
VALEUR en schillings (000,000) .	1.45	2.7	6.1	42
Equiv. en \$ (000,000)	0.204	0.38	0.86	5.91

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viande — Meats	
				Fraîche et frigorifiée ² Fresh and frozen ²	Lard et jambon ³ Bacon and hams ³
				Tonnes métriques Metric tons	
Têtes — Head					
Pologne.....			416	14	—
Roumanie.....	56		52	4	—
Yougoslavie	17	1.6	152	5	—
Hongrie.....	40	6.2	151	4	0.2
Autres pays euro- péens.....	9	0.1	1	1	0.8
Argentine				2	0.3
Etats-Unis					16.5
Autres pays extra- européens				1	
TOTAL	122	7.9	772	31	17.8
VALEUR en schillings (000,000)	91	0.3	155	57	31.2
Equiv. en \$ (000,000)	12,8	0.04	21.8	8.01	4.39

¹ Dont Pologne 5,2 ; Russie 2,6 ; Bulgarie 0,5 ; Roumanie 0,4.

² Viandes de bœufs, de mouton et de porc non indiquées séparément.

³ Y compris saindoux.

¹ Of which, Poland 5.2, Russia 2.6, Bulgaria 0.5, Roumania 0.4.

² Beef, mutton and pork not shown separately.

³ Including lard.

Exportations d'AUTRICHE
1929
Exports from AUSTRIA

Pays de destination Country of destination	Farine — Flours		Pommes de terre Potatoes	Graine de lin Linseed	Lait Milk	Beurre Butter
	de froment Wheaten	de seigle Rye				
Tonnes métriques — Metric tons						
Allemagne.....	0.5	0.05		0.004	3.40	0.7
Tchécoslovaquie.....	0.2	0.36				
Italie.....			21			
Suisse.....					0.25	0.3
Autres pays européens .	0.1	0.03	5	0.002	0.17	
Afrique espagnole					0.04	
TOTAL	0.8	0.44	26	0.006	3.86	1.0
VALEUR en schillings (000,000)	0.5	0.18	4	0.005	1.47	5.5
Equiv. en \$ (000,000) .	0.07	0.03	0.56	0.001	0.21	0.77

Pays de destination Country of destination	Fromage Cheese	Oufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes fraîches et frigorifiées ¹ Meats, fresh and frozen ¹
	T. métr. — M. tons		Têtes — Head			T. métr. M. tons
Allemagne.....	0.77	1.01	19	0.7	4	0.4
Suisse.....		0.15		6.7		0.1
Italie.....	0.22	0.02	2			0.1
Autres pays européens .	0.15	0.03	1	0.1		0.1
Etats-Unis	0.07					
TOTAL	1.21	1.21	22	7.5	4	0.7
VALEUR en schillings (000,000)	3.8	3.6	16	0.5	0.7	2.2
Equiv. en \$ (000,000) ..	0.53	0.51	2.25	0.07	0.01	0.31

Importations en BELGIQUE.
1929
Imports into BELGIUM.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Pays-Bas.....	45	2.1	20	3.2	12
Allemagne		10.4			
France.....		0.4	10	0.1	
Dantzig.....		8.5	58		
Roumanie.....			22		
Argentine	501	1.1		62.3	544
Canada	270	0.1	58	6.9	
Etats-Unis d'Amérique	284	0.6	28	4.5	
Maroc			47		
Autres pays extra-européens			27		6
Pays inconnus	78	1.8	56	52.6	23
TOTAL	1.178	25.0	326	129.6	585
VALEUR en francs (000,000).....	1.869	34	433	176	816
Equiv. en \$ (000,000)	52.1	0.95	12.1	4.9	22.8

¹ Viandes de bœuf, de mouton et de porc non indiquées séparément.

¹ Beef, mutton and pork not shown separately

Importations en BELGIQUE.

1929

Imports into BELGIUM.

(Suite — Continued)

Pays de provenance Country of origin	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment Wheaten	de seigle Rye		
Tonnes métriques — Metric tons				
France	26.2		3	5
Pays-Bas			201	3
Autres pays européens	0.3		17	1
Etats-Unis	0.9			
Autres pays extraeuropéens	0.2			
Pays inconnus	0.4	0.04		
TOTAL	28.0	0.04	221	9
VALEUR en francs (000,000)	51.3	0.08	121	25
Equiv. en \$ (000,000)	1.43	0.002	3.4	0.7

Pays de provenance Country of origin	Lait ¹ Milk ¹	Beurre Butter	Fromage Cheese	Œufs Eggs
	Tonnes métriques — Metric tons			
France	2.6	0.2	2.0	0.1
Pays-Bas	0.5	2.6	16.6	0.5
Danemark		0.9		
Royaume-Uni		0.6	0.3	0.3
Allemagne				0.2
Autres pays européens			1.5	0.2
Etats-Unis	0.4			
Chine				0.3
Japon				0.1
Pays inconnus	2.2		0.7	0.1
TOTAL	5.7	4.3	21.1	1.8
VALEUR en francs (000,000)	0.86	130	270	25
Equiv. en \$ (000,000)	0.024	3.6	7.5	0.7

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats			
				de bœuf ¹ Beef ¹	de mouton Mutton and lamb	de porc Pork	Lard et jambon Bacon and hams
				Tonnes métriques — Metric tons			
Têtes — Head				Tonnes métriques — Metric tons			
France	7.6			0.8	0.3		
Pays-Bas	20.8	2.3	21.7	2.3	0.7	7.4	1.1
Royaume-Uni				0.7			0.2
Argentine				13.6	0.6		
Australie				5.8	0.3		
Brésil				5.0			
Uruguay				1.7			
Etats-Unis							2.2
Pays inconnus		0.3	0.1	1.7	0.3	0.1	0.3
TOTAL	28.4	2.6	21.8	31.6	2.2	7.5	3.8
VALEUR en francs (000,000)	38	0.58	18	221	19	91	46.9
Equiv. en \$ (000,000)	1.06	0.02	0.5	6.17	0.5	2.5	1.31

¹ Sommaire de deux ou plusieurs rubriques originales.
Il est possible que le chiffre pour « pays inconnus » comprenne des montants en provenance des pays déjà cités.

¹ Summary of 2 or more original items. The figure for "pays inconnus" may possibly include amounts from the countries named.

Exportations de BELGIQUE.
1929
Exports from BELGIUM.

Pays de destination Country of destination	Froment Wheat	Maïs Maize	Farine — Flours		Pommes de terre Potatoes	Graine de lin Linseed
			de froment Wheaten	de seigle Rye flour		
Tonnes métriques — Metric tons						
Allemagne.....	5.7	2.0	1	0.04	77	
Pays-Bas	7.5	7.4	19	0.04	2	
Danemark.....	0.1					
France	7.9	5.1			169	
Lettonie.....						2
Autres pays européens..		0.1			1	
Congo belge			1			
Argentine						101
Pays inconnus	8.6	5.2	2		48	11
TOTAL	29.8	19.8	23	0.08	297	114
VALEUR en francs (000,000)	44	26	51	0.16	142	307
Equiv. en \$ (000,000) .	1.23	0.7	1.4	0.004	4.0	8.6

Pays de destination Country of destination	Beurre Butter	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Seep and hams	Espèce porcine Pigs	Viandes — Meats		
						de bœuf Beef	de mouton Mutton and lamb	Lard et jambon Bacon and hams
						T. mét. - M. tons		Têtes — Head
Allemagne.....	0.81	17.7	1.65		1.1	4.9	0.29	
France	0.31	1.8	0.16	0.02	11.2	0.3	0.12	0.9
Pays-Bas	0.03	5.6	0.12			0.3		0.2
Royaume-Uni.....		16.6						0.1
Autres pays européens..	0.02	2.7						
Congo belge	0.10							
Pays inconnus	0.03	0.2	0.36	0.21	0.2	1.5	0.10	0.1
TOTAL	1.30	44.6	2.29	0.23	12.5	7.0	0.51	1.3
VALEUR en francs (000,000)	36	662	2.59	0.11	9.8	59.1	4.6	24.5
Equiv. en \$ (000,000) ..	1.0	18.5	0.07	0.003	0.27	1.64	0.13	0.7

Importations en BULGARIE.
1928
Imports into BULGARIA.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Farines ¹ - Flours ¹		Pommes de terre ¹ Potatoes ¹	Graine de lin ¹ Linseed ¹	Espèce bovine ¹ Cattle ¹	Espèce ovine ¹ Sheep and lambs ¹	Viande de mouton ¹ Mutton and lamb ¹
	de froment ¹ Wheaten	de seigle ² Rye flour ²					
	Tonnes métriques — Metric tons				Têtes — Head ³		T. métr. - M. tons
Roumanie.....	0.002		0.01				
Allemagne		0.002		0.003			
Grèce.....					0.01	0.06	
Turquie.....							0.001
Autres pays européens.....		0.001		0.001			
TOTAL	0.002	0.003	0.01	0.004	0.01	0.06	0.001
VALEUR en leva (000,000).....	0.02	0.008	0.03	0.07	0.04	0.02	0.02
Equiv. en \$ (000,000)	0	0	0	0	0	0	0

¹ Chiffres de 1927.

² Farines de céréales, autres que de froment.

³ Les chiffres (de 1927) pour œufs et porcs. sont 0.

¹ 1927 figures.

² Cereal flours other than wheaten.

³ The (1927) figures for eggs and pigs are 0.

Exportations de BULGARIE

1929

Exports from BULGARIA.

Pays de destination Country of destination	Orge Barley	Maïs Maize	Farine ¹ de froment Wheaten flour	Pommes de terre ² Potatoes ²	Fromage Cheese	Oeufs Eggs	Espèce bovine Cattle		Espèce ovine Sheep and lambs		Espèce porcine Pigs	
	Tonnes métriques — Metric tons						m. t. = No		m. t. = No		m. t. = No	
Grèce.....	5.8	10.9	0.1	0.2	0.39		5.8	15.5	1.7	50.6	0.1	1.3
Hollande.....	0.1	6.1										
Allemagne....	5.9	19.8				6.6						
Belgique.....	2.0	1.7										
Autriche.....		13.4				3.9						
Italie.....			0.7		0.03	0.2						
France.....					0.04	0.1						
Autres pays européens..	0.2	14.1 ³	0.1	0.1	0.08	1.9	0.1	0.2				
Turquie.....	0.1	1.5			0.34		0.1	0.3	0.3	11.6	0.1	1.0
Egypte.....		0.5	0.1		0.30							
Etats-Unis...					0.01							
Autres pays extraeuro- péens.....	0.1											
Pays inconnus	3.7	10.6	0.3		0.03		0.6	1.2				
TOTAL.....	17.9	78.6	1.3	0.3	1.22	12.7	6.6=17.2	2.0=62.2	0.2=2.3			
VALEUR en Leva (000,000)...	86	390	13	0.8	78	735	114	43			10	
Equiv. en \$ (000,000)...	0.62	2.81	0.09	0.006	0.56	5.29	0.84	0.31			0.07	

Importations spéciales au DANEMARK. 1928¹

Special Imports into DENMARK.

(Chiffres en milliers, sauf indication contraire.)
Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).
Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize		
	Tonnes métriques — Metric tons						
	1928	1929			1928	• 1929	
Allemagne.....	98		94	28	28	193	86
Suède.....	40		6		1	2	
Roumanie.....				3		75	
Grande-Bretagne....						41	
Pays-Bas.....						16	
Autres pays euro- péens.....	6	121	5	5		24	5
Canada.....	27		13			1	28
Etats-Unis.....	76		42	1		39	
Argentine.....	17		13	13	1	200	
Afrique du Sud....						58	
Autres pays extra- européens.....		190		1		5	35
Pays inconnus.....							34
TOTAL .. { 1928..	264	311	173	51	30	654	188
{ 1929..		311	222	40	53		188
VALEUR en { 1928.	49		32	9	5	106	
Kr. (000,000) { 1929.	57.7		41.1	7.06	8.8	30.5	
Equiv. en \$ 1929 (000,000).....	15.5		11.0	1.89	2.4	8.2	

¹ Les chiffres (de 1927) pour farine de seigle et graine de lin sont 0.

² Chiffres de 1927.

³ Dont Italie 10.0.

⁴ Les chiffres de valeur de 1929 sont approximatifs, ils ont été calculés aux prix moyens de 1928 indiqués ci-dessus.

¹ The (1927) figures for rye-flour and linseed are 0.

² 1927 figures.

³ Of which, Italy 10.0.

⁴ The 1929 values are approximate, having been calculated at 1928 average prices as shown above.

Importations spéciales au DANEMARK. 1928¹ Special Imports into DENMARK.
(Suite — Continued)

Pays de provenance Country of origin	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment Wheaten	de Seigle Rye flour		
Tonnes métriques — Metric tons				
Allemagne	4	1.7	42.2	0.1
Suède	6	0.2		
Pays-Bas			4.0	
Belgique.....			2.2	
Italie			5.3	
Autres pays européens.....	1		1.4	0.1
Canada.....	25			
Etats-Unis.....	44	0.2		
Argentine.....				21.6
Autres pays extraeuropéens			0.1	
TOTAL.....	80	2.1	55.2	21.8
	1928..			
	1929..	4	8	15
VALEUR en Kr. (000,000)	24	0.5	7.2	6.2
	1928..			
	1929..	1.0	1.0	4.3
Equiv. en \$ (000,000)	5.4	0.3	0.3	1.2

Pays de provenance Country of origin	Beurre Butter	Fromage Cheese	Œufs — Eggs Nombre — Number (000,000)
	Tonnes métriques — Metric tons		
Hollande.....		0.02	
Grande-Bretagne.....	0.04		1
Allemagne	0.50	0.03	
Suède	0.38		0.4
Russie.....	0.19		
Autres pays européens	0.40 ²	0.34 ³	0.4
Total.....	1.51	0.39	1.8
	1928		
	1929	0.29	0.2
VALEUR en Kr. (000,000)	4.2	0.9	0.1
	1928		
	1929	0.7	0.01
Equiv. en \$ (000,000) 1929	1.25	0.2	0.003

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
				de mouton Mutton and lamb	de porc Pork
Têtes — Head				Tonnes métriques — Metric tons	
Suède.....	0.05		15.4		0.12
Grande-Bretagne	0.02			0.04	
Allemagne.....		13.3		0.02	
Pays-Bas.....				0.74	
Islande				0.22	
Autres pays européens				0.02	
Etats-Unis				0.02	0.02
Chili.....				0.07	
Autres pays extraeuropéens				0.02	
TOTAL ..	0.07	13.3	15.4	1.15	0.14
	1928				
	1929	15.3	125.9	1.25	0.12
VALEUR en Kr. (000,000)	0.04	0.4	0.4	1.4	0.2
	1928				
	1929	0.46	3.3	1.5	0.17
Equiv. en \$ 1929	0.03	0.12	0.9	0.4	0.05

¹ Les chiffres de valeur de 1929 sont approximatifs; ils ont été calculés aux prix moyens de 1928 indiqués ci-dessus.

² Dont Lettonie 0,12.

³ Dont Suisse 0,14, France 0,12.

¹ The 1929 values are approximate, having been calculated at 1928 average prices as shown above.

² Of which, Latvia 0.12.

³ Of which, Switzerland 0.14; France 0.12.

Exportations spéciales du DANEMARK. 1928¹

Special Exports from DENMARK.

Pays de destination Country of destination	Froment Wheat	Orge Barley	Avoine Oats
	Tonnes métriques — Metric tons		
Allemagne	1.1	48	0.70
Pologne et Dantzig.....	2.2		
Grande-Bretagne.....	0.4	14	0.24
Islande.....			0.09
Suède			0.84
Autres pays européens.....	0.3	10	0.59 ²
TOTAL... { 1928.....	4.0	72	2.46
{ 1929.....	3.5	71	4.28
VALEUR en Kr. (000,000)..... { 1928....	0.8	14.3	0.5
{ 1929....	0.7	14.1	0.9
Equiv. en \$ 1929 (000,000).....	0.2	3.8	0.2

Pays de destination Country of destination	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de Froment Wheaten	de Seigle Rye flour		
	Tonnes métriques — Metric tons			
Norvège	0.22		1928	1929
Islande	0.42	4.5	0.37	0.57
Iles Faerøer.....	0.54	0.9	0.21	
Allemagne.....			0.13	
Autres pays euro- péens.....	0.03		0.20 ³	
Etats-Unis				0.11
Argentine			0.03	
Groenland.....	0.23	0.5	0.09	
Pays inconnus.....				0.56
TOTAL... { 1928	1.44	5.9	1.03	1.24
{ 1929	1.49	5.7		1.24
VALEUR en Kr. { 1928	0.4	1.3	0.1	0
(000,000)... { 1929	0.4	1.26		0.12
Equiv. en \$ (000,000) 1929.....	0.1	0.3		0.03

Pays de destination Country of destination	Lait Milk	Beurre Butter		Fromage Cheese		Oeufs — Eggs	
		Tonnes métriques — Metric tons				Nombre — Number (000,000)	
		1928	1929	1928	1929	1928	1929
Grande-Bretagne....	17.6	101	108	0.5	0.3	572	610
Allemagne.....	3.8	40	43	5.1	5.8	212	170
Autres pays euro- péens.....		7	8	0.1	0.1	6	6
Etats-Unis				0.3	0.3		
Autres pays extra- européens	3.1			0.1	0.1		
TOTAL... { 1928	24.5	148	159	6.1	6.6	790	786
{ 1929	25.3		159		6.6		786
VALEUR en Kr. { 1928	17.7	482		6.6			
(000,000)... { 1929	18.3		517.8		7.1	84	83.6
Equiv. en \$ (000,000) 1929.....	4.9		138.1		1.9		22.3

¹ Les chiffres de valeur de 1929 sont approximatifs ; ils ont été calculés aux prix moyens de 1928 indiqués ci-dessus.

² Dont Finlande 0,21 et Norvège 0,14.

³ Dont Espagne 0,10.

⁴ Chiffre de 1928.

¹ The 1929 values are approximate, having been calculated at 1928 average prices as shown above.

² Of which, Finland 0.21 and Norway 0.14.

³ Of which, Spain 0.10.

⁴ 1928 figure.

Exportations spéciales du DANEMARK 1928¹

Special Exports from DENMARK

(Suite — Continued)

Pays de destination Country of destination	Espèce bovine Cattle		Espèce ovine Sheep and lambs	Espèce porcine Pigs		Viandes — Meats					
	1928	1929		1928	1929	de bœuf Beef		de mouton Mutton and lamb	de porc Pork	Lard et jambon Bacon and hams	
			1928			1929	1928			1929	1928
Têtes — Head				Tonnes métriques — Metric tons							
Allemagne	255	253	0.3	31	46	2.6	4.5		0.63		1
Italie.....				13					0.10		
Grande-Bretagne....										271	248
Norvège.....							0.2		0.15		
Hollande.....											
Autres pays euro- péens.....				1	5	0.1			0.10		
Pays inconnus.....		17									
TOTAL... { 1928	255	270	0.3	45	51	2.7	4.7	0	0.98	271	249
{ 1929	270	270	Inconnu Unknown	51	51	4.7	4.7	Inconnu Unknown	3	3	249
VALEUR en { 1928	76		0.01	5.9	6.7	2.5	4.4	0.001	1.0	461	421.9
Kr. (000,000) { 1929		80.4	Inconnu Unknown					Inconnu Unknown	3	3	
Equiv. en \$ (000,000) 1929.....		21.5	0.003 ²		1.8		1.2	0 ²	3	3	113

Importations en ESPAGNE

1929

Imports into SPAIN

(Chiffres en milliers, sauf indication contraire.)
Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).
Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment ⁴ Wheat ⁴	Orge ⁴ Barley ⁴	Mais ⁴ Maize ⁴	Farine de seigle ¹ Rye flour ¹	Pommes de terre Potatoes	Graine de lin Linseed
	Tonnes métriques — Metric tons					
France		0.2	2		8.3	
Belgique.....					8.4	
Pays-Bas					13.6	
Royaume-Uni					17.9	
Autres pays européens ..			1	0.01	3.0	
Argentine.....	212		279			11.9
Etats-Unis.....	70					
Canada.....	61					
Maroc.....		5.1	1			
Algérie.....		0.4				
Canaries.....					1.0	
Indes (Brit.)						6.3
Autres pays extraeuro- péens.....						0.8
TOTAL.....	343	5.7	283	0.01	52.2	19.0
VALEUR en pesetas (000,000).....	106	1.5	59.5	0.01	9.9	7.8
Equiv. en \$ (000,000) ..	20.5	0.3	11.5	0.002	1.9	1.5

¹ Les chiffres de valeur de 1929 sont approximatifs ; ils ont été calculés aux prix moyens de 1928 indiqués ci-dessus.

² Chiffre de 1928.

³ « Lard et jambon » comprend la viande de porc.

⁴ Les chiffres pour « seigle » et « farine de froment » sont 0.

¹ The 1929 values are approximate, having been calculated at 1928 average prices as shown above.

² 1928 figure.

³ « Bacon and hams » includes pork.

⁴ Figures for « Rye » and « Wheat flour » are 0.

Importations en ESPAGNE.

1929

Imports into SPAIN.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Lard et jambon Bacon and hams
	T. métr. — M. tons		Têtes — Head		T. métr. — M. tons	
Hollande	2.4	0.3	1.4			0.1
Suisse	0.5		0.3			
France		9.5				
Allemagne	0.3	1.5				
Andorre			0.9	1.2		
Portugal.....			0.3		2.4	
Autres pays européens ..		1.9	0.1	0.2		
Turquie		3.0				
Egypte.....		1.1				
Maroc.....		12.0	0.3			
Etats-Unis.....						1.8
Argentine.....						0.1
Autres pays extraeuro- péens		0.9				
TOTAL.....	3.2	30.2	3.3	1.4	2.4	2.0
VALEUR en pesetas (000,000)	9.5	97.1	2.16	0.1	0.4	6.4
Equiv. en \$ (000,000) ...	1.83	18.7	0.42	0.02	0.077	1.2

Exportations d'ESPAGNE.

1929

Exports from SPAIN.

Pays de destination Country of destination	Froment Wheat	Orge Barley	Farines de froment Wheaten	Flours de seigle Rye flour	Pommes de terre Potatoes	Graine de lin Linseed
	Tonnes métriques — Metric tons					
France					41.1	
Royaume-Uni					49.3	
Autres pays européens ..				0.004	0.3	
Centa		2.8	2.3		0.6	
Maroc.....	0.52	3.3	2.5		0.7	
Melilla.....	0.12				2.4	
Uruguay.....					2.3	
Autres pays extraeuro- péens		0.2	0.5		1.3	
TOTAL.....	0.64	0.3	5.3	0.004	98.0	0
VALEUR en pesetas (000,000)	0.3	1.9	3.1	0.004	20.6	0
Equiv. en \$ (000,000) ...	0.06	0.4	0.6	0.001	4.0	0

Pays de destination Country of destination	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Lard et jambon Bacon and hams
	T. mét.-M. tons	Têtes — Head			T. mét.-M. tons
Portugal		0.20	0.16		
Allemagne.....		0.14	1.55		0.10
France.....				0.22	
Andorre.....					0.08
Cuba	0.01				0.06
Centa.....		0.14	1.46	0.12	0.04
Maroc.....					0.05
Melilla			0.01		
Autres pays extra- européens					0.07
TOTAL	0.01	0.48	3.18	0.34	0.40
VALEUR en pesetas (000,000).....	0.03	0.3	0.2	0.1	1.9
Equiv. en \$ (000,000)	0.006	0.06	0.04	0.02	0.37

Importations en ESTONIE.

1929

Imports into ESTONIA.

(Chiffres en milliers, sauf indication contraire.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance ² Country of origin ²	Froment Wheat	Seigle Rye	Orge ¹ Barley ¹	Avoine Oats	Farine de froment Wheat flour	Graine de lin Linseed
	Tonnes métriques — Metric tons					
Allemagne	5.7	42.4	2.0	14.3		0.3
Pologne et Dantzig ..		16.5	5.2	0.5		0.3
Hollande.....					0.2	
France.....					3.5	
Royaume-Uni						
Autres pays européens.....	0.6	0.1	0.5	0.1	0.3	
Etats-Unis	11.7	3.6			1.3	
Australie.....	3.4					
Canada	2.7				1.3	
Argentine		1.0				0.3
Brésil.....						0.2
Autres pays extra-européens	0.3				0.1	
TOTAL	24.4	63.6	7.7	14.9	6.7	1.1
VALEUR en kroon (000,000).....	4.9	9.7	1.3	2.4	1.8	0.30
Equiv. en \$ (000,000)	1.3	2.6	0.35	0.65	0.49	0.08

Exportations d'ESTONIE.

1929

Exports from ESTONIA.

Pays de destination ³ Country of destination ³	Pommes de terre Potatoes	Graine de lin Linseed	Beurre Butter	Oeufs Eggs	Esp. bovine Cattle	Esp. ovine Sheep and lambs	Esp. porcine Pigs	Viandes — (Meats)	
								de mouton Mutton and lamb	Lard et jambon Bacon and hams
								T. métr. — M. tons	Ko (000,000) = M. Tons
Lettonie	3.9	0.7					0.9		
Finlande	9.2			0.2 = —	2.8	0.2		0.02	
Royaume-Uni.....		0.5	5.7	0.9 = 0.1					1.3
Belgique		0.8							
U.R.S.S.		0.5							
Allemagne.....			6.6	21.2 = 1.4				0.15	
Autres pays européens	0.2	0.3	0.1		0.1			0.02	0.1
TOTAL	13.3	2.8	12.4	22.3 = 1.5 1.5	2.9	0.2	0.9	0.19	1.4
Equiv. en T.m.....									
VALEUR en kroon (000,000).....	1.12	0.97	35.5	2.3	0.2	0.003	0.1	0.22	2.3
Equiv. en \$ (000,000)	0.30	0.26	9.6	0.62	0.054	0.001	0.03	0.06	0.62

¹ Y compris le malt.

² Les importations de farine de seigle, pommes de terre, beurre, œufs, espèces bovine, ovine et porcine, viandes de bœuf et de mouton, lard et jambon sont nulles.

³ Les exportations de froment, orge, avoine, maïs, farines de froment et de seigle, lait et fromage sont nulles.

¹ Including malt.

² Imports of rye flour, potatoes, butter, eggs, cattle, sheep, pigs, beef, mutton, bacon and hams are nil.

³ Exports of wheat, barley, oats, maize, wheaten flour, rye flour, milk and cheese are nil.

Importations en FINLANDE.

1929

Imports into FINLAND.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Seigle Rye	Avoine Oats	Maïs Maize	Farines de: (Flours)		Pommes de terre Potatoes
				froment Wheaten	seigle Rye flour	
Tonnes métriques — Metric tons						
Russie	0.8					
Pologne	6.6					1.10
Allemagne	149.9	19.0	1.80	6.9	14.6	9.20
Danemark		1.5				
Estonie						9.49
Lettonie.....					0.6	
Grande-Bretagne				38.1		
Autres pays européens...	7.8	6.5	0.07	18.0		5.47
Etats-Unis.....	11.1		0.35	56.1		
Brésil	1.3		0.15			
Argentine	8.0		3.40			
Canada.....				11.3		
Autres pays extra-européens.....	0.8					
TOTAL.....	185.8	27.0	5.77	130.4	15.2	25.26
VALEUR en Fmk. (000,000)	312.1	55.27	10.14	382.3	29.6	21.06
Equiv. en \$ (000,000) ...	7.86	1.39	0.256	9.63	0.746	0.531

Pays de provenance Country of origin	Graine de lin Linseed	Oufs ¹ Eggs ¹	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viande de porc Pork
	T. métr. — M. tons		Têtes — Head			T. métr. — M. tons
Lettonie.....	0.1					
Allemagne	0.7					
Estonie.....		0.008	3.12			0.02
Autres pays européens...			0.01			0.18
Etats-Unis.....						2.05
Argentine.....	7.2					
Pays inconnus		0.001		0.23	0.02	
TOTAL	8.0	0.009	3.13	0.23	0.02	2.25
VALEUR en Fmk. (000,000)	24.56	0.22	2.96	0.08	0.07	26.4
Equiv. en \$ (000,000) ...	0.619	0.006	0.07	0.002	0.002	0.67

Exportations de FINLANDE.

1929

Exports from FINLAND.

Pays de destination Country of destination	Seigle ² Rye ²	Beurre ² Butter ²	Fromage Cheese	Oufs ² Eggs ²	Viandes — Meats	
					de bœufs et de mouton Mutton and lamb	de porc ² Pork ²
Tonnes métriques — Metric tons						
Suède	0.23				0.27	0.15
Allemagne		4.5	1.3			
Grande-Bretagne		11.9	0.1	0.02		
Autres pays européens...		0.2	0.6	0.02		
Etats-Unis.....			0.2			
TOTAL.....	0.23	16.6	2.2	0.04	0.27	0.15
VALEUR en Fmk. (000,000)	0.71	537.3	40.1	0.9	2.5	2.0
Equiv. en \$ (000,000) ...	0.018	13.54	1.01	0.02	0.063	0.05

¹ Les chiffres pour « lait » sont 0.

² Les chiffres pour froment, orge, maïs, les deux farines, pommes de terre, lait, animaux vivants et lard et jambon sont 0. La graine de lin n'est pas indiquée séparément.

¹ The figures for milk are 0.

² The figures for wheat, barley, maize, the two flours, potatoes, milk, live animals and bacon and hams are 0. Linseed is not shown separately.

Importations en FRANCE.

1929

Imports into FRANCE.

(Chiffres en milliers, sauf indication contraire.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted.)

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
U.R.S.S.	I				
Belgique		0.1	I		
Roumanie.....					2
Bulgarie.....					3
Canada	453	0.2		17	
Argentine	424			27	565
Tunisie	126		20	26	
Algérie.....	112		55	29	
Maroc	105		35		43
Autres pays extra-européens	150 ¹ U.S.A.	1.1		U.S.A. 9	148 ²
Pays inconnus.....	40	17.9	5	23	58
TOTAL	1411	19.3	116	131	819
VALEUR en francs (000,000).....	1842	21	115	133	869
Equiv. en \$ (000,000)	72.2	0.82	4.51	5.21	34.1

Pays de provenance Country of origin	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment Wheaten	de seigle Rye flour		
Tonnes métriques — Metric tons				
Belgique			174	6
Pays-Bas			86	
Allemagne			40	
Espagne			26	
Autres pays européens			10	
Algérie	9.2		37	
Tunisie	1.9			
Inde				64
Argentine.....				133
Autres pays extraeuropéens	1.8			
Pays inconnus.....	1.6	0.14	49	11
TOTAL.....	14.5	0.14	422	214
VALEUR en francs (000,000)	23	0.28	247	461
Equiv. en \$ (000,000).....	0.9	0.01	9.68	18.1

¹ Dont Etats-Unis 115, Australie 35.
² Dont Indochine 117, Etats-Unis 19.

¹ U.S.A. 115, Australia 35.
² Of which Indo-China 117, U.S.A. 19.

Importations en FRANCE.

1929

Imports into FRANCE.

(Chiffres en milliers, sauf indication contraire.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted.)

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Lait ¹ Milk ¹	Beurre ¹ Butter ¹	Fromage ² Cheese ²	Œufs ² Eggs ²
	Tonnes métriques — Metric tons			
Royaume-Uni		2.2		
Pays-Bas	2.5	1.0	11.4	
Suisse	2.9		2.4	
Italie.....	0.3		6.1	
Belgique		0.2		2.7
Autres pays européens	0.8	0.6		0.1
Algérie				3.8
Turquie.....				0.6
Chine.....				0.9
Autres pays extraeuropéens.....	0.2	0.4		
Pays inconnus.....		0.4		6.6
TOTAL.....	6.7	4.4	20.3¹	14.7
VALEUR en francs (000,000)	46	82	192 ¹	117
Equiv. en \$ (000,000).....	1.8	3.2	7.5 ¹	4.6

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats			
				de bœuf ² Beef ²	de mouton ² Mutton and lamb ²	de porc ² Pork ²	Lard et jambon Bacon and Hams
				Tonnes métriques — Métríc tons			
Têtes — Head							
Allemagne		1.0					
Belgique				0.6	0.4	0.2	
Grande-Bretagne....				0.3			
Pays-Bas.....						3.0	
U.R.S.S.						4.9	
Autres pays euro- péens.....							
Algérie		640					
Argentine				1.5	3.5		
Uruguay.....				5.7	1.6		
Madagascar				2.9		1.0	
Etats-Unis						0.7	
Autres pays extra- européens				0.9	0.1		
Pays inconnus.....	2.7	5.0	38	0.3	0.3	0.7	0.6
TOTAL	2.7	646	38	12.2²	5.9²	10.5²	0.6
VALEUR en francs (000,000).....	6.5	130	29	62 ²	35 ²	73 ²	9
Equiv. en \$ (000,000)	0.25	5.1	1.14	2.4 ²	1.37 ²	2.86 ²	0.35

¹ Distribution, suivant la proportion, par poids, en 1927.

² Non compris les articles suivants, de provenance inconnue :

¹ Distributed according to the proportion, by weight, in 1927.

² Excluding the following items of unknown provenance :

T.M.(000) = million fr. = million \$

Œufs : jaune, blanc et poudre — Eggs : yolk, white and powder	3.3	38	1.5
Fromages doux — Soft cheeses.	2.8	20	0.78
Bœuf : frais et salé — Beef : fresh and salted.	0.8	5	0.2
Mouton, frais — Mutton, fresh	3.7	29	1.14
Porc, salé — Pork, salted	1.7	20	0.78

Exportations de FRANCE.

1929

Exports from FRANCE.

Pays de destination Country of destination	Farines — Flours		Pommes de terre Potatoes	Graines de lin Linseed	Lait ² Milk ²	Beurre — Butter	
	de froment Wheaten	de seigle Rye flour				frais fresh	salé salted
Tonnes métriques — Métríc tons							
Grande-Bretagne....	0.28		124			1.53	0.22
Allemagne	0.09						
Suisse					11.6	1.47	
Autres pays euro- péens.....	0.01		31		1.0		
Algérie	0.94		28		1.4	1.12	
Tunisie	0.23		11		0.3	0.31	
Maroc					0.2	0.45	
Pays anglais d'Amé- rique autres que le Canada							0.90
Autres pays extra- européens	0.01		8		3.2		0.07
Pays inconnus.....	0.51	0.01	35	0.7	0.3	0.56	0.95
TOTAL	2.07	0.01	237	0.7	18.0	5.44	2.14
VALEUR en francs (000,000).....	3.7	0.02	160	2.1	48.2	95	29
Equiv. en \$ (000,000)	0.15	0.001	6.27	0.08	1.9	3.7	1.1

Pays de destination Country of destination	Fromage ² Cheese ²	Œufs Eggs	Espèce bovine Cattle ¹	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
						de bœuf ² Beef ²	de mouton Mutton and lamb
T. métr. — M. tons		Têtes — Head			T. métr. — M. tons		
Grande-Bretagne....	1.9	8.0					
Suisse	1.7	2.9					
Espagne	0.5	13.3					
Allemagne	2.2					1.1	
Italie.....			68				
Belgique			7			0.7	
Autres pays euro- péens.....	2.5					1.1	
Algérie	3.6		4			0.7	
Maroc	0.9						
Tunisie	0.8						
Autres pays extra- européens	3.8					0.3	
Pays inconnus.....	0.4	1.6	25	1.7	1.0	0.4	0.06
TOTAL	18.3	25.8	104	1.7	1.0	4.3	0.06
VALEUR en francs (000,000).....	224	214	188	0.6	0.76	35	0.65
Equiv. en \$ (000,000)	8.8	8.4	7.4	0.02	0.03	1.37	0.03

¹ Non compris taureaux, génisses et veaux (destination inconnue): 58 (mille têtes) = 84 millions de francs = 3,3 millions \$.

² Distribution suivant la proportion en poids de 1927.

¹ Excluding bulls, heifers and calves, of unknown destination: 58 (000 head) = 84 million frs. = 3.3 million \$.

² Distributed according to the 1927 proportion, by weight.

Importations en GRÈCE.

1929

Imports into GREECE.

(Chiffres en milliers, sauf indication contraire).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment	Orge	Maïs	Farines — Flours		Pommes	Graines de
	Wheat	Barley	Maize	de froment	de seigle	de terre	lin
				Wheaten	Rye flour	Potatoes	Linseed
	Tonnes métriques — Metric tons						
Hongrie.....	33			1.0		7	
Yougoslavie	15	2.2	0.9				
Roumanie.....	13	4.6	0.8				
Bulgarie		4.6	9.8				
Autres pays euro- péens.....	4			1.0		1	
Chypre		3.3				8	0.2
U.S.A.....	300			20.9			
Canada	143						
Argentine	56						
Italie.....				3.1			
France.....						1	
Australie.....				2.4			
Egypte				1.4		2	
Inde britan							3.4
Autres pays extra- européens	31	1.4	0.3	1.3			
Pays inconnus.....	3	7.7	16.3	0.1	0.003	13	0.4
TOTAL	598	23.8	28.1	31.2	0.003	32	4.0
VALEUR en drachmes (000,000).....	2.695	78	107	177	0.03	74	18
Equiv. en \$ (000,000)	34.8	1.00	1.4	2.3	—	0.95	0.23

Pays de provenance Country of origin	Lait	Beurre	Fromage	Oeufs	Espèce	Espèce	°Espèce
	Milk	Butter	Cheese	Eggs	bovine	ovine	porcine
					Cattle	Sheep and lambs	Pigs
	Tonnes métriques — Metric tons						
Suisse	2.07		0.06				
Hollande.....	0.46	0.09	0.06				
Italie.....	0.37	0.02	0.08				
Yougoslavie		0.17	0.42	0.05	19.2	804	10.2
Russie.....	0.43	0.08	0.05		14.1	23	0.2
Autres pays euro- péens.....		0.07	0.46 ¹	0.03		1	
Turquie.....		0.09	0.07	1.79	9.5	109	
Egypte				0.13			
Autres pays extra- européens		0.06			0.5		
Pays inconnus.....	0.24	0.12	0.30	0.80	1.1	6	0.1
Bulgarie					16.1	93	4.9
Albanie.....					3.2	115	0.2
Syrie						97	
Chypre							0.7
TOTAL	3.57	0.70	1.50	2.80	63.7	1248	16.3
VALEUR en drachmes (000,000).....	70	36	40	57	150	307	12
Equiv. en \$ (000,000)	0.9	0.47	0.52	0.73	1.93	3.96	0.15

¹ Dont Roumanie 0.34.

¹ Of which Roumania 0.34.

Exportations de GRÈCE.
1929
Exports from GREECE.

Pays de destination Country of destination	Pommes de terre ¹ Potatoes ¹	Graines de lin ² Linseed ²	Lait Milk	Beurre Butter	Fromage ¹ Cheese ¹	Espèce bovine ¹ Cattle ¹	Espèce ovine ¹ Sheep and lambs ¹
	Tonnes métriques — Metric tons				Têtes — Head		
Allemagne		0.15					
Royaume-Uni		0.04					
Pays inconnus.....	0.02		0.001		0.1	0.2	3.9
TOTAL	0.02	0.19	0.001	0	0.1	0.2	3.9
VALEUR en drachmes (000,000).....	0.03	0.3	0.3	0.01	3.3	0.35	1.1
Equiv. en \$ (000,000)	—	0.004	0.004	—	0.043	0.005	0.014

Importations en HONGRIE.
1929
Imports into HUNGARY.

(Chiffres en milliers, sauf indication contraire).

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Maïs ³ Maize ³	Pommes de terre ³ Potatoes ³	Graines de lin Linseed	Oeufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs
	Tonnes métriques — Metric tons				Têtes — Head		
Tchécoslovaquie		1.0	0.17			0.06	0.01
Yougoslavie	13.1			0.09			
Roumanie.....	3.7			0.14	0.67		
Bulgarie	4.3						
Pays-Bas.....			2.88				
Pologne.....		5.7	0.10				
Italie.....		1.6					
Autriche		2.6		0.04			0.02
Allemagne					0.16		
Suisse							
Autres pays européens.....		1.5	0.04	0.02	0.02	0.01	0.01
Argentine	1.7						
Pays inconnus.....		0.2	0.02	0.01	0.12		
TOTAL	22.8	12.6	3.21	0.30	0.97	0.07	0.04
VALEUR en pengö (000,000).....	5.9	2.0	1.3	0.6	0.5	0.003	0.01
Equiv. en \$ (000,000)	1.03	0.35	0.23	0.11	0.09	0.001	0.002

Exportations de HONGRIE.
1929
Exports from HUNGARY.

Pays de destination Country of destination	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Autriche	160	55	27	27	22
Tchécoslovaquie.....	113	3	1	2	39
Italie	54	7	1	3	10
Suisse.....	46	3	39		3
Allemagne.....	33	15	15		6
Turquie.....	21				
Autres pays européens	53	29 ⁴	7		
Autres pays extra-européens	5	3			
TOTAL	485	115	90	32	80
VALEUR en pengö (000,000).....	127	24	20	6	15
Equiv. en \$ (000,000)	22.1	4.2	3.5	1.05	2.6

¹ Les chiffres des exportations de farines de froment et de seigle, œufs, porcs et viandes sont 0.

² Chiffres de 1925.

³ Les chiffres des importations de seigle, orge, farines de froment et de seigle, et viande de mouton sont 0.

⁴ Dont Pays-Bas 27.

¹ Export figures for wheat flour, rye flour, eggs, pigs and meat are 0.

² 1925 figures.

³ The import figures for rye, barley, the two flours, mutton and lamb are 0.

⁴ Of which, Holland 27.

Exportations de HONGRIE.

1929

Exports from HUNGARY.

(Suite — Continued)

Pays de destination Country of destination	Farines — Flours		Pommes de terre Potatoes	Graines de lin Linseed	Beurre Butter
	de froment Wheaten	de seigle Rye flour			
Tonnes métriques — Metric tons					
Autriche	166	4.9	5	0.2	
Tchécoslovaquie.....	52	0.1		1.5	
Yougoslavie			11		
Italie	4	0.7	49		
Grèce.....	2		8		
Allemagne.....					0.53
Autres pays européens	35			0.1	
Egypte	1				
Autres pays extra-européens	2				
Pays inconnus.....		0.1		0.2	0.01
TOTAL	262	5.8	73	2.0	0.54
VALEUR en pengö (000,000).....	104	1.9	7	1.0	2.5
Equiv. en \$ (000,000)..	18.1	0.33	1.2	0.17	0.44

Pays de destination Country of destination	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
					de bœuf, de mouton et de porc Beef, mutton and lamb and pork	Jard et jambon Bacon and hams
					T. mét. — M. tons	Têtes — Head
Autriche.....	3.5	40.2	4.4	154	3.7	0.10
Allemagne	3.4					
Tchécoslovaquie		15.1	21.4	116		0.03
Italie.....		33.8				
Suisse			9.5			
France			5.2			
Autres pays européens ..	0.3	0.1			0.3 U.K.	0.81
Turquie			1.0			
Pays inconnus			0.7	3		0.02
TOTAL.....	7.2	89.2	42.2	273	4.0	0.96
VALEUR en pengö (000,000)	16.3	62	1.8	75	10.4	2.5
Equiv. en \$ (000,000) ...	2.84	10.8	0.31	13.1	1.81	0.44

Importations dans l'ÉTAT LIBRE D'IRLANDE. 1929

Imports into FREE IRISH STATE.

(Chiffres en milliers, sauf indication contraire).

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean “unknown” or “unimportant”.

Pays de destination Country of destination	Froment ¹ Wheat ¹	Orge ¹ Barley ¹	Maïs Maize	Farine de froment ¹ Wheaten flour ¹	Pommes de terre ¹ Potatoes ¹
	Ton long — Long ton				
Grande-Bretagne	37	1	82	132	20
Allemagne.....	9				
Pays-Bas.....		1			
Belgique			1		
Etats-Unis	182	7	7	7	
Canada	26	4	2	15	
Argentine	7	6	264		
Australie.....	32				
Autres pays extra-européens		4			
Pays inconnus.....				2	
TOTAL	293	23	356	156	20
Equiv. en T.M. (000) .	298	23.4	362	159	20.3
VALEUR en \$ (000,000)	3.2	0.2	3.2	2.4	0.07
Equiv. en \$ (000,000)..	15.6	0.97	15.6	11.7	0.34

¹ Le seigle, la farine de seigle et la graine de lin ne sont pas indiqués séparément.

¹ Rye, rye flour and linseed are not shown separately.

Importations en ÉTAT LIBRE D'IRLANDE. 1929

Imports into IRISH FREE STATE.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)
 Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).
 Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Beurre Butter	Fromage Cheese	Œufs — Eggs	T. long-L. tons
	Ton long	— Long tons	Nombre — Number (millions)	
Grande-Bretagne.....	2	1	3.3	0.5
TOTAL	2	1	3.3	0.5
Equiv. en T.M. (000)	2	1	Inconnu	0.5
VALEUR en £ (000,000).....	0.4	0.1	0.02	0.05
Equiv. en \$ (000,000).....	1.95	0.49	0.1	0.24

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats			
				de bœuf Beef	de mouton Mutton and lamb	de porc Pork	Lard et jambon Bacon and hams
				Ton long — Long tons			
Grande-Bretagne....	14	18	3	0.4	0.1	2.0	17
Pays-Bas						1.0	1
Danemark							
TOTAL	14	18	3	0.4	0.1	3.0	18
Equiv. en T.M. (000).	Inconnu	— Unknown		0.4	0.1	3.0	18.3
VALEUR en £ (000,000).....	0.2	0.04	0.01	0.1	0.01	0.09	1.6
Equiv. en \$ (000,000)	0.97	0.19	0.05	0.49	0.05	0.44	7.8

Exportations de l'ÉTAT LIBRE D'IRLANDE. 1929

Exports from IRISH FREE STATE.

Pays de destination Country of destination	Avoine ¹ Oats ¹	Farine de froment ² Wheaten flour ²	Pommes de terre ² Potatoes ²
	T. long - L. tons	T. métr. - M. tons	T. long - L. tons
Grande-Bretagne	31	2	13
Pays inconnus	2		2
TOTAL.....	33	2	15
Equiv. en T.M. (000).....	34	2	15
VALEUR en £ (000,000)	0.2	0.03	0.05
Equiv. en \$ (000,000).....	0.97	0.15	0.24

Pays de destination Country of destination	Lait Milk	Lait condensé Milk, condens.	Beurre Butter	Œufs Eggs
	Gallons ³	Ton long — Long tons		No. (million)
Grande-Bretagne.....	1.460	4.2	28	576
Etab. du Détroit		0.3		
Pays inconnus.....		0.2		1
TOTAL	1.460	4.7	28	577
Equiv. en T.M. (000)	Inconnu Unknown	4.8	28.4	Inconnu Unknown
VALEUR en £ (000,000).....	0.4	0.17	4.6	3.2
Equiv. en \$ (000,000).....	1.95	0.83	22.4	15.6

¹ Les chiffres pour le froment, le seigle et le maïs sont 0.

² La farine de seigle et la graine de lin ne sont pas indiquées séparément.

³ 1 gallon = 4.54 litres.

¹ The numbers for wheat, rye and maize are 0.

² Rye-flour and linseed are not shown separately.

³ 1 gallon = 4.54 litres.

Exportations de l'ÉTAT LIBRE D'IRLANDE. 1929 **Exports from IRISH FREE STATE.**
(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)
Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).
Note. — Blanks mean "unknown" or "unimportant".

Pays de destination Country of destination	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats			
				de bœuf ¹ Beef ¹	de mouton ¹ Mutton and lamb ¹	de porc Pork	Lard et jambon Bacon and hams
				Têtes — Head		Ton. long — Long. tons	
Grande-Bretagne....	775	577	307	2	1	14	25
TOTAL	775	577	307	2	1	14	25
Equiv. en T.M. (000).	Inconnu — Unknown			2	1	14	25.4
VALEUR en £ (000,000).....	13.5	1.4	1.9	0.1	0.1	1.2	2.8
Equiv. en \$ (000,000)	65.7	6.8	9.25	0.49	0.49	5.84	13.63

Importations en ITALIE. 1929 **Imports into ITALY.**
(Chiffres en milliers, sauf indication contraire.) (Figures in thousands, unless otherwise noted).
Note. — Les postes en blanc signifient « inconnu » ou « peu important ». Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Allemagne.....	33	0.5	0.7	2	
Roumanie.....	4			6	22
Hongrie.....	55	3.4	3.2	3	4
Tchécoslovaquie.....	4		12.5		
Yougoslavie.....					48
Autres pays européens			0.4		
Australie.....	155				
Argentine.....	437			41	639
Canada.....	655			2	
Etats-Unis.....	419			7	27
Egypte.....					12
Autres pays extra-européens.....				3	5
Pays inconnus.....		0.6	0.4	5	9
TOTAL.....	1,762	4.5	17.2	69	766
VAL. en lire (000,000)	1,718	3.6	28.4	55	635
Equiv. en \$ (000,000)	89.85	0.19	1.49	2.88	33.2

Pays de provenance Country of origin	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment of wheat	de seigle of rye		
	Tonnes métriques — Metric tons			
Hongrie.....	1.1		46	
Allemagne.....			36	
Autriche.....			21	
Grande-Bretagne.....			1	
Autres pays européens.....		0.7		
Etats-Unis.....	3.0			
Inde britannique.....				27
Argentine.....				28
Autres pays extraeuropéens.....				3
Pays inconnus.....	0.6		9	1
TOTAL.....	4.7	0.7	113	59
VALEUR en lire (000,000).....	5.6	0.9	53	93
Equiv. en \$ (000,000).....	0.29	0.05	2.77	4.86

¹ Non compris 0,6 milliers de tonnes (valeur = 0,01 millions de £ = 0,05 millions de \$) viandes crues (coarse meat) de bœuf et de mouton, le tout pour la Grande-Bretagne.

¹ Excluding 0.6 thousands tons (Value 0.01 £ million) "coarse meat of cattle and sheep", all to Great Britain.

Importations en ITALIE.

1929

Imports into ITALY.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)
Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).
Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Lait — Milk		Beurre Butter	Fromage Cheese	Œufs ¹ Eggs ¹
	Frais Fresh	Condensé Condensed			
	Tonnes métriques — Metric tons				
Danemark.....			0.4		
Turquie d'Europe....					4.2
Suisse.....		0.5		5.7	
Pologne.....					3.5
Yougoslavie.....					5.7
Autres pays européens		0.1	0.1	0.2	0.8
Argentine.....			0.3		
Egypte.....					1.0
Algérie.....					0.3
Turquie d'Asie.....					0.2
Etats-Unis.....		0.1			
Pays inconnus.....	0.4	0.2	0.1	0.4	0.7
TOTAL.....	0.4	0.9	0.9	6.3	16.4
VALEUR en lire (000,000).....	0.7	9.5	13	72	107
Equiv. en \$ (000,000)	0.037	0.50	0.68	3.77	5.60

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
				Fraîches et frig. ² Fresh and frozen ²	Salées et fumées ³ Salted and smoked ³
	Têtes — Head			T. métriques — M. tons	
France.....	144				
Yougoslavie.....	66	3.0	13	5	0.18
Hongrie.....	30		1		
Russie.....				5	
Tchécoslovaquie.....					0.14
Autres pays européens	15		3		0.04
Argentine.....				40	0.54
Sud. Afr. brit.....				9	
Brésil.....				2	
Etats-Unis.....				2	0.14
Autres pays extra- européens.....				2	
Pays inconnus.....	11	0.4	9		0.11
TOTAL.....	266	3.4	26	65	1.15
VALEUR en lire (000,000).....	407	0.4	17	246	9.2
Equiv. en \$ (000,000)	21.3	0.02	0.89	12.87	0.48

T.M. (000) = million) = million

Lires \$

¹ Non compris jaunes d'œufs (provenance inconnue) — Excluding yolks (provenance unknown).

² Dont, fraîches — Of which, fresh

³ Dont, lard — Of which, bacon

0.7	6.5	0.34
5	29	1.51
0.20	2.7	0.14

Exportations d'ITALIE.

1929

Exports from ITALY.

Pays de destination Country of destination	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed	Lait — Milk		Beurre Butter
	de froment of Wheat	de seigle of rye			Frais Fresh	Condensé Condensed	
Tonnes métriques — Metric tons							
Grande-Bretagne....	6					0.2	
Suisse	1		9				0.4
Allemagne			68				
Autriche			21				
Grèce.....	3					0.4	
Autres pays euro- péens.....			23			0.1	
Egypte	30		12				
Tripoli.....	21		2				0.1
Inde britannique ...			16				
Indes néerlandaises .						0.6	
Etablissements du Détroit						0.6	
Etats-Unis							0.2
Autres pays extra- européens			3			0.1	
Pays inconnus.....	6	0.005		0.05	1.1	0.2	0.2
TOTAL	67	0.005	154	0.05	1.1	2.2	0.9
VALEUR en lire (000,000).....	81	0.01	111	0.12	3.5	17	12
Equiv. en \$ (000,000)	4.24	0	5.80	0.006	0.18	0.89	0.63

Pays de destination Country of destination	Fromage Cheese	Oeufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes préparées ¹ Meats, prepared ¹
	T. métr. — M. Tons	Têtes — Head				T. métr. - M. tonn
Grande-Bretagne	6.1	0.3				
Suisse	1.2	3.1	0.1	8.2	7.0	1.4
France	6.1					1.2
Allemagne		6.3				
Autriche.....					0.2	0.2
Autres pays européens		1.9	0.2			0.2
Etats-Unis.....	14.1					0.2
Tripoli			0.4			0.1
Argentine.....		0.4				
Egypte.....						0.1
Venezuela						0.1
Autres pays extra- européens.....	1.5					0.1
Pays inconnus	1.9	0.3	0.1	0.2		0.4
TOTAL.....	32.8	10.6	0.6	0.4	7.2	4.0
VALEUR en lire (000,000)	264	92	1.1	1.5	4.8	60
Equiv. en \$ (000,000) ...	13.8	4.81	0.06	0.08	0.25	3.14

T.M. (000) = million Lire = million \$

¹ Dont, lard et jambon — Of which, bacon and ham 0.4 6.6 0.35

Importations en LETTONIE.

1929

Imports into LATVIA.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Farines — Flours		Pommes de terre Potatoes
					de froment of Wheat	de seigle of rye	
Tonnes métriques — Metric tons							
Allemagne	16	99	9	36		0.002	6.3
Pologne		13	17	1			
Danemark		2	3	2			
Dantzig.....		5	8				2.5
Royaume-Uni					0.10		
U.R.S.S.							3.7
Estonie							0.3
Etats-Unis	5	1			0.07		
Autres pays euro- péens.....	1	5		2			
Pays inconnus.....	53	2			0.12		
TOTAL	75	127	37	41	0.29	0.002	12.8
VALEUR en lats (000,000).....	21	27	8.7	9.5	0.1	0.001	1.3
Equiv. en \$ (000,000)	4.5	5.21	1.68	1.83	0.02	0	0.25

Pays de provenance Country of origin	Graine de lin Linseed	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
						de mouton Mutton and lamb	Lard et jambon Bacon and hams
T. métr — M. tons Têtes — Head T. métriques — M. tons							
Allemagne	4.1						0.04
Pologne.....	3.2	0.12					
Danemark							
U.R.S.S.		0.09					1.12
Estonie	0.7		0.1		0.9	0.02	
Lithuanie		0.52	0.8	0.3	5.6		
Etats-Unis							0.02
Autres pays euro- péens.....	9.3 ¹	0.04					
TOTAL	17.3	0.77	0.9	0.3	6.5	0.02	1.18
VALEUR en lats (000,000).....	7.6	1.4	0.2	0.0	0.5	0.02	1.8
Equiv. en \$ (000,000)	1.47	0.27	0.04	0	0.1	0.004	0.35

Exportations de LETTONIE.

1929

Exports from LATVIA.

Pays de destination Country of destination	Farine de froment ² Wheat flour ²	Pommes de terre Potatoes	Graine de lin Linseed	Beurre ² Butter ²
Danemark	0.30			
Hollande.....	0.06		4.4	
Royaume-Uni	0.28		2.3	3.2
Lithuanie		0.02		
France.....			3.1	
Allemagne				11.5
Autres pays européens			5.6 ³	0.1
TOTAL	0.64	0.02	15.4	14.8
VALEUR en lats (000,000).....	0.10	0.0	8.1	59
Equiv. en \$ (000,000).....	0.02	0.0	1.56	11.39

¹ Dont Lithuanie 7,5.

² Les chiffres pour maïs, farine de seigle, fromage et œufs sont 0.

³ Dont : Belgique 2,9 ; Allemagne 2.

¹ Of which, Lithuania 7.5.

² The figures for maize, rye flour, cheese and eggs are 0.

³ Of which, Belgium 2.9 ; Germany 2.

Exportations de LETTONIE.
1929
Exports from LATVIA.

(Chiffres en milliers, sauf indication contraire.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).

Note. — Blanks mean "unknown" or "unimportant".

(Suite — Continued)

Pays de destination Country of destination	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
				de mouton Mutton and lamb	Lard and jambon Bacon and Hams
Têtes — Head			T. métriques — M. tons		
Royaume-Uni.....					0.80
Suède.....				0.05	
U.R.S.S.	0.4		0.01		
Lithuanie.....		0.01	0.01		
Autres pays européens.....		0.01			0.02
TOTAL.....	0.4	0.02	0.01	0.05	0.82
VALEUR en lats (000,000).....	0.2	0.0	0.0	0.06	1.6
Equiv. en \$ (000,000)..	0.04	0.0	0.0	0.01	0.31

Importations en LITHUANIE.
1929
Imports into LITHUANIA.

Pays de provenance Country of origin	Seigle Rye	Orge Barley	Avoine ¹ Oats ¹	Lait en poudre Milk powder	Espèce bovine ¹ Cattle ¹	Espèce ovine ² Sheep and lambs ²	Espèce porcine ¹ Pigs ¹
	Tonnes métriques — Metric tons				Têtes — Head		
Allemagne.....	13.5	2.9	2.1	0.02	0.03	0.5	0.01
Pays-Bas.....				0.01			
Pologne.....				0.01			
Danemark.....					0.01		
Lettonie.....						0.1	0.01
Autres pays européens.....	0.1		0.1				
TOTAL.....	13.6	2.9	2.2	0.04	0.04	0.6	0.02
VALEUR en litai (000,000).....	5.8	1.2	0.9	0.22	0.04	0.03	0
Equiv. en \$ (000,000)	0.58	0.12	0.09	0.022	0.004	0.003	0

Exportations de LITHUANIE.
1929
Exports from LITHUANIA.

Pays de destination Country of destination	Pommes de terre ³ Potatoes ³	Graine de lin Linseed	Beurre Butter	Oeufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viande ⁴ Meats ⁴
	T. métr. — M. tons = nombre en millions				Têtes — Head			T. métr. — M. tons
Lettonie.....	0.1	7		0.7 = 12.3				
Grande-Bretagne		7	0.7	0.4 = 7.7				
Pays Bas.....		4						
Allemagne.....		6	3.3	1.9 = 35.5	38.8	7.5	95	4.4
Autres pays européens.....		1	0.1		1.2	0.3	5	0.6
TOTAL.....	0.1	25	4.1	3.01 = 55.5	40.0	7.8	100	5.0
VALEUR en litai (000,000).....	0.03	24	31.4	12.8	14.5	0.3	29	17
Equiv. en \$ (000,000).....	0.003	2.4	3.14	1.28	1.45	0.03	2.9	1.7

¹ Les farines, pommes de terre, la graine de lin, le beurre, le fromage, les œufs et les viandes ne sont pas indiqués séparément.

² Animaux vivants, autres que les chevaux, l'espèce bovine et l'espèce porcine.

³ Le maïs et les deux farines ne sont pas indiqués séparément.

⁴ Toutes les viandes fraîches, fumées, salées ou conservées. Dont « autres que fraîches » (y compris le lard) = 0,01 (poids).

¹ Flours, potatoes, linseed, butter, cheese, eggs and meats are not shown separately.

² Live animals, other than horses, cattle and pigs.

³ Maize and the two flours are not shown separately.

⁴ All meats, fresh, smoked, salted or preserved. Of which, "other than fresh" (including bacon) = 0.01 (weight).

Importations en NORVÈGE.

1928¹

Imports into NORWAY.

(Chiffres en milliers, sauf indication contraire).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Allemagne.....	5	16	3	1.1	11
Russie.....		3			5
Danemark.....			6	0.1	1
Grande-Bretagne....					6
Pays-Bas.....					2
Autres pays européens	1			0.2	3
Canada.....	62	66	3	1.6	
Argentine.....	14	11	6	1.0	84
Etats-Unis.....	14	38	3		
Autres pays extra-européens.....	3	3	1		3
TOTAL 1928.....	99	137	22	4.0	115
TOTAL 1929.....	120	139	24	5.1	81
VALEUR en Kr. (000,000) { 1928	20.5	27.3	4.6	0.8	20.7
{ 1929	24.8	27.7	5.0	1.02	14.6
Equiv. en \$ (000,000) 1929.....	6.65	7.42	1.34	0.27	3.9

Pays de provenance Country of origin	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment of wheat	de seigle of rye		
Tonnes métriques — Metric tons				
Grande-Bretagne.....	14			7
Allemagne.....		5		
Pays-Bas.....		4		
Estonie.....			2.3	
Italie.....			0.4	
Autres pays européens.....	2			
Etats-Unis.....	48	4		
Canada.....	8			
Argentine.....				9
TOTAL 1928.....	72	13	2.7	16
TOTAL 1929.....	72	10	0.08	15
VALEUR en Kr. (000,000).... { 1928	18.3	3.3	0.5	4.6
{ 1929	18.3	2.5	0.015	4.2
Equiv. en \$ (000,000) 1929.....	4.9	0.7	0.004	1.1

Pays de provenance Country of origin	Beurre Butter	Fromage Cheese	Oufs Eggs
	Tonnes métriques — Metric tons		
Suède.....	0.25		
Danemark.....	0.34	0.01	0.01
France.....		0.18	
Pays-Bas.....		0.11	0.02
Allemagne.....		0.08	0.03
Autres pays européens.....	0.11	0.12 ²	0.01
TOTAL 1928.....	0.70	0.50	0.07
TOTAL.....	0.61	0.38	0.08
VALEUR en Kr. (000,000).... { 1928	2.09	1.12	0.18
{ 1929	1.82	0.85	0.21
Equiv. en \$ (000,000) 1929.....	0.49	0.23	0.06

¹ Les valeurs de 1929 sont approximatives ; elles ont été calculées d'après la moyenne des prix de 1928 indiqués ci-dessus.

² Dont Suisse 0,08.

¹ The 1929 values are approximate, having been calculated at 1928 average prices as shown above.

² Of which, Switzerland 0.08.

Importations en NORVÈGE.

1928¹.

Imports into NORWAY.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)
Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted).
Note. — Blanks mean “unknown” or “unimportant”.

Pays de provenance Country of origin	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes ² Meats ²	Lard and jambon Bacon and Hams	
	Têtes — Head			Ton. métr. — M. tons		
Suède.....	0.02			2.2	0.5	
Islande.....				1.8		
Danemark.....					0.2	
Pays-Bas.....					0.1	
Grande-Bretagne....					0.1	
Autres pays européens				0.2	0.1	
Etats-Unis.....				0.3	2.0	
Argentine.....				0.1		
Pays inconnus.....		0.03	0.03			
TOTAL 1928..	0.02	0.03	0.03	4.6	3.0	
TOTAL 1929..	0.05	Inconnu — Unknown		4.7	2.4	
VALEUR en Kr. (000,000)	1928	0.01	0.001	0.001	5.0	3.9
	1929	0.025	Inconnu — Unknown		5.1	3.1
Equiv. en \$ (000,000) 1929.....	0.007	0 ³	0 ³	1.37	0.8	

Exportations de NORVÈGE.

1928¹.

Exports from NORWAY.

Pays de destination Country of destination	Farines — Flours		Pommes de terre ⁴ Potatoes ⁴	Lait Milk	Beurre Butter	
	de froment of wheat	de seigle Rye flour				
Tonnes métriques — Metric tons						
Spitzberg.....			0.23			
Finlande.....			0.13			
Suède.....			0.02			
Islande.....			0.02			
Grande-Bretagne....				0.1	0.03	
France.....				0.1		
Danemark.....					0.01	
Autres pays européens				0.1		
Cuba.....				6.1		
Union sud-africaine..				1.8		
Indes néerlandaises...				1.1		
Autres pays extra-européens.....				1.6		
Pays inconnus.....	0.12	0.68				
TOTAL 1928..	0.12	0.68	0.40	10.9	0.04	
TOTAL 1929..	Inconnu — Unknown		0.65	10.5	0.54	
VALEUR en Kr. (000,000)	1928	0.05	0.19	0.05	11.3	0.11
	1929	Inconnu — Unknown		0.08	10.9	1.48
Equiv. en \$ (000,000) 1929.....	0.01 ³	0.05 ³	0.021	2.9	0.4	

¹ Les valeurs de 1929 sont approximatives ; elles ont été calculées d'après la moyenne des prix de 1928 indiqués ci-dessus.

² Viandes, non compris la viande de renne.

³ Chiffres de 1928.

⁴ Le chiffre (de 1928) pour graine de lin est 0.

¹ The 1929 values are approximate, having been calculated at 1928 average prices as shown above.

² Meats, excluding reindeer.

³ 1928 figures.

⁴ The (1928) figure for linseed is 0.

Exportations de NORVÈGE.

1928 ¹

Exports from NORWAY.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

(Suite — Continued)

Pays de destination Country of destination	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs
	Ton. métr. — M. tons		Têtes — Head		
Pays inconnus.....	0.42	0.12	0.01	0.01	0.13
TOTAL 1928..	0.42	0.12	0.01	0.01	0.13
TOTAL 1929..	0.61	0.68	0.01	Inconnu —	Unknown
VALEUR en) 1928	0.75	0.25	0.002	0.001	0.004
Kr. (000,000) 1929	1.09	1.42	0.002	Inconnu —	Unknown
Equiv. en \$ (000,000) 1929.....	0.29	0.38	0	0 ²	0.001 ²

Importations en PAYS-BAS.

1929

Imports into NETHERLANDS.

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize	Farines — Flours	
						de froment of wheat	de seigle of rye
Tonnes métriques — Metric tons							
Allemagne.....	16	45	28	91	2	3	1
Belgique.....	11	1	16	2	60	18	
Roumanie.....	42	17	17	3	43		
Pologne.....		6	21				
France.....						5	
Autres pays euro- péens.....	3	5	5	2	12	3	
Etats-Unis.....	129	3	59	1	189	87	
Argentine.....	344	16	17	21	536		
Canada.....	102	12	143	15	11	8	
Autres pays extra- européens.....	8		13		141	1	
TOTAL.....	655	105	319	135	994	125	1
VALEUR en gulden... Equiv. en \$ (000,000)	74.5 29.9	10.6 4.3	29.7 11.9	12.3 4.9	98.8 39.7	19.9 8.0	0.2 0.08

Pays de provenance Country of origin	Pommes de terre Potatoes	Graine de lin Linseed	Beurre Butter	Œufs Eggs	Espèce bovine ⁴ Cattle ⁴	Porcs Swine	Viande de bœuf ⁴ Beef ⁴
	Tonnes métriques — Metric tons				Têtes — Head	T. métr. - M. Tons	
Allemagne.....	1	2	0.8	3		0.1	
Belgique.....	2	3		2.7	0.26		
Lithuanie.....		3					
Lettonie.....		6					
Danemark.....						0.1	0.2
Pologne.....			0.1	6			
Royaume-Uni.....			0.7	0.7			
Autres pays euro- péens.....	8 ³	2	0.1	1			
Argentine.....		34 ²					0.1
Autres pays extra- européens.....		3	0.1				8.5
Chine.....				1.4			
Russie d'Asie.....			0.2				
TOTAL.....	11	361	2.0	5.8	0.26	0.2	8.8
VALEUR en gulden.. Equiv. en \$ (000,000)	1.1 0.44	67.0 26.9	3.4 1.37	5.2 2.1	0.05 0.02	0.02 0.008	5.0 2.0

¹ Les valeurs de 1929 sont approximatives ; elles ont été calculées d'après la moyenne des prix de 1928 indiqués ci-dessus.

² Chiffres de 1928.

³ Dont possessions britanniques dans la Méditerranée, 7.

⁴ Les chiffres pour « espèce ovine » et « viande de mouton » sont 0.

¹ The 1929 values are approximate, having been calculated at 1928 average prices as shown above.

² 1928 figures.

³ Of which, British possessions in Mediterranean = 7.

⁴ Figures for "Sheep and lambs" and "mutton" are nil.

Exportations des PAYS-BAS.

1929

Exports from NETHERLANDS.

Pays de destination Country of destination	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
Allemagne.....	4.1	3.6	12.0	2.3	12.8
Belgique.....	3.7	1.1	10.5	2.7	0.6
Royaume-Uni.....	0.5				0.7
Finlande.....				3.3	
Autres pays européens	0.6		0.1	1.6	
Autres pays extra-européens.....				0.6	
TOTAL.....	8.9	4.7	22.6	10.5	14.1
VALEUR en gulden (000,000).....	1.0	0.5	2.3	1.3	1.5
Equiv. en \$ (000,000)	0.4	0.2	0.9	0.52	0.6

Pays de destination Country of destination	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment of Wheat	de seigle of rye		
Tonnes métriques — Metric tons				
Allemagne.....	3.3		171	1.1
Royaume-Uni.....	4.5	0.1	20	1.6
Norvège.....		1.4		
France.....			64	1.3
Belgique.....			208	1.0
Autres pays européens.....	1.6	0.2	60	1.7
Argentine.....			20	
Brésil.....			7	
Venezuela.....			3	
Possessions britanniques en Amérique			5	
Uruguay.....			3	
Autres pays extraeuropéens.....			13	
TOTAL.....	9.4	1.7	574	6.7
VALEUR en gulden (000,000).....	1.1	0.2	21.6	1.6
Equiv. en \$ (000,000).....	0.44	0.08	8.7	0.64

Pays de destination Country of destination	Lait Milk	Beurre Butter	Fromage Cheese	Œufs Eggs
	Tonnes métriques — Metric tons			
Allemagne.....	5	36	43	58
Belgique.....	1	3	17	1
France.....	4	1	11	
Royaume-Uni.....	134	6	10	21
Autres pays européens.....	4		5	2
Etats-Unis.....	3		2	
Cuba.....	2		2	
Indes néerlandaises.....	5			
Inde britannique.....	8			
Autres pays extraeuropéens.....	26	1	6	
TOTAL.....	192	47	96	82
VALEUR en gulden (000,000).....	55.8	86.3	79.1	70.4
Equiv. en \$ (000,000).....	22.4	34.7	31.8	28.3

Exportations des PAYS-BAS.

1929

Exports from NETHERLANDS.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de destination Country of destination	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats			
				de bœuf Beef	de mouton Mutton and lamb	de porc Pork	Lard et jambon Bacon and hams
				Tonnes métriques — Metric tons			
Têtes — Head							
Belgique	20.9	2.3	21.2	2.3	1.0	7.8	0.4
France	2.4		3.5		3.0	2.8	0.2
Italie (Fiume)	9.2						1.5
Allemagne		0.6	3.5	12.2	1.2	4.7	2.9
Royaume-Uni							47.3
Autres pays européens.....	3.4	0.1		0.4	0.6	0.1	1.5
TOTAL	35.9	3.0	28.2	14.9	5.8	15.4	53.8
VALEUR en gulden (000,000).....	5.1	0.07	2.1	11.2	4.8	13.9	55.8
Equiv. en \$ (000,000)	2.05	0.03	0.84	4.5	1.9	5.6	22.04

Importations en POLOGNE et DANTZIG. 1928

Imports into POLAND and DANZIG.

Pays de provenance Country of origin	Froment Wheat	Avoine Oats	Maïs Maize	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
				de froment of Wheat	de seigle of rye		
				Tonnes métriques — Metric tons			
Allemagne	87	20.9	3.7	0.1	0.40	0.17	4.5
Hongrie	33						
Suède	25			0.3			
Hollande.....	9						3.3
Roumanie.....		1.2	42.6				
Autres pays européens.....	8	4.0				0.03	
Etats-Unis	21			1.8			
Canada	15			0.5			
Argentine	18		5.9				11.1
Australie.....	6						
Pays inconnus.....	4	0.2	2.2	0.2		0.01	2.7
TOTAL ..	226	26.3	54.4	2.9	0.40	0.21	21.6
1929	32	6.7	17.5	1.7	0.00	0.21	20.8
VALEUR en	119	10.8	21	2.1	0.3	0.0	13.3
Zl. (000,000)	14	2.2	6.7	1.1	0.0	0.0	13.1
1929							
Equiv. en \$ 1929 (000,000).....	1.57	0.25	0.75	0.12	0.0	0.0	1.47

Importations de POLOGNE et DANTZIG. 1928 Imports from POLAND and DANZIG.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)
Note. — Les postes en blanc signifient « inconnu » ou peu « important ».

(Figures in thousands, unless otherwise noted.)
Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats		
						de mouton Mutton and lamb	Lard et jambon Bacon and hams	
	T. métr. — M. tons	Têtes — Head			T. métr. — M. tons			
Allemagne		0.26	0.03	0.02	5.3	0.02		
Suisse	0.27							
U.S.S.R.		0.11						
Tchécoslovaquie	0.23		0.07	0.64	0.2			
Hollande.....			0.09					
Autres pays euro- péens.....	0.11	0.04	0.04	0.15	0.5			
Etats-Unis							5.4	
Pays inconnus.....			0.03	0.01			0.2	
TOTAL ..	1928	0.61	0.41	0.26	0.82	6.0	0.02	5.6
	1929	0.61	0.20	0.21	0.53	16.8	0.00	4.1
VALEUR en	1928	2.7	1.2	0.2	0.0	0.4	0.0	13.4
Zl. (000,000)	1929	2.6	0.6	0.2	0.0	1.5	0.0	9.9
Equiv. en \$ (000,000) 1929		0.29	0.067	0.02	0.0	0.17	0.0	1.11

Exportations de POLOGNE et DANTZIG. 1928 Exports from POLAND and DANZIG.

Pays de destination Country of destination	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	
	Tonnes métriques — Metric tons				
Allemagne	2.1	6.9	26	4.0	
Lettonie			11	1.2	
Belgique			44	0.5	
Hollande.....			7	0.2	
Danemark			6		
Autres pays européens			12	1.4	
Pays inconnus.....	0.1	0.2	5	0.5	
TOTAL	1928	2.2	7.1	111	7.8
	1929	1.9	200.4	244	37.8
VALEUR en Zl. (000,000)	1928	1.2	3.1	46	3.4
	1929	0.9	59.1	82	10.9
Equiv. en \$ 1929 (000,000).....		0.10	6.63	9.2	1.22

Pays de destination Country of destination	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed	
	de Froment of Wheat	de Seigle of Rye			
Tonnes métriques — Metric tons					
Lettonie		0.1		7.3	
Allemagne	0.02	1.9	25	0.6	
Autriche	0.04		14		
Suisse	0.03				
Belgique			14		
Autres pays européens			11		
Pays inconnus.....			6	0.2	
TOTAL	1928	0.09	2.0	70	8.1
	1929	3.13	2.4	77	14.6
VALEUR en Zl. (000,000) ...	1928	0.1	0.9	7.2	5.2
	1929	2.1	1.0	6.8	9.8
Equiv. en \$ (000,000).....		0.24	0.11	0.76	1.1

Exportations de POLOGNE et DANTZIG. 1928 Exports from POLAND and DANZIG.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de destination Country of destination	Beurre Butter	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs
	Tonnes métriques — Metric tons			Têtes — Head		
Allemagne	9.3	1.55	27.1	2.6		8
Tchécoslovaquie	0.1	0.01	4.5	0.2	0.31	657
Royaume-Uni	1.3	0.01	8.7			
Autriche.....			7.3	0.3		614
Autres pays européens	0.2	0.04	6.6	0.1		
Pays inconnus	0.1	0.05	0.4	0.1	0.03	
TOTAL { 1928	11.0	1.66	54.6	3.3	0.34	1,279
{ 1929	15.1	1.77	53.5	49.4	5.88	960
VALEUR en { 1928	66	3.8	145	3.6	0.0	208
Zl. (000,000) { 1929	88	2.6	143	16.1	0.5	185
Equiv. en \$ 1929 (000,000)	9.87	0.29	16.04	1.8	0.06	20.76

Pays de destination Country of destination	Viandes — Meats			
	de bœuf Beef	de mouton Mutton and lamb	de porc Pork	Lard et jambon Bacon and hams
	Tonnes métriques — Metric tons			
Autriche	5.7	0.01	15.1	0.1
Tchécoslovaquie	0.3		0.5	
Royaume-Uni			5.4	0.7
Autres pays européens			0.1	0.2
Pays inconnus.....				0.1
TOTAL { 1928	6.0	0.01	21.1	1.1
{ 1929	5.8	0.06	9.9	13.8
VALEUR en Zl. (000,000) { 1929	12.3	0.02	54	3.1
{ 1929	14.4	0.2	27	52.8
Equiv. en \$ (000,000) 1929.....	1.62	0.02	3.03	5.92

Importations en PORTUGAL.

1929

Imports into PORTUGAL.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays d'origine Country of origin	Froment Wheat	Maïs Maize	Farines — Flours		Pommes de terre ¹ Potatoes ¹	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs
			de froment of Wheat	de seigle of rye					
	Tonnes métriques — Metric tons						Têtes — Head		
Allemagne				0.01	4.9				
Belgique.....				0.01	18.0				
Espagne.....							0.15	0.21	
France				—	10.0		0.91	0.02	
Pays-Bas				0.01	17.5				
Royaume-Uni...	87	2	2.1	0.01	11.6	0.001			0.01
Autres pays eu- ropéens.....					2.3		0.02		
Angola	2	39							
Argentine.....	41	3	0.4	—					
Chine						0.002			
Etats-Unis.....	18		4.0	—					
Autres pays ex- traeuropéens .		2		0.01					0.01
TOTAL.....	148	46	6.5	0.05	64.3	0.003	1.08	0.23	0.02
VALEUR en escu- dos (000,000)..	153.2	36.6	9.0	0.1	29.2	0.04	2.73	0.045	0.023
Equiv en \$ (000,000)	6.85	1.64	0.40	0.005	1.31	0.002	0.12	0.002	0.001

¹ « Graines de lin » et « lait » ne sont pas indiqués séparément.

¹ "Linsed" and "milk" are not shown separately.

Exportations de PORTUGAL.

1929

Exports from PORTUGAL.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note.— Les postes en blanc signifient « inconnu » ou « peu important ».

Note.— Blanks mean "unknown" or "unimportant".

Pays de destination Country of destination	Farines — Flours		Pommes de terre ¹ Potatoes ¹	Œufs — Eggs Nombre Number (000,000)	Espèces		
	de froment of wheat	de seigle of rye			Bovine Cattle	Ovine Sheep and lambs	Porcine Pigs
	Tonnes métriques — Metric tons				Têtes — Head		
Espagne			0.3	13.0	0.02	0.7	3.1
France.....			0.2				
Royaume-Uni.....							
Autres pays européens.....			0.1	0.1			
Angola.....					0.01		
Etats-Unis.....	0.2				0.07		
San Tomé.....							
Autres pays extra-européens.....			0.6				
Pays inconnus.....		0.02	0.7	1.2	0.02	0.1	0.2
TOTAL.....	0.2	0.02	1.9	14.3	0.12	0.8	3.3
VALEUR en escudos (000,000).....	0.4	0.07	1.7	5.4	0.22	0.05	0.45
Equiv. en \$ (000,000)	0.02	0.003	0.08	0.24	0.01	0.002	0.02

Importations en ROUMANIE.

1926.²

Imports into ROUMANIA.

Pays d'origine Country of origin	Pommes de terre ³ Potatoes ³	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine ³ Pigs ³
	Tonnes métriques — Métric tons			Têtes — Head		
	Hongrie.....	0.2				0.02
France.....		0.02				
Autriche.....		0.01				
Suisse.....		0.07				
Bulgarie.....				0.11	0.06	
Autres pays européens..	0.1	0.01	0.004			0.01
TOTAL.....	0.3	0.11	0.004	0.11	0.08	0.01
VALEUR en lei (000,000) ..	1.15	18.8	0.25	3.3	0.06	0.5
Equiv. en \$ (000,000) ..	0.005	0.08	0.001	0.02	0.0	0.002

Exportations de ROUMANIE.

1929

Exports from ROUMANIA.

Pays de destination Country of destination	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes métriques — Metric tons				
	Allemagne.....	1.3	6.9	785.2	14.9
Gibraltar.....	0.8		176.9	2.6	74.3
Royaume-Uni.....			77.9	4.0	26.1
Italie.....			22.8	10.1	58.0
Pologne.....		3.4			28.1
Pays-Bas.....	0.2	2.4	33.7		10.3
Autres pays européens	2.1	2.9	55.8	9.4	56.3
Turquie.....	2.8		2.4		
Autres pays extra-européens.....				0.7	0.2
TOTAL.....	7.2	15.6	1,154.7	41.7	374.5
VALEUR en lei (000,000).....	56.3	80.1	5,695.5	160.7	1,878
Equiv. en \$ (000,000)	0.3	0.5	34.2	0.96	11.3

¹ « Graines de lin » et « lait » ne sont pas indiqués séparément.

² Chiffres de 1926, répartis suivant la proportion par poids de 1923.

³ Les chiffres (de 1926) pour les farines, la graine de lin et les viandes sont 0.

¹ "Linseed" and "milk" are not shown separately.

² 1926 figures, distributed according to the 1923 proportion by weight.

³ The (1926) figures for the flours, linseed and meats are 0.

Exportations de ROUMANIE.

1929

Exports from ROUMANIA.

(Suite — Continued)

Pays de destination Country of destination	Farines — Flours		Pommes de terre ¹ Potatoes ¹	Graine de lin ¹ Linseed ¹	Fromage ¹ Cheese ¹	Œufs ¹ Eggs ¹
	de froment of Wheat	de seigle ¹ of Rye ¹				
	Tonnes métriques — Metric tons					
Autriche.....	6.7					1.4
Royaume-Uni	0.3					3.4
Hongrie				2.6		
Grèce					0.04	
Allemagne						3.2
Pologne						1.7
Autres pays européens ..	0.6					1.5
Turquie			0.25		0.33	
Egypte.....	0.6		0.08			
Etats-Unis.....					0.11	
Autres pays extra-européens.....			0.1			
Pays inconnus		0.2				0.2
TOTAL.....	8.2	0.2	0.26	2.6	0.56	11.4
VALEUR en lei (000,000)	86.6	2.15	1.06	38.9	48.3	652
Equiv. en \$ (000,000) ...	0.5	0.01	0.005	0.2	0.2	3.0

Pays de destination Country of destination	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes ¹ — Meats ¹		
				de bœuf Beef	de porc Pork	de mouton Mutton and lamb
	Têtes — Head			Tonnes métriques ¹ — Metric tons ¹		
Autriche.....	59.6	1.2	51.9	5.0		0.3
Tchécoslovaquie	30.6	6.7	60.7	0.6		2.9
Grèce.....	0.8	0.1				
Hongrie				1.9		2.3
Autres pays européens	1.2	0.5		0.1		
Turquie	0.3	0.3	0.1			4.1
Autres pays extra-européens.....						0.4
Pays inconnus		0.4	0.1		0.1	
TOTAL.....	92.5	9.2	112.8	7.6	0.1	10.0
VALEUR en lei (000,000)	1,256.1	6.1	568.4	275	3.5	526
Equiv. en \$ (000,000) ...	7.5	0.04	3.4	1.27	0.02	2.4

¹ Chiffres de 1926, répartis suivant la proportion par poids de 1923.

¹ 1926 figures, distributed according to the 1923 proportion by weight.

Importations générales au ROYAUME-UNI. 1929 **General Imports into UNITED KINGDOM.**

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean “unknown” or “unimportant”.

Pays de provenance Country of origin	Froment Wheat	Seigle ¹ Rye ¹	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes anglaises — Long tons				
Roumanie.....			74		8
Etat libre d'Irlande ..				33	
Argentine	2,269			94	1,210
Canada	1,359	8.1	69	47	
Etats-Unis	1,113	0.4	218	14	182
Australie.....	640		10		
Afrique du Sud.....					238
Autres pays extra-européens		0.1	23		
Pays inconnus.....	207		205	165	107
TOTAL	5,588	8.6	599	353	1,745
Equiv. en T.M. (000) ..	5,678	8.7	609	359	1,773
VALEUR en £ (000,000).....	57.8	0.09	5.5	2.8	15.3
Equiv. en \$ (000,000)...	281.3	0.44	26.8	13.6	74.4

Pays de provenance Country of origin	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment of Wheat	de seigle ¹ of Rye ¹		
Tonnes anglaises — Long tons				
France.....	29		125	
Pays-Bas.....			21	
Espagne ²			61	
Iles normandes			64	
Allemagne		0.8		
Canada	186	1.1		
Etats-Unis	127			
Australie.....	66			
Argentine	38			199
Inde britannique				76
Pays inconnus.....	39	0.2	22	11
TOTAL	485	2.1	293	286
Equiv. en T.M. (000)	493	2.1	298	290
VALEUR en £ (000,000).....	6.3	0.03	3.2	5.0
Equiv. en \$ (000,000).....	30.7	0.15	15.6	24.3

¹ Chiffres de 1928.

² Y compris les îles Canaries.

¹ 1928 figures.

² Including Canary Islands.

Importations générales au ROYAUME-UNI. 1929 General Imports into UNITED KINGDOM.

(Suite — Continued)

Pays de provenance Country of origin	Lait ¹ Milk ¹	Beurre Butter	Fromage Cheese	Œufs — Eggs	
	Tonnes anglaises — Long tons			Nombre — Number (000,000)	Long tons
Danemark.....	18	110		6.7	
Etat libre d'Irlande ..	8	28		6.0	
Russie		15		0.7	
Pays-Bas.....	85	6	10	3.8	
Pologne.....				2.8	
Autres pays européens	7	27	7 ²	4.8	
Nouvelle-Zélande.....		66	90		
Australie.....		38	2	0.4	
Argentine		15	36		
Canada	3			0.1	
Chine.....				2.0	39
Autres pays extra-européens	11			0.7	
Pays inconnus.....		15	5	2.0	1
TOTAL	132	320	150	30.0	40
Equiv. en T.M. (000) ..	134	325	152	Inconnu — Unknown :	41
VALEUR en £ (000,000)	4.8	54.8	13.9	17.9	3.7
Equiv. en \$ (000,000)..	23.4	266.7	67.6	87.1	18.0

Pays de provenance Country of origin	Espèce bovine ³ Cattle ³	Espèce ovine ³ Sheep and lambs ³	Espèce porcine ³ Pigs ³	Viandes — Meats ⁴			
				de bœuf Beef	de mouton Mutton and lamb	de porc Pork	Lard et jambon Bacon and hams.
				Têtes — Head			Tonnes anglaises — Long tons
Etat libre d'Irlande..	749	585	311			15	25
Danemark						2	250
Pays-Bas.....							45
Suède							19
Argentine				487	77	3	
Australie.....				46	29		
Uruguay.....				47	18		
Nouvelle-Zélande ...				6	137	9	
Etats-Unis.....						3	73
Autres pays extra-européens				16			15
Pays inconnus.....	1			31	27	1	39
TOTAL	750	585	311	633	288	33	466
Equiv. en T.M. (000).				643	293	33.5	473
VALEUR en £ (000,000).....	13.0	1.4	1.9	36.1	19.5	2.6	49.2
Equiv. en \$ (000,000)	63.3	6.8	9.2	175.7	94.9	12.7	239.4

¹ Distribution sur la base de la proportion en poids de 1928.

² Dont Italie 7.

³ Pour la boucherie.

⁴ Rubrique composée. Il est possible que le chiffre de « pays inconnus » comprenne des montants provenant des pays déjà cités.

¹ Distributed on basis of 1928 proportion by weight.

² Of which Italy 7.

³ For food.

⁴ Composite heading. The figure for "pays inconnus" may include amounts from the countries named.

Exportations spéciales du ROYAUME-UNI, 1929 Special Exports from UNITED KINGDOM.

Pays de destination Country of destination	Froment Wheat	Seigle Rye	Orge Barley	Avoine Oats	Maïs Maize
	Tonnes anglaises — Long tons				
Pays-Bas.....			0.8	1.8	
Belgique.....			0.8		
Allemagne.....			0.4	0.6	
Etat libre d'Irlande ..			0.7	10.2	
France.....			0.3		
Autres pays européens				0.3	
Pays inconnus.....	1.8	0.6	0.3	0.9	
TOTAL	1.8	0.6	3.3	14.4	Inconnu Unknown
Equiv. en T.M. (000)..	1.83	0.61	3.35	14.63	»
VALEUR en £ (000,000)	0.02	0.01	0.04	0.15	Inconnu Unknown
Equiv. en \$ (000,000) .	0.97	0.05	0.19	0.73	»

Pays de destination Country of destination	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
	de froment of Wheat	de seigle of Rye		
Tonnes anglaises — Long tons				
Etat libre d'Irlande.....	127		11	
Finlande.....	34			
Norvège.....	13			
Iles normandes	8		2	
France.....			46	
Espagne.....			33	
Autres pays européens	14		20 ¹	
Canaries.....	7		5	
Egypte.....	4			
Guyane britannique.....	4			
Algérie.....			6	
Argentine			7	
Autres pays extraeuropéens.....	1		8	
Pays inconnus.....	4	0.035	8	
TOTAL	216	0.035	146	Inconnu Unknown
Equiv. en T.M. (000)	219	0.036	148	»
VALEUR en £ (000,000).....	3.2	0.001	0.7	Inconnu Unknown
Equiv. en \$ (000,000).....	15.6	0.005	3.4	»

¹ Dont Portugal, 13.

¹ Of which Portugal 13.

Exportations spéciales du ROYAUME-UNI. 1929 Special Exports from UNITED KINGDOM.

(Suite — Continued)

Pays de destination Country of destination	Lait Milk	Beurre Butter	Fromage ¹ Cheese ¹	Œufs — Eggs	
				Nombre — Number	Ton long
				Tonnes anglaises — Long tons	
Etat libre d'Irlande ..	0.2	0.17	0.4	3.2	
Iles normandes		0.08			
Allemagne.....			1.3		
Autres pays européens	0.5	0.01	0.2		
Ouest africain britan- nique	0.8	0.06			
Argentine				13.3	
Afrique du Sud.....	2.0				
Inde britannique.....	2.3				
Etablissements du Déroit	1.4				
Autres pays extra- européens	3.8 ²	0.08			
Pays inconnus.....	2.2	0.09	0.9	2.2	0.1
TOTAL	13.2	0.49	2.8	18.7	0.1
Equiv. en T.M. (000)..	13.4	0.50	2.8	Inconnu — Unknown	0.1
VALEUR en £ (000.000)	1.03	0.09	0.37	0.11	0.01
Equiv. en \$ (000,000)	5.00	0.44	1.80	0.54	0.05

Pays de destination Country of destination	Espèce bovine ³ Cattle ³	Espèce ovine ³ Sheep and lambs ³	Espèce porcine ³ Pigs ³	Viandes — Meats			
				de bœuf ¹ Beef ¹	de mouton ¹ Mutton and lamb ¹	de porc ¹ Pork ¹	Lard et jambon Bacon and hams
				Tonnes anglaises — Long tons			
Etat libre d'Irlande..	16.9	20			0.6		1.0
Russie.....		1					
Belgique					11.8		
Iles normandes					0.7		0.1
Autres pays euro- péens.....					1.3		
Inde britannique ..							0.3
Argentine	0.2	1					
Canada	0.3						
Terre-Neuve.....					0.9		
Indes orientales bri- tanniques					0.8		
Autres pays extra- européens	0.1						0.2
Pays inconnus.....	0.9	2	3.8		1.0		0.6
TOTAL	18.4	24	3.8		17.1		2.2
Equiv. en T.M. (000).	Inconnu — Unknown				17.4		2.24
VALEUR en £							
(000,000).....	0.37	0.11	0.02		0.6		0.34
Equiv. en \$ (000,000)	1.80	0.53	0.10		2.91		1.65

¹ Rubrique composée. Il se peut que le chiffre de « pays inconnus » comprenne des montants à destination des pays déjà cités.

² Dont Antilles britanniques, 1,1, et Afrique portugaise orientale, 0,6.

³ Y compris animaux pour l'élevage.

¹ Composite heading. The figure for "pays inconnus" may include amounts to the countries named.

² Of which British West Indies 1.1, and Portuguese E. Africa 0.6.

³ Including animals for breeding.

Importations en RUSSIE.
1929 ¹
Imports into RUSSIA.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant."

Pays de provenance Country of origin	Céréales panifiables Bread cereals	Toutes semences ² All seeds ²	Espèce bovine ² Cattle ²	Petit bétail ² Small cattle ²
	Tonnes métriques — Metric tons			
Allemagne	0.3	0.94		3.0
Angleterre		0.01		
Lettonie		0.05	0.3	
France		0.17		
Etats-Unis		0.03		
Pays inconnus	18.65	2.3	13.9	12.6
TOTAL	18.95	3.5	14.2	15.6
VALEUR en roubles (000,000)	1.51	2.1	3.52	5.18
Equiv. en \$ (000,000)	0.78	1.1	1.81	2.67

Exportations de RUSSIE.
1929 ¹
Exports from RUSSIA.

Pays de destination Country of destination	Froment Wheat		Seigle Rye		Orge Barley		Avoine Oats		Maïs Maize		Farines Flours
	Tonnes métriques — Metric tons										
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1929
Allemagne	19		17		2.3		6.3	0.01	3.2		
France	3		7				6.8		6.3		
Angleterre	22		8				3.7				
Lettonie											
Pays inconnus	67		83	0.37	2.6		19.9	0.45	11.1	0.004	11.8
TOTAL	111	0.001	115	0.37	4.9	0	36.7	0.46	20.6	0.004	11.8
VALEUR en roubles (000,000)	11.5	0	10.1	0.03	0.4	0	2.7	0.04	1.4	0	2.98
Equiv. en \$ (000,000)	5.9	0	5.2	0.015	0.2	0	1.4	0.02	0.7	0	1.50

Pays de destination Country of destination	Pommes de terre Potatoes	Graines oléagi- neuses Oil- seeds	Beurre ³ Butter ³	Fromage Cheese	Œufs Eggs	Animaux vivants Live animals	Viandes en général Various meats	Lard et jambon Bacon and hams
	Tonnes métriques — Metric tons					Caisses Cases	T. métr. — M. tons	
Allemagne	24.0	4.2	8.16	0.4	341			
Angleterre		0.2						
Lettonie	4.4	1.4	2.03		12		0.2	0.2
France		0.3			5		4.4	1.1
Royaume-Uni			17.14	0.1	75		0.3	13.9
Etats-Unis		1.2			1			
Pays inconnus	4.7	9.1	0.43	0.6	43	13.6	6.1	0.8
TOTAL	33.1	16.4	27.76	1.1	477	13.6	11.0	16.0
VALEUR en roubles (000,000)	0.52	2.6	33.7	0.57	27.76	2.9	4.8	10.95
Equiv. en \$ (000,000)	0.27	1.3	17.4	0.29	14.3	1.5	2.5	5.64

¹ Années finissant le 30 septembre.

¹ Years ending September 30.

² Les deux farines, les pommes de terre, les produits laitiers, les œufs et les viandes ne sont pas indiquées séparément.

² The two flours, potatoes, dairy products, eggs and meats are not shown separately.

³ Le lait n'est pas indiqué séparément.

³ Milk is not shown separately.

Importations en SUÈDE.

1929

Imports into SWEDEN.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Avoine Oats	Maïs Maize	Farines — Flours		Pommes de terre Potatoes
					de froment of wheat	de seigle of rye	
Tonnes métriques — Metric tons							
Allemagne	64	83	39	16	1	0.16	0.05
Danemark	18	4	5	7	1	0.15	
Royaume-Uni	10		5	4			
Pays-Bas				9			
Dantzic.....						1.80	
Italie.....							0.52
Autres pays euro- péens.....	5	1	1		1	0.02	0.24
Argentine	53	4	5	37			
Canada	47	1			2	0.41	
Etats-Unis	61	4	1	2	12		0.03
Australie.....	14						
Autres pays extra- européens	1			2			
Pays inconnus.....							0.02
TOTAL	273	97	56	77	17	2.54	0.86
VALEUR en Kroner (000,000).....	54	15	8	12	5	0.6	0.2
Equiv. en \$ (000,000)	14.5	4.0	2.14	3.2	1.34	0.16	0.05

Pays de provenance Country of origin	Graine de lin Linseed	Beurre ¹ Butter ¹	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
							de mouton Mutton and lamb	Lard et jambon Bacon and hams
Tonnes métriques — Metric tons								
Danemark.....	1.3						0.09	
Royaume-Uni.....	2.7							
Hollande		2.34						
Finlande			0.02				0.04	
Norvège.....			0.03		0.04	0.4		
Estonie				0.05			0.17	
Roumanie					0.03			
Autres pays européens .		0.05	0.75 ²		0.01		0.13	0.1
Chine			0.01					
Argentine	31.1							
Etats-Unis					0.01			2.3
Pays inconnus				0.02				
TOTAL	35.1	2.39	0.81	0.07	0.09	0.4	0.43	2.4
VALEUR en Kroner (000,000)	10.2	3.0	1.5	0.01	0.04	0.01	0.5	3.5
Equiv. en \$ (000,000)	2.73	0.8	0.4	0.003	0.0011	0.003	0.13	0.94

¹ Y compris margarine.

¹ Including margarine.

² Dont Allemagne, 0,27; Danemark, 0,31; Royaume-Uni, 0,17.

² Of which Germany, 0.27; Denmark, 0.31; United Kingdom, 0.17.

Exportations de SUÈDE.

1929

Exports from SWEDEN.

Pays de destination Country of destination	Froment Wheat	Avoine Oats	Farines ¹ - Flours ¹		Beurre ¹ Butter ¹	Oeuf - Eggs
			de froment of wheat	de seigle of rye		
Tonnes métriques — Metric tons						Nombre — Number (000.000) = TM
Danemark	42.1	1.4	4.5	0.03	0.8	0.4 =
Allemagne	17.6	0.5			10.7	22.3 = 1.4
Hollande	7.3	0.1				
Finlande		2.8				
France		2.5				
Norvège				0.12		
Royaume-Uni				0.05	13.0	66.3 = 3.9
Autres pays européens	5.6	1.9	0.2		0.6	
TOTAL	72.6	9.2	4.7	0.20	25.1	89.0 = 5.3
VALEUR en Kronor (000,000)	12.2	1.8	1.1	0.05	75	9.0
Equiv. en \$ (000,000)	3.27	0.48	0.3	0.013	20.1	2.4

Pays de destination Country of destination	Espèce bovine ¹ Cattle ¹	Espèce porcine ¹ Pigs ¹	Viandes — Meats		
			de bœuf Beef	de mouton Mutton and lamb	Lard et jambon Bacon and hams
			Tonnes métriques — Metric tons		
Têtes — Head = T.M.					
Allemagne	5.0	3.0 = 0.6			
Italie	0.4				
Danemark		119.4 = 2.0			
Royaume-Uni			2.2	0.02	19.3
Norvège					
Autres pays européens	0.1				
TOTAL	5.5	122.4 = 2.6	2.2	0.02	19.3
VALEUR en Kronor (000,000)	1.4	4.1	2.4	0.02	38.2
Equiv. en \$ (000,000)	0.38	1.1	0.64	0.005	10.2

Importations en SUISSE.

1929

Imports into SWITZERLAND.

(Chiffres en milliers, sauf indication contraire.)

(Figures in thousands, unless otherwise noted.)

Note — Les postes en blanc signifient « inconnu » ou « peu important ».

Note — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Orge Barley	Avoine Oats	Maïs Maize	Farine de froment ² Wheat flour ²	Pommes de terre ³ Potatoes ³
Allemagne	2		55		0.09	9
Espagne					0.16	5
France				2		10
Hongrie	43	30	1		0.12	7
Italie						17
Pays-Bas			8			
Pologne		12				
Roumanie		8				
Tchécoslovaquie		3	7			
Autres pays européens ..	1	3	3	1	0.02	6
Algérie						1
Argentine	97		77	105		
Canada	247	11	11			
Etats-Unis	75	9	1			
Autres pays extra-européens	2	2	3	1		
TOTAL	467	78	166	109	0.39	55
VALEUR en francs (000,000)	135	19	39	26	0.24	9
Equiv. en \$ (000,000) ...	26.0	3.66	7.5	5.0	0.046	1.7

¹ Les chiffres pour pommes de terre, graine de lin, lait et espèces ovine sont nuls.

² « Farines de céréales ».

³ Les chiffres pour « Graine de lin » ne sont pas indiqués séparément.

¹ Figures for potatoes, linseed, milk, sheep and lambs are 0.

² « Cereal flours ».

³ Figures for "linseed" are not shown separately.

Importations en SUISSE.

1929

Imports into SWITZERLAND.

(Chiffres en milliers, sauf indication contraire.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted.)

Note. — Blank's mean "unknown" or "unimportant".

Pays de provenance Country of origin	Lait ¹ Milk ¹	Beurre Butter	Œufs Eggs	Espèces		Porcs Swine	Viandes — Meats	
				Bovine Cattle	Ovine Sheep and lambs		de bœuf Beef	de mouton Mutton and lamb
				Tonnes métr. — M. tons			Têtes — Head	
Allemagne				0.4	3.8	2.8		
Autriche					6.7			
Belgique			1					
Bulgarie			2					
France.....	13	1	2					
Hongrie.....					10.0	0.3		
Italie.....			2	0.1	8.2	8.8	0.1	
Yougoslavie			2					
Autres pays euro- péens		7 ²	3			1.3	1.2	
Argentine							0.1	
Etats-Unis							0.1	
TOTAL	13	8	12	0.5	28.7	13.2	1.5	
VALEUR en francs (000,000).....	3.2	33	29	0.18	1.6	2.8	4.3	
Equiv. en \$ (000,000)	0.6	6.4	5.6	0.035	0.31	0.54	0.83	

Exportations de SUISSE.

1929

Exports from SWITZERLAND.

Pays de destination Country of destination	Farine de froment ³ Wheaten flour ³	Pommes de terre ¹ Potatoes ¹	Lait ¹ Milk ¹	Fromage Cheese	Œufs Eggs
	Tonnes métriques — Metric tons				
Allemagne.....	0.34		9	7	
Italie	0.05	0.03	1	6	
France.....		0.03	2	2	
Grèce.....			1		0.01
Royaume-Uni.....			3	2	
Autres pays européens	0.02	0.03	1	3	
Egypte	0.02				
Etablissements du Détroit			10		
Indes néerlandaises ..			4		
Indochine			3		
Indes britanniques ...			1		
Etats-Unis				8	
Autres pays extra- européens			10	2	
TOTAL	0.43	0.09	45	30	0.01
VALEUR en francs (000,000).....	0.18	0.01	42	104	0.03
Equiv. en \$ (000,000)..	0.035	0.002	8.1	20.0	0.006

¹ Les chiffres pour « Graine de lin » ne sont pas indiqués séparément.

² Dont Danemark, 4 ; Autriche, 1.

³ « Farines de céréales ».

¹ Figures for "linseed" are not shown separately.

² Of which Denmark, 4 ; Austria, 1.

³ "Cereal flours".

Exportations de SUISSE.

1929

Exports from SWITZERLAND.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted.)

Note. — Blanks mean "unknown" or "unimportant".

Pays de destination Country of destination	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Porcs ¹ Pigs ¹
	Têtes — Head		
Italie.....	5.3		2.7
Allemagne.....	0.2		0.8
Autriche.....	0.3		0.4
France.....	0.4		
Autres pays européens.....	0.5		
Brésil.....	0.3		
Autres pays extraeuropéens.....	0.1		
TOTAL.....	7.1	0.02	3.9
VALEUR en francs (000,000).....	6.4	0	0.8
Equiv. en \$ (000,000).....	1.23	0	0.15

Importations en TCHÉCOSLOVAQUIE.

1929

Imports into CZECHOSLOVAKIA.

(Chiffres en milliers, sauf indication contraire.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

(Figures in thousands, unless otherwise noted.)

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Froment Wheat	Seigle Rye	Maïs Maize	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
				de froment of wheaten	de seigle of rye		
Tonnes métriques — Metric tons							
Hongrie.....	110	1.9	35	73	0.2		1.4
Yougoslavie.....	34		13				
Allemagne.....	18	18.4			0.4	0.5	0.1
Autriche.....					0.4		
Roumanie.....			34			11.0	
Italie.....				51			
Hambourg.....							
Autres pays européens.....	4	1.3	103 ²	15	0.1	0.4	1.6
Canada.....	1			19			
Argentine.....			10				21.3
Union Sud-Africaine			2				
Etats-Unis.....				6			
Inde britannique ..							1.8
Autres pays extraeuropéens.....			3				0.1
TOTAL.....	167	21.6	200	164	1.1	11.9	26.3
VALEUR en Kc. (000,000).....	242	30	281	399	2.3	18.2	84.7
Equiv. en \$ (000,000)	7.2	0.8	8.3	11.8	0.068	0.54	2.5

¹ Les chiffres pour viandes de porc et de mouton sont nuls.

² Dont : Hambourg 50, Trieste 45.

¹ Figures for pork and mutton are nil.

² Of which, Hamburg, 50; Trieste, 45.

Importations en TCHÉCOSLOVAQUIE. 1929

Imports into CZECHOSLOVAKIA.

(Suite — Continued)

(Chiffres en milliers, sauf indication contraire).

(Figures in thousands, unless otherwise noted).

Note. — Les postes en blanc signifient « inconnu » ou peu « important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes Meats
						de mouton- ¹ Mutton and lamb ¹
T. métr. — M. tons		Têtes — Head			Tonnes métriques Metric tons	
Pologne.....		4.1	26.8	5.8	576	0.4
Allemagne	0.10	0.3				
Hollande	0.07					
Suisse	1.15					
Danemark			8.5		1	
Hongrie			14.7	17.6	118	
Roumanie			44.5	7.7	58	
Autres pays européens ..	0.19	0.8	4.4	0.5	44	0.1
Chine.....		0.2				
Autres pays extraeuro- péens						0.1
TOTAL.....	1.51	5.4	98.9	31.6	797	0.6
VALEUR en Kc (000,000)	29.7	68	220	6.6	707	4.8
Equiv. en \$ (000,000)	0.88	2.02	6.51	0.20	20.93	0.14

Exportations de TCHÉCOSLOVAQUIE. 1929

Exports from CZECHOSLOVAKIA.

Pays de destination Country of destination	Seigle Rye	Orge Barley	Avoine Oats	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
				de froment Wheaten	de seigle Rye		
Tonnes métriques — Metric tons							
Allemagne	20	60		0.1	0.1	0.2	0.22
Autriche	44	34	57	0.3	0.6	26.5	0.05
Hambourg	8	10					
Royaume-Uni		7					
Suisse			8				
Hongrie.....						1.0	0.15
Italie.....						2.2	
Autres pays euro- péens.....	3	11	5	0.1	0.1	1.1	0.06
Indes occidentales...						0.2	
TOTAL	75	122	70	0.5	0.8	31.2	0.48
VALEUR en Kc (000,000).....	103	196	90	1.2	1.7	8.6	1.5
Equiv. en \$ (000,000)	3.5	5.80	2.66	0.04	0.05	0.25	0.04

¹ Viande fraîche, autre que de bœuf ou de porc.

¹ Fresh meat, other than beef and pork.

Exportations de TCHÉCOSLOVAQUIE. 1929 Exports from CZECHOSLOVAKIA.
(Suite — Continued)

Pays de destination Country of destination	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine Pigs	Viandes — Meats	
						de mouton ¹ Mutton and lamb ¹	Lard et jambon Bacon and hams
						T. métr. — M. tons	Têtes — Head
Hongrie.....	0.5			0.16	0.02		0.07
Allemagne.....	0.8	1.3					0.10
Autriche.....	1.6		5.8	0.29	0.26		0.77
Pologne.....				0.50			
Italie.....							0.13
Autres pays euro- péens.....	0.3		0.1	0.01		0.3	0.17
TOTAL.....	3.2	1.3	5.9	0.96	0.28	0.3	1.24
VALEUR en Kc (000,000).....	10.9	41.5	22.7	0.2	0.2	0.7	26.3
Equiv. en \$ (000,000)	0.32	0.43	0.67	0.006	0.006	0.21	0.78

Importations en YOUGOSLAVIE. 1929 Imports into YUGOSLAVIA.

(Chiffres en milliers, sauf indication contraire).

(Figures in thousands, unless otherwise noted.)

Note. — Les postes en blanc signifient « inconnu » ou « peu important ».

Note. — Blanks mean "unknown" or "unimportant".

Pays de provenance Country of origin	Orge Barley	Maïs Maize	Farines — Flours		Pommes de terre Potatoes	Graine de lin Linseed
			de froment of wheat	de seigle ² of rye ²		
			Tonnes métriques — Metric tons			
Hongrie.....	7.16		0.01		12.8	
Autriche.....				0.01	2.4	0.1
Italie.....		2.4				
Tchécoslovaquie.....	0.96					
Pologne.....					7.8	
Allemagne.....				0.02		
Autres pays européens ..	0.04	0.7	0.01		2.5	0.4
Etats-Unis.....		16.2	0.10	0.03		0.1
Canada.....			0.04	0.05		
Argentine.....						5.1
Inde britannique.....						0.2
TOTAL.....	8.16	19.3	0.16	0.11	25.5	5.9
VALEUR en dinars (000,000).....	17.7	48.2	0.6	0.4	35.6	25.6
Equiv. en \$ (000,000)....	0.31	0.84	0.01	0.007	0.63	0.45

Pays de provenance Country of origin	Fromage ³ Cheese ³	Oeufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs	Espèce porcine ³ Pigs ³		
						T. métr. — M. tons	Têtes — Head
						Suisse.....	0.09
Italie.....	0.06						
Hongrie.....			0.06		0.13		
Autriche.....			0.06		0.01		
Albanie.....				1.5	0.11		
Autres pays européens	0.02	0.001					
TOTAL.....	0.17	0.001	0.16	1.5	0.25		
VALEUR en dinars (000,000).....	6.1	0.02	0.9	0.2	0.2		
Equiv. en \$ (000,000)..	0.11	0	0.016	0.004	0.004		

¹ Viande fraîche, autre que de bœuf ou de porc.

¹ Fresh meat, other than beef and pork.

² Farines de céréales autres que froment et de maïs.

² Cereal flours, other than wheat and maize.

³ Les chiffres pour beurre et viandes de bœuf, de mouton et de porc sont nuls.

³ The figures for butter, beef, mutton and pork are 0.

Exportations de YUGOSLAVIE.

1929

Exports from YUGOSLAVIA.

Pays de destination Country of destination	Froment Wheat	Orge Barley	Maïs Maize	Farines — Flour		Pommes de terre Potatoes	Graine de lin Linseed
				de froment of wheat	de seigle ¹ of rye ¹		
Tonnes métriques — Metric tons							
Roumanie.....	410	0.6	44				
Autriche	41	1.1	33	96	0.06	0.4	0.003
Bulgarie	37						
Grèce.....	22	8.7	1				
Italie.....			51				
Hongrie			24	0.3	0.03	0.2	
Tchécoslovaquie			12	0.2			0.001
Autres pays euro- péens.....	44	0.3	2	0.5	0.01	0.2	
TOTAL	554	10.7	167	10.6	0.1	0.8	0.004
VALEUR en dinars (000,000).....	1.230	18	273	35	0.2	1.2	0.03
Equiv. en \$ (000,000)	21.65	0.32	4.80	0.62	0.004	0.021	0.001

Pays de destination Country of destination	Fromage Cheese	Œufs Eggs	Espèce bovine Cattle	Espèce ovine Sheep and lambs.	Espèce porcine Pigs	Viandes — Meats		
						de bœuf Beef	de mouton Mutton and lamb	de porc Pork
T. métr. — M. tons		Têtes — Head			T. métr. — M. tons			
Autriche		5.2	17.7	2	156	1.2		4.1
Italie		6.6	66.5	30	16	2.9		0.8
Allemagne.....		5.9						
Suisse		4.3						
Grèce	1.7		20.6	725	11			
Tchécoslovaquie.....					40			
France							0.03	
Turquie	0.4							
Autres pays européens..	0.1	0.3	7.6	2	2		0.01	0.2
TOTAL	2.2	22.3	112.4	759	225	4.1	0.04	5.1
VALEUR en dinars (000,000)	45	454	283	115	335	57	0.2	85
Equiv. en \$ (000,000)...	0.79	7.99	4.98	2.02	5.90	1.00	0.004	1.50

¹ Farines de céréales, autres que de froment, de maïs, de sarrasin, de riz.

¹ Cereal flours, other than wheat, maize, sarrasin and rice.

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LEAGUE OF NATIONS

INTERNATIONAL CONFERENCE

FOR THE

UNIFICATION OF THE LAWS RELATING TO
BILLS OF EXCHANGE, PROMISSORY NOTES AND CHEQUES

SECOND SESSION, FEBRUARY 23RD, 1931.

Replies by the Governments
to the Questionnaire regarding Cheques

EXECUTION OF RECOMMENDATION No. V OF THE FINAL ACT
OF THE CONFERENCE, SIGNED AT GENEVA ON JUNE 7th, 1930.

LIST OF REPLIES.¹

- | | | |
|-------------|---------------------|---------------------------------------------|
| 1. Italy. | 9. Austria. | 17. Free City of Danzig. |
| 2. Belgium. | 10. Hungary. | 18. Roumania. |
| 3. Sweden. | 11. Yugoslavia. | 19. Japan. |
| 4. Denmark. | 12. Latvia. | 20. Switzerland. |
| 5. Germany. | 13. Siam. | 21. Netherlands. |
| 6. Norway. | 14. Czechoslovakia. | 22. Turkey. |
| 7. Poland. | 15. Great Britain. | 23. International Cham-
ber of Commerce. |
| 8. Finland. | 16. Spain. | |

¹ The above communications from the Governments are reproduced in the order in which they have been received by the Secretariat.

Series of League of Nations Publications

II. ECONOMIC AND FINANCIAL
1930. II. 55.

PART I.

[*Translation.*]

A. INTRODUCTION.

Under the Final Act of the International Conference for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques, signed at Geneva on June 7th, 1930, the Governments represented at the said Conference undertook to devote further examination to the draft conventions on cheques submitted to the Conference, and to communicate the results of such examination to the Secretary-General of the League of Nations before October 15th, 1930.

In order to facilitate this examination, the Conference enumerated in the Final Act twenty-one questions, to which the Governments consulted were invited to reply.

It was provided in the said Final Act that the documentation thus obtained should be co-ordinated, classified and incorporated in a single document on the instructions of the Secretary-General, and should then be transmitted to the Governments represented at the Conference.

The present document has been drawn up in conformity with the above provisions.

B. GENERAL REMARKS ARISING OUT OF THE REPLIES.¹

1. The general impression derived from the replies of Governments to the questionnaire drawn up by the Conference at its first session is most favourable. There is every reason to hope that, at its second session, the Conference will succeed without much difficulty in achieving the object for which it is convened.

2. Unanimity appears to exist among the Governments which replied to the questionnaire as regards the conclusion, in the matter of cheques, of three Conventions on the lines employed for bills of exchange and promissory notes—namely:

(a) Convention providing a uniform law for cheques, with two annexes, containing respectively the uniform law and any reservations or exceptions of which States parties to the Convention have the right to avail themselves;²

(b) Convention for the settlement of certain conflicts of laws in connection with cheques;

(c) Convention on the stamp laws in connection with cheques.

3. The experts' draft seems likely to be generally accepted by the Governments as a basis for future agreement, although in some cases certain States appear to prefer the resolutions of the Hague Conference to the provisions adopted by the experts.

4. Several Governments have asked that the provisions of the uniform law for cheques, even when they are identical with those adopted under the Convention of June 7th for bills of exchange, should be inserted in the text of the Uniform Law for Cheques and that there should not simply be a reference to the provisions of the Uniform Law for Bills of Exchange.

Provision must, in point of fact, be made for a State to become a contracting party to the second series of Conventions without being a contracting party to the first.

C. CONCLUSIONS TO BE DRAWN FROM THE REPLIES OF GOVERNMENTS

concerning the Principal Questions raised by the Individual Articles of the Draft Regulation framed by the Experts.³

ISSUE AND FORM OF CHÈQUES

ARTICLE I.

A cheque contains:

(1) *The term "cheque" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument:*

(2) An unconditional order to pay a determinate sum of money;

(3) The name of the person who is to pay (drawee);

¹ The observations from the Governments of Danzig, Roumania, Switzerland, the Netherlands and Japan having reached the Secretariat after December 1st, 1930, it has not been possible to take them into account in the present notes. These replies are printed in Part II after the preceding ones.

² This possibility seems essential in order to meet the requirements of States whose legislation may contain principles different from those embodied in the uniform law for particularly controversial questions. It may be noted that the replies frequently indicate a real desire, on the part of Governments, to make far-reaching concessions, provided that they are allowed to retain in their national laws principles to which they attach particular importance.

³ The text proposed by the experts for each of the articles is printed hereafter with their observations. The words in italics in the text of the articles show the modifications introduced by the experts on the text of the resolutions of the Hague Conference of 1912.

- (4) A statement of the place where payment is to be made;
- (5) And of the place and date when the cheque is issued;
- (6) The signature of the person who draws the cheque (drawer).

Note. — (a) The change in No. (1) of Article 1 was adopted on a majority vote.

(b) The word "unconditional" in No. 2 does not exclude the possibility of making payment in currency other than that stipulated in the cheque.

(c) With regard to the formula adopted in Article 1, No. (4), the experts refer to the observation cited below which has been taken from the annex to the minutes of the ninth plenary meeting of the Hague Conference, 1912, page 197, Article 3:

"The drawer may, however, indicate, in addition to the place for payment, other places at which the cheque may be cashed, without any charge, by the holder. This does not mean a change of drawee: the place indicated for cashing the cheque does not replace the place of payment for all necessary proceedings connected with the preservation of rights arising under the cheque: it is merely an understanding with the drawee on behalf of the holder to indicate the place at which the latter may cash the cheque."

(d) A mere error in the spelling of the word "cheque" ought not to invalidate the instrument as such.

(a) States whose legislation provides for the mention of the existence of cover in the cheque ("Guthabenklausel") claim that experience has demonstrated the utility of this provision and urge its maintenance.

Other Governments, claim, on the other hand, that this requirement is unnecessary.

In the circumstances, the best solution of the difficulty might perhaps be to authorise States whose laws contain this provision to retain it, undertaking, however, to recognise the validity of cheques issued abroad which do not bear such mention.

This might be achieved either by the inclusion of a reservation or by the insertion of an appropriate provision in the Convention for the settlement of conflicts of laws.

(b) The practice of the typed cheque, or even the printed cheque, has become so general that the replies note unanimously that the uniform law should not prohibit this practice.

Some anxiety is, however, felt as regards the increased possibility of forgery arising out of mechanical writing. It goes without saying that *all the Governments* are unanimous in demanding that the cheques shall be at least signed by the drawer.

(c) *Austria* and *Yugoslavia* have asked that the words "*le mandat*" may be substituted for the words "*l'ordre*" in the French text of No. 2 of this article, in order to bring the text into line with the corresponding provision of Article I of the Uniform Law for Bills of Exchange.

This point does not seem likely to meet with any difficulty.

ARTICLE 2.

An instrument in which any of the requirements mentioned in the preceding article are wanting is invalid as a cheque, except in the cases specified in the following paragraphs:

In default of special mention, the place specified beside the name of the drawee is deemed to be the place of payment, and, at the same time, the residence of the drawee.

A cheque which does not mention the place of payment is deemed to be payable at the place of its issue.

A cheque which does not specify the place of its issue is deemed to have been drawn in the place specified beside the name of the drawer.

Note. — With regard to the third paragraph, the experts point out that naturally, if the drawee is resident at the place of issue, the cheque can only be paid at his place of residence. If the drawee cannot be found at the place of issue of the cheque, the protest must be drawn up according to the procedure followed in the case of a false address.

1. The *Austrian* Government asks that the third paragraph of this article shall be changed so that the cheque may be payable at the place where the drawee (bank) has its head office.

2. The *Yugoslav* Government wishes to add a fifth paragraph to this article, specifying that any mention of interest in the text of the instrument is deemed to be unwritten.

The *Scandinavian States* and *Finland* have made a proposal to the same effect, but suggest the insertion of an appropriate provision in Article 7.

ARTICLE 3.

A cheque must only be drawn on a person holding funds at the disposition of the drawer, and in conformity with an agreement, express or implied, according to which the drawee is bound to pay the cheque.

Power is reserved to the Contracting States to regulate consequences, civil, penal and fiscal, where default is made in *complying with the provisions* specified in the preceding paragraph, or when a cheque, is issued post-dated, provided that the validity of the instrument as a cheque *be maintained in spite of this irregularity*.

Note. — The changes in wording have been introduced for the sake of clearness.

Three questions were raised in connection with this article—namely:

I. *At what moment must the cover exist?*

Italy, Spain, the Scandinavian States and Finland, Latvia and Poland ask that cover shall be required to exist at the time of issue.

Germany, Austria, Belgium, Hungary, Siam and Czechoslovakia, on the other hand, consider it sufficient if the funds are available at the moment of presentation.

2. *What are the effects of post-dated cheques ?*

The *German* law of March 28th, 1930, provides that the date of presentation shall be considered the real date of issue. *Italy* proposes that this rule should be taken as a basis for discussion. The *Scandinavian States* and *Finland*, like *Austria* and *Hungary*, also advocate this solution. *Belgium* considers that the Uniform Law should lay down that a post-dated cheque is not valid as a cheque.

In *Poland*, a post-dated cheque is assimilated, for fiscal purposes, to a bill of exchange. *Latvia* considers that post-dated cheques should be deemed null and void.

3. *What are the penal consequences : a. of issuing a cheque without cover ; b. of issuing a post-dated cheque ?*

Generally speaking, the Governments which replied to the questionnaire are of the opinion that the penal consequences in either case should be determined by the national law.

ARTICLE 4.

A cheque may be made payable to a specified person, or to his order.

It may be made payable to bearer.

A cheque made payable to a specified person with the words " or to bearer ", or any equivalent words, is deemed to be payable to bearer.

A cheque which does not specify the payee is payable to bearer.

A cheque may be drawn payable to drawer's order.

Nevertheless, power is reserved to the Contracting States to prohibit the issue of bearer cheques drawn on the drawer himself.

Note. — The option of prohibiting the issue of bearer cheques drawn on the drawer himself has been inserted on account of the competition which might arise between these cheques and banknotes.

In the majority of cases the replies received to the question raised by paragraph 3 of Article 4—that is, what is the effect of issuing a cheque payable to a specified person when the cheque also contains the words " or to bearer ", or any equivalent words?—are in conformity with the solution embodied in the experts' draft.

This solution is expressly approved by *Italy*, the *Scandinavian States*, *Finland*, *Poland*, *Siam* and *Czechoslovakia*.

Germany considers that, for this question, the solution providing for the greatest facilities in the matter of transmission should be adopted.

Belgium asks that the choice should be left to the bearer. *Latvia* urges that the question should be settled in conformity with the uniform law for bills of exchange.

The *Spanish* Government is of opinion that the endorser or bearer should be prohibited from changing the method of transmission chosen by the drawer.

ARTICLE 5.

A cheque is drawn on a banker. A cheque drawn on any person other than a banker is not valid as a cheque.

Power is reserved to the Contracting States, so far as relates to cheques payable in their territories:

(a) To determine what persons shall be deemed to be bankers or what persons may in this respect be assimilated to bankers;

(b) To regulate the civil, fiscal and penal consequences of drawing a cheque on a person on whom it ought not to be drawn.

Note. — 1. Differing from the solution contained in Article 5, paragraph 1 of the Hague Resolutions, the experts propose that, in principle, the only instrument to be regarded as a cheque should be one which is drawn on a banker. This is the rule admitted in most countries: it is explained by the fact that funds must be available at sight.

2. However—and this is the reason for the addition in (a)—States should be allowed in this connection to treat as bankers persons engaged in very similar professions: for instance, in France " agents de change " or " caisses publiques ".

3. The addition under (b) of the word " civil " is a consequence of excluding the possibility of drawing a cheque on a person who is not a banker. When such an instrument is no longer to be regarded as a cheque, its effects have still to be determined—a point which is left to the legislation of the individual countries.

The *Spanish* Government urges the incorporation in the future Convention of the rules laid down in Article 5 of the resolutions of the Hague Conference of 1912.

The other Governments, unanimously approve the rule laid down in Article 5, of the experts' drafts and are also unanimous in demanding that the issuing of cheques on persons other than bankers should be prohibited.

They recognise, however, the necessity of being able to draw cheques on persons other than bankers or on institutions or persons assimilated in this connection to bankers.

The Conference may perhaps experience certain difficulties in finding a formula to determine the persons or institutions, apart from bankers properly so called, on which cheques can be drawn, since this formula must be sufficiently wide to cover all the cases in which the necessity in question is recognised, and must at the same time be sufficiently restrictive not to cancel the effects of the article.

The solution might perhaps be found in a list to be presented by the different delegations to the Conference and approved by them.

ARTICLE 6.

The drawer is the guarantor of the payment of a cheque. Any stipulation by which the drawer discharges himself from this guarantee is deemed to be unwritten.

See notes under Article 20.

ARTICLE 7.

The provisions of Articles 4, 6, 7 and 8 of the draft Regulation on bills of exchange and promissory notes (which relate to the issue and form of the instrument) shall apply to cheques.

Nevertheless, the domicile, referred to in Article 4 of the Regulation on bills of exchange can only, in this case, be the domicile of a banker.

Note. — The reference to Article 4 of the Regulation on bills of exchange and the addition of the last paragraph as a consequence thereof were made at the request of one of the experts who stated that cheques "domiciled" elsewhere than at the domicile of the drawee were frequently used in his country and that the practice seemed to be a useful one.

The *majority of Governments* pronounced in favour of the inclusion in the Uniform Law of a provision authorising the domiciliation of cheques.

This is the case with *Germany, Austria, the Scandinavian States and Finland, Italy, Latvia and Yugoslavia.*

The *Belgian, Polish, Siamese and Czechoslovak Governments*, while declaring themselves in favour of admitting domiciled cheques, specify that the person with whom the cheque is domiciled must in every case be a banker.

The *Spanish Government* merely notes that the national law contains no provision relating to domiciled cheques.

It asks, however, that the provisions of Article 10 of the Uniform Law of the Geneva Convention on Bills of Exchange should be made applicable to cheques.

ENDORSEMENT.

ARTICLE 8.

Every cheque, other than a cheque to bearer, may be transferred by endorsement, even if it is not expressly payable to order.

When the drawer of a cheque has inserted in it the words "not to order", or any equivalent expression, the instrument can only be assigned according to the forms and with the effect of an ordinary assignment.

The *Spanish Government* notes that this article is contrary to the Spanish law, under which only a cheque to order can be assigned by endorsement.

ARTICLE 9.

Any endorsement must be unconditional. Any condition to which it is made subject shall be deemed to be unwritten.

A partial endorsement is null and void.

An endorsement "to bearer" and an endorsement by the drawee are equally null and void.

Any person, except the drawee, who puts his signature on the back of a cheque payable to bearer is guarantor (by "aval") for the drawer.

An endorsement to the drawee is equivalent to a discharge, except in the case where the drawee has two or more establishments, and the endorsement is made in favour of a branch in some place other than that on which the cheque has been drawn.

The *German Government* suggests modifying paragraph 4 in order that the consequences should be the same for the person who puts his signature on the back of a cheque payable to bearer as for the endorser.

The *Spanish Government* asks that paragraph 3 should be replaced by the third paragraph of Article 12 of the Uniform Law for Bills of Exchange adopted under the Geneva Convention.

ARTICLE 10.

The provisions of Articles 12 to 17 of the draft Regulation on bills of exchange and promissory notes (which relate to endorsement) shall apply to cheques, except so far as they have reference to acceptance.

No observations.

GUARANTEE AND PAYMENT.

ARTICLE 11.

A cheque cannot be accepted. A statement of acceptance on a cheque is deemed to be unwritten.

Nevertheless, the power of allowing the acceptance or certification or visa of a cheque is reserved to the Contracting States, which may regulate its effect.

Note. — The word "certification" has been substituted for the word "certificat" in the French as being clearer.

The *British* Government notes that the acceptance or certification or visa of a cheque exists in practice only in a very special case.

The *Latvian* Government has no objection to allowing the acceptance or certification or visa of a cheque.

Austria and *Hungary* are opposed to allowing the acceptance or certification or visa of a cheque.

The *Italian* Government would accept the first paragraph of Article 11. It would also be prepared to allow certification or visa, on condition that the relevant provisions are co-ordinated with the principles allowed in the matter of cover.

The *Polish* Government, although Polish law contains no provision relating to the acceptance of cheques, would be prepared to discuss the possibility of recognising the principle under the uniform law.

The *Scandinavian States* and *Finland* are of opinion that the Uniform Law should provide for the possibility of allowing the acceptance or visa of a cheque subject to the condition that a cheque which has been accepted or certified or *visé* cannot be countermanded before the expiry of the time-limit for presentation.

ARTICLE 12.

Payment of a cheque may be guaranteed by an "aval".

This guarantee is given by a third person (other than the drawee), or even by a person whose signature is on the cheque.

The provisions of Articles 30 and 31 of the draft Regulation on bills of exchange and promissory notes which relate to "avals" shall apply to cheques.

In order to obviate the contradiction between paragraph 3 of Article 12 and paragraph 4 of Article 9, the *Yugoslav* Government proposes to insert as second sentence of the third paragraph of Article 12 the following text:

"The provisions of Article 31, paragraph 3, apply only to a cheque for a specified person or to order."

ARTICLE 13.

A cheque is payable at sight. *Any contrary stipulation is deemed to be unwritten.*

Note. — Article 13 of the Hague Resolutions (paragraph 2) reads as follows: "An instrument containing any other time of payment is invalid as a cheque". In order to render the instrument as effective as possible the experts prefer the expression: "Any contrary stipulation is deemed to be unwritten". This is the wording proposed by the I.C.C.

The *Yugoslav* Government proposes that the second sentence of the article should be replaced by the following sentence:

"An instrument containing any other time of payment is invalid as a cheque."

ARTICLE 14.

A cheque must be presented for payment within the time fixed by the law of the place of payment.

This time shall be eight days at least.

The Contracting States may increase *this time or fix several times to apply respectively to cheques drawn in a country on that country or cheques drawn in one country on another country.*

Presentment of a cheque at a clearing-house is equivalent to presentment for payment.

The Contracting States may specify the institutions which are to be deemed to be clearing-houses.

Note. — The minimum time within which a cheque must be presented for payment has been reduced from ten to eight days.

It has been thought desirable to state in the third paragraph that the time for presentment may be increased in view of the distance between different places.

In *Great Britain*, the law does not fix any time-limit for the presentation of cheques. It simply specifies that presentation must take place within a reasonable period.

The *German* Government would accept the text proposed by the experts if it should prove difficult to reach agreement as regards the establishment of a uniform time-limit for the presentation of cheques issued and payable in the same country.

The *Scandinavian States* and *Finland* suggest that the Uniform Law should fix a single time-limit in all the contracting countries as regards cheques issued and payable in the country. They also recommend that a uniform time-limit should be adopted for the presentation of cheques issued in one country and payable in another; they recommend, at all events, that, in the latter case, certain rules should be fixed from which the various national laws might not depart.

The *Polish* Government is anxious that the Uniform Law should embody the provisions of the Polish law.

The *Austrian* Government distinguishes between three categories of cheques:

1. Those issued and payable in the country;
2. Those issued in the country but payable in another European country;
3. Those issued in the country and payable in a non-European country.

According to the view of the Austrian Government, there should be a special period to be accepted uniformly for each of these categories by the contracting countries. If this is not possible, there should be a minimum compulsory period to be fixed for each of the three categories.

The *Hungarian* Government urges that fixed compulsory periods should be established. It considers eight days sufficient for cheques issued and payable in the same country. For other cheques it thinks a longer period would be desirable, and it proposes the period of one year, with the option for the drawee of shortening such period.

The *Czechoslovak* Government is anxious for the adoption of uniform periods. It would agree to eight days for cheques issued and payable in the same country. Cheques payable in a country other than the country of issue would have to be sent to the place of payment within five days of their issue and presented for payment within five days of their arrival at the place of payment; in any case, however, presentation should take place within three months of issue.

The *Spanish* Government asks that the question should be settled as follows: (1) for a cheque issued and payable in the same place the period should be five days; (2) for a cheque issued in a place other than the place of payment but in the same country the period should be eight days; (3) a cheque issued abroad should be presented for payment within a period of twelve days after its arrival in the country in which it is to be paid.

The *Latvian* Government considers, that every country should have the right to determine the periods, at its discretion. It urges, however, the establishment of a uniform period for cheques payable abroad.

ARTICLE 15.

When a cheque is drawn between two places having different calendars, the day of issue shall be referred to the corresponding day of the calendar of the place of payment.

No observations.

ARTICLE 16.

Neither the death of the drawer nor his incapacity arising after the issue of the cheque shall affect the cheque.

The *Scandinavian States* and *Finland* ask that the Uniform Law should contain a stipulation providing that, if the drawee has paid the cheque after the drawer has been declared bankrupt when the drawee has had knowledge, or should have had knowledge, of that fact, the said drawee may not claim on the bankrupt estate for the amount of the cheque.

The *Austrian* Government also expressed the opinion that the Uniform Law should contain a provision to this effect.

The *Polish* Government pointed out that the national law prohibits the drawee from paying the cheque if the said drawee has been notified of the drawer's bankruptcy.

RECOMMENDATION.

The experts recommend:

- (1) That the various countries should enact such penal or civil measures as are best calculated to prevent the issue of a cheque without funds to meet it;
- (2) That States should take steps under their civil law to prevent the countermanding of the order contained in the cheque during the time for presentment;

(3) *That the possibility of countermanding the order contained in the cheque after the expiration of the time presenting it should be determined by the laws of each State.*

Note. — Recommendations (2) and (3) above replace Article 17 of the Hague Resolutions, which the experts were unable to adopt unanimously on account of the divergence of the various laws concerning the possibility of countermanding the order in the cheque and determining cases in which payment of cheques may be opposed.

Article 17 of the Hague Resolutions has therefore been omitted and has been replaced by the above Recommendations.

The observations submitted by Governments concerning recommendation No. (1) above are shown after the text of Article 3.

As regards recommendations Nos. (2) and (3) :

In the opinion of the *British, Hungarian and Siamese* Governments, the text of the Uniform Law should provide for the right to countermand the cheque at any time before or after the expiry of the time for presentation.

The *Scandinavian States* and *Finland* urge that provision should be made for the possibility of countermanding the cheque, but recommend that the principle of penal sanctions should be embodied in the Uniform Law in the event of countermanding with the deliberate effect of injuring the bearer.

The *Italian* Government considers that the cheque should be countermandable only in the case of theft or alteration, which would constitute a bar to payment.

The *German* and *Polish* Governments ask for the insertion of a provision prohibiting the countermanding of the cheque during the period for presentation.

The *German, Austrian* and *Yugoslav* Governments urge the acceptance of the principle that the drawee shall be authorised to pay the cheque even after the expiration of the time for presentation if the cheque has not been countermanded by the drawer (Article 17, paragraph 3 of the Hague Resolutions).

The *Polish, Czechoslovak* and *Yugoslav* Governments ask that the countermanding of the cheque shall be valid if the drawer of a cheque payable to a specific person or "to order" sends the cheque immediately to the drawee with an order to pay the amount to the party concerned, on condition that the drawee receives notice of the countermand before he has paid the cheque.

The *Polish* and *Czechoslovak* Governments also demand that the Uniform Law shall contain a stipulation providing that the countermand shall be valid even before the expiration of the time for presentation, provided that the cheque has not been presented during such time.

The *Belgian* and *Austrian* Governments ask for the insertion in the Uniform Law of paragraphs 1 and 2 of Article 17 of the Hague Resolutions.

In the *Latvian* Government's view, no countermand should be authorised before the expiration of the time for presentation.

ARTICLE 17 (Article 18 of the Hague Resolutions).

The drawee who pays a cheque may require that it shall be given up to him receipted by the holder.

The holder may *not* refuse a partial payment.

In case of part payment the drawee may require that the part payment shall be specified on the cheque and that a receipt shall be given to him.

Note. — In paragraph 2 the holder is denied the right of refusing partial payment, though Article 18 of the Hague Resolutions allows him to do so. In making it obligatory for the holder to accept part payment, the experts had in mind both the interests of the persons liable and the provision of Article 38 of the draft Regulation on bills of exchange, which makes it obligatory for the holder to accept part payment. The solution adopted by the experts is similar to that adopted by the I.C.C.

The Governments of *Latvia, Czechoslovakia* and *Yugoslavia* approve the principle embodied in paragraph 2 of Article 17, whereby the *holder* is bound to accept partial payment. They point out that this solution is in conformity with the solution adopted in Article 39, paragraph 2, of the Uniform Law for Bills of Exchange.

The *Austrian* and *Hungarian* Governments, on the contrary, advocate the re-establishment of the principle laid down in Article 18, paragraph 2, of the Hague Resolutions.

The questionnaire to which the Governments represented at the Conference on bills of exchange were asked to reply contained the following question:

"Can the *drawee* refuse partial payment of a cheque which is not fully covered.?"

Germany, the Scandinavian States and *Finland, Poland* and *Siam* have replied that, in their opinion, there is no need to consider this question in the Uniform Law for Cheques, as the relations between the drawer and drawee will remain outside these rules.

The *German* Government adds, however, that, in its view, the Uniform Law should not in any case contain a rule whereby the drawee would be obliged to make partial payment when the funds that he holds are insufficient.

The *Austrian, British, Italian* and *Latvian* Governments consider that the drawee should be authorised to refuse partial payment.

The *Belgian* and *Hungarian* Governments expressed the opposite view.

ARTICLE 18 (Article 19 of the Hague Resolutions).

A cheque crossed on its face with two parallel lines can only be paid to a banker.

The crossing may be by the drawer or by a holder.

The crossing may be general or special.

The crossing is general if there be only the two lines, or the word "banker" or some equivalent, or the words "and Co"; the crossing is special if the name of a banker is written between the lines.

A general crossing may be converted into a special crossing. But a special crossing cannot be converted into a general crossing.

A specially crossed cheque can only be paid to the banker named. But if he does not cash it himself he may substitute another banker.

A crossing and the banker's name may not be effaced. *Any effacement shall be deemed not to have taken place.*

The drawee who pays a crossed cheque to any person other than a banker if the cheque is crossed generally, or to any person other than the banker named, if the cheque is crossed specially, is responsible for the injury, if any, caused thereby, but the damages shall not exceed the amount of the cheque.

Any State may, in so far as crossed cheques are concerned, assimilate professions analogous to that of a banker to the profession of banker.

Note. — The object of the addition in the seventh paragraph is to make it quite clear that an effacement of the crossing does not affect the validity of the cheque: the latter continues to exist as a crossed cheque.

The last paragraph was added to meet the wishes of countries which permit the drawing of a crossed cheque on an "agent de change" for instance, or a "caisse publique" (see above, Article 5).

RECOMMENDATION.

The experts recommend that countries which at present employ only the cheque "payable in account" ("nur zur Verrechnung") should abandon this method in favour of the crossed cheque.

Note. — As a result of this Recommendation, Article 20 of the Hague Resolutions disappears. The article in questions laid down rules for cheques "payable in account".

Two questions concerning this article were put to the Governments under No. 7.

They were asked in the first their opinion of the effects of a crossing.

All the Governments, except the Scandinavian States and Finland, approve the principle embodied in Article 18 of the experts' draft. The latter States are of opinion that the text should specify that a crossed cheque: (1) can only be paid to a banker or to a client of the latter; (2) that it can only be collected by a banker on account of his client or of another banker; (3) that the cheque can only be bought by the banker from his own client or from another banker; (4) that the responsibility mentioned in paragraph 8 shall extend to the banker who has bought or collected a crossed cheque contrary to the above provisions.

The Governments were asked, secondly, whether it would be possible to combine in a single type the crossed cheque and the cheque only for collection (nur zur Verrechnung).

The *Scandinavian States* and *Finland* consider that it would be possible to adopt a single system.

The *Belgian* Government is of opinion that the cheque for collection would do double duty with the crossed cheque and that it should still be abolished.

Italy holds the opposite view and considers that a special provision should be inserted in the Uniform Law in regard to cheques for collection.

This solution is also recommended by *Germany, Austria, Hungary, Latvia, Poland, Czechoslovakia* and *Yugoslavia*.

All these States are in favour of maintaining side by side the system of crossed cheques and cheques only for collection, and accordingly urge the re-establishment of Article 20 of the Resolutions of the Hague Conference.

Germany suggests that the Uniform Law should confer on the Contracting States the right to prohibit the use of crossed cheques (last paragraph of Article 19 of the Hague Resolutions).

Austria suggests that the Uniform Law should contain a provision laying down that crossed cheques should, in countries where only the cheque for collection is used, have the same effect as the latter.

The *British* Government noted that a crossed cheque may bear the words "not negotiable", the effect of this, however, being not to prohibit the transmission of the cheque, but simply to subject the person taking it to any exceptions that may have applied to his predecessors.

Further, although this practice is not embodied in the law, it has become the custom in England to add on the crossed cheque the words "account payee". If the banker collects such a cheque on account of a person other than the party named in the cheque, he forfeits the protection accorded by the law to a banker who in good faith pays a crossed cheque in conformity with the crossing.

The *British* Government is of opinion that the results which it is sought to obtain by means of cheques for collection might be obtained by the use of crossed cheques bearing the words "account payee".

A similar proposal was made by the *Siamese* Government.

ARTICLE 19 (Article 21 of the Hague Resolutions).

The question whether the holder of a cheque has special rights on the fund against which it is drawn, and the right to maintain an action against the drawee is left outside the present Regulation.

Of the States which replied to the questionnaire, *Italy* alone asks that the Uniform Law should provide *ipso facto* for the transfer of funds to the bearer, which would give the latter the right of direct action against the drawee.

The *Italian* Government is not in favour of regulating the action for inequitable gain in the Uniform Law and points out, moreover, that this question was left outside the Uniform Law for Bills of Exchange.

All the other Governments which replied to the questionnaire are of opinion that the issue of the cheque should give the bearer no right of ownership over the fund.

All agree, further, that the holder should have the right of action in virtue of inequitable gain against the endorser or drawer when the drawer's right of recourse has lapsed owing to non-protest or the effects of limitation of action.

The *Belgian* and *Spanish* Governments propose that the holder should be given a lien on the cover which would have the effect of excluding the cover from the sum to be distributed between the creditors of the drawer in the event of the latter's bankruptcy, but for cases in which agreement cannot be reached on the solutions thus recommended, the *Belgian* Government is of opinion that the regulation of the subject should be referred to the national legislation.

CONCERNING THE RIGHT OF RECOURSE.

ARTICLE 20 (Article 22 of the Hague Resolutions).

The holder may exercise his right of recourse against the endorsers, the drawer, and the other parties liable, if the cheque, on presentment in due time, is not paid.

Presentment and non-payment must be authenticated:

- (1) By a formal instrument (protest for non-payment); or
- (2) By a declaration by the drawee, dated and written on the cheque, and specifying the day of presentment; or
- (3) By a declaration dated from a clearing-house specifying that the cheque has been forwarded in due time, and has not been paid.

Any State may:

(a) Lay down that the right of recourse against the endorsers, the drawer and the other parties liable shall be lost unless the cheque is protested.

(b) Decide what will be, in default of the protest or equivalent instruments drawn up within the time for presentment, the nature of the rights of the holder against the drawer who has not provided funds or who has countermanded the order in the cheque.

Note. — It was recognised in the case of bills of exchange that, if payment was refused, a protest drawn up in proper time was necessary for the maintenance of the rights of recourse. The above article, however, lays down that, in the case of cheques, in order to simplify the formalities of protest and avoid the attendant expenditure, a protest proper may be replaced by a declaration made by the drawee in writing on the cheque or by a declaration dated from a clearing-house.

This solution is at variance with the practice obtaining in many countries, in which cheques must be protested like bills of exchange in general. The experts therefore felt that it would be desirable, by adding a new paragraph (a) to Article 20, to allow countries, if they desire to do so, to maintain their present rules regarding protest.

They have also, under (b), made it possible for the various countries themselves to decide the nature of the rights, failing protest or equivalent instruments drawn up within the time for presentment, which the holder should be given against the drawer who has not provided funds or who has countermanded the order in the cheque, since this question is connected with that of the rights of the holder of a cheque on the fund against which it is drawn (see Article 19 *supra*).

In the questionnaire addressed to Governments, two questions relating to the substance of this article (questions Nos. 8 and 19) were raised.

The first concerns the *liability of the drawer*.

The *Belgian*, *Italian* and *Latvian* Governments are of opinion that the drawer's liability should persist in every case.

The *Belgian* Government, however, is of opinion that the drawer should be released from liability if the cover has disappeared through circumstances for which he is not responsible.

This opinion is shared by the *Spanish* Government, which urges that the drawer should be released from liability when the cover has disappeared through the action of the drawee after the expiry of the time-limit for presentation.

In the view of *Germany*, the *Scandinavian States* and *Finland* and *Poland*, the drawer should not be liable, by virtue of the Exchange Law, when the cheque has not been presented within the time-limit for presentation.

The *Hungarian* and *Yugoslav* Governments propose that the question should be settled in the same way as for bills of exchange, by a provision similar to that contained in Article 15 of Annex II of the Geneva Convention relating to bills of exchange.

The *Siamese* Government suggests that the drawer's liability should be limited to three years, dating from the expiration of the time-limit for presentation.

The second question relates to the *responsibility of the endorser*.

The *Belgian* and *Italian* Governments urge that no release should be admitted for the endorser.

Great Britain, Spain, the Scandinavian States and Finland, Hungary, Poland and Czechoslovakia consider, on the contrary, that the endorser should be allowed to release himself by means of a specific statement.

The *German* Government is of the same opinion, but they think that the endorser should, in any case, be released, if the cheque has not been presented in due time.

The *Hungarian* and *Latvian* Governments ask that the question of the liability of endorsers should be regulated in accordance with the formula adopted in Article 15 of Annex II of the Geneva Convention relating to bills of exchange.

The *German* Government proposes that the word "dated" be deleted in paragraph 2 (2) and (3) of Article 20, and that Article 21 be drafted to read as follows:

"Protest for default of payment must be made before the expiration of the time of presentation."

This in order not to make the validity of declarations replacing the protest conditional on their being made within the time for presentment.

The *German* and *Austrian* Governments suggest the deletion of paragraph 3 (a) of Article 20, a proposal already made by the *Scandinavian States and Finland* in 1929 (see Preparatory Document, page 78).

ARTICLE 21 (Article 23 of the Hague Resolutions).

Protest for default of payment, or the equivalent declarations of authentication mentioned in Article 20, must be made before the expiration of the time for presentment, either on the actual day of presentment if it is made on the last day of the time for presentment, or on one of the two business days following, provided that these days still fall within the period for presentment.

Note. — These changes have been made in Article 23 of the Hague Resolutions because: (1) in Article 20 above other forms of authentication have been assimilated to protest; and (2) in order to make it clear that, for the cheque as well as for the bill of exchange, the holder has no longer one day but two business days after payment has been refused in order to draw up the protest; while (3) the protest must in every case be drawn up within the time for presentment.

The *German* Government proposes that this article be drafted as follows:

"Protest for default of payment must be made before the expiration of the time of presentation."

(See observations under Article 20.)

The *Scandinavian States and Finland* have made a proposal similar to that of the *German* Government, but without demanding the deletion of the words "or the equivalent declarations of authentication mentioned in Article 20".

The *Austrian* and *Czechoslovak* Governments, on the contrary, consider that the rule for Article 21 should be that a protest for default of payment must be made at latest on the first business day following presentment.

ARTICLE 22.

The holder may claim from the party against whom he exercises his right of recourse:

- (1) The amount of the cheque;
- (2) Interest at the rate of 6 per cent as from the date of presentment;
- (3) The costs of the protest or equivalent declaration, of the notices served by the holder on previous endorsers and on the drawer, and other expenses.

The *Austrian* and *Yugoslav* Governments ask that a reservation similar to that contained in Article 14 of Annex II of the Geneva Convention on bills of exchange may be introduced into the future Convention on cheques.

ARTICLE 23 (Article 24 of the Hague Resolutions).

Except so far as regards acceptance, the provisions of the draft Regulation on bills of exchange and promissory notes relating to the right of recourse contained in Articles 44 to 46, 48 and 49 apply to cheques.

The *German* Government and the Governments of the *Scandinavian States and Finland* point out that, in the list of the articles of the Uniform Law for Bills of Exchange, which, under the terms of the Convention, should also apply to cheques, Article 54 dealing with cases of *vis major* is not included.

They ask that the provisions of Article 54 should also be mentioned in the list given in Article 23.

PARTS OF A SET.

ARTICLE 24 (Article 26 of the Hague Resolutions).

Except in the case of bearer cheques, every cheque drawn in one State and payable in another State, or in an oversea dominion of the same State, may be in a set of identical parts. *When a cheque is in a set of parts, each part must be numbered and must indicate in the body of the instrument the number of parts issued, failing which each part is deemed to be a separate cheque.*

Note. — The wording of the Hague article has been altered in order to bring it into line with Article 63 of the draft Regulation on bills of exchange.

ARTICLE 25 (Article 27 of the Hague Resolutions).

Payment made on one part operates as a discharge, even though there is no stipulation that this payment shall discharge the other parts.

An endorser who has transferred parts to different persons and endorsers subsequent to him are liable on all the parts bearing their signatures, which have not been restored.

The *German, Austrian and Yugoslav* Governments ask that the text of Article 24 of the experts' draft may be replaced by the text of Article 26 of the Resolutions of the Hague Conference.

The *Belgian*¹, *Latvian* and *Hungarian*¹ Governments and the Governments of the *Scandinavian States* and *Siam* ask that the provisions of Articles 64 to 66 of the Uniform Law for Bills of Exchange adopted under the Geneva Convention may be made applicable to cheques drawn in a set of identical parts.

The *Czechoslovak* Government declares itself opposed in principle to the possibility of issuing a cheque in a set of identical parts. If, however, the Conference does not share this view, the *Czechoslovak* Government considers that the provisions of the Uniform Law for Cheques should be the same as those adopted on this point under the Geneva Convention for bills of exchange.

According to the *Spanish* law, the drawer cannot issue duplicate parts of a cheque until he has cancelled the original on the expiry of the time-limits for presentation and with the consent of the drawee.

Without prejudice to this rule, the *Spanish* Government urges the application to cheques of Article 64 of the Uniform Law of the Geneva Convention for bills of exchange, provided, however, that paragraph 3 of that article applies only to cheques issued in one country and payable in another or in another part of the country of issue situated overseas.

In the event of certification being allowed, the *Spanish* Government asks that a provision should be inserted in Article 25 laying down that the drawee is liable on each accepted part which he has not recovered (Article 65, Uniform Law of the Geneva Convention).

FORGERIES AND ALTERATIONS.

ARTICLE 26 (Article 28 of the Hague Resolutions).

Except so far as regards acceptance, the provisions of Articles 68 and 69 of the draft Regulation on bills of exchange and promissory notes relating to forgery and alterations shall apply to cheques.

Note. — The words in italics have been added because, under Article 11 above, paragraph (1), cheques cannot be accepted.

The *Siamese* Government proposes the insertion in the Uniform Law of a rule in force in *Siam*, whereby a cheque bearing a forged signature of the drawer is null, but the forged signature of an endorser does not invalidate the signature of the other signatories of the cheque.

The *Siamese* Government proposes that the rules adopted by the Geneva Convention in Article 69 of the Uniform Law for Bills of Exchange should be made applicable to the alteration of cheques.

The Governments of *Germany, Belgium, Spain, the Scandinavian States* and *Finland* are of opinion that the question of risk should be left outside the Uniform Law.

In the view of the *Austrian, Hungarian, Italian, Polish, Czechoslovak* and *Yugoslav* Governments, the drawee should be made responsible for the consequences of forgery or alterations unless forgery or neglect is attributable to the drawer. This is also the system in force in *Great Britain*.

The *Italian* Government extends the liability of the drawer to cover cases in which the latter's employees have been guilty of fault or negligence.

The *Austrian, Hungarian, Czechoslovak* and *Yugoslav* Governments limit the liability of the drawer to the case in which he has himself been guilty of forgery or in which negligence can be

¹ The *Belgian* and *Hungarian* Governments having declared themselves opposed to the institution of the acceptance of cheques, the reference by those Governments to Article 66 of the Uniform Law would appear to be due to an error, unless it is to be interpreted as the expression of a desire on the part of those Governments that the rules laid down in the said article should apply to cheques if the Conference adopts in principle the possibility of providing for acceptance for cheques.

attributed to him personally, and to the case in which the forgery, alteration or negligence is attributable to his employees responsible for the dealing with cheques.

The *Latvian* Government recommends a system which is the very opposite—namely, that the drawer should be deemed primarily responsible for the consequences of forgery or alterations, the drawee being required to bear the consequences only if he has been guilty of gross negligence in accepting a document which has been altered or bears a forged signature.

PRESCRIPTION.

ARTICLE 27 (Article 29 of the Hague Resolutions).

Actions of recourse by the holder against the endorsers and drawer are barred after six months from the time fixed for presentment.

Actions of recourse by endorsers against previous endorsers and the drawer are barred after six months from the day on which the endorser paid the cheque or the day on which he was sued thereon.

Note. — If the drawer has not made cover or has withdrawn it, each State is, according to Article 20 (b) above, allowed to decide the nature of the holder's right against the drawer: hence they are also entitled to determine the period of prescription applicable to these rights.

ARTICLE 28.

The provisions of Article 71 of the Regulation on bills of exchange shall apply to cheques.

Note. — The above is the last paragraph of Article 29 of the Hague Resolutions, given as a separate article for the sake of clearness.

The *Italian* Government is of opinion that the time-limits laid down in Article 27 should be shortened and urges that the system of limitation of actions should be replaced by extinctive prescriptions.

The *Belgian* Government would like the time-limit fixed in paragraph 1 of Article 27 to run from the moment of the issue of the cheque.

The *Scandinavian States* and *Finland* accept the provisions of Articles 27 and 28 of the experts' draft, but suggest that the period of limitation for the holder's actions of recourse should begin to run as from the date of protest.

The *Siamese* Government is prepared to accept Articles 27 and 28 of the experts' draft. It would prefer, however, that the periods of limitation should be the same for cheques as for bills of exchange. It would be necessary, in its view, to choose between the time-limit of three years and the time-limit of one year fixed respectively in paragraph 1 and paragraph 2 of Article 70 of the Uniform Law for Bills of Exchange, adopted in the Geneva Convention.

The *Spanish* Government notes that, in *Spain*, actions in the matter of bills of exchange are barred at three years, dating from the due date, whether they have been protested or not and that the same rule applies to cheques.

The *British* Government states that, in Great Britain, actions of recourse against the drawer and endorsers are barred at six years as from the day on which payment is refused.

The *Belgian* Government asks that Article 28 may be replaced by a provision leaving it to the national laws to settle the question of the interruption of the period of limitation.

The *Yugoslav* Government recommends the insertion in the Uniform Law of a provision similar to that embodied in Article 17 of Annex II of the Uniform Law for Bills of Exchange adopted in the Geneva Convention.

GENERAL PROVISIONS.

ARTICLE 29 (Article 30 of the Hague Resolutions).

The general provisions of Articles 72, 73 and 73 (a) of the Regulation on bills of exchange and promissory notes shall apply to cheques.

Note. — Article 31 of the Hague Regulations is included in the draft Convention for the Settlement of the Conflict of Laws (Article 9.)

No observations.

D. SUGGESTIONS CONTAINED IN THE REPLIES OF GOVERNMENTS
CONCERNING TWO QUESTIONS NOT DEALT WITH IN THE DRAFT REGULATIONS
ESTABLISHED BY THE EXPERTS.

(Questions 12 and 14.)

Bills of Exchange stipulating payment by cheque.

The *majority of the Governments* which replied to the questionnaire is of opinion that there is no need to settle this question in the Uniform Law for Cheques, particularly as the use of such instruments is not very widespread.

The *Polish* and *Spanish* Governments seem prepared to accept the French law on this point.

The *British* Government notes that, in England, such instruments are deemed valid, and that, in practice, bankers are prepared to pay them by cheque.

Amortisation.

Of the Governments which replied to the questionnaire, the *Austrian* Government recommends the establishments of international rules governing the question of amortisation.

The *other Governments* are of opinion that this question should be left to the national law.

The *Belgian* and *Spanish* Governments propose that the question should be settled in the manner recommended in the draft convention framed by the experts concerning conflicts of laws (Article 15), omitting, however, any mention of bankruptcy.

E. OBSERVATIONS BY GOVERNMENTS ON THE EXPERTS DRAFT
RELATING TO CONFLICTS OF LAWS.

Articles 3, 4 and 6.

The *Austrian* and *Spanish* Governments suggest that the form of Articles 3, 4 and 6 of the draft should be the same as that of Articles 2, 3 and 4 of the Geneva Convention for the settlement of conflicts of laws in connection with bills of exchange and promissory notes.

Article 7.

The *Spanish* Government proposes that this Article be replaced by Article 6 of the aforesaid Convention.

Article 10.

The *Austrian* Government proposes that this provision be deleted.

PART II.

QUESTIONNAIRE ADDRESSED TO GOVERNMENTS BY CIRCULAR LETTER OF THE SECRETARY-GENERAL OF THE LEAGUE OF NATIONS No. 134, DATED JUNE 21ST, 1930, IN EXECUTION OF RECOMMENDATION No. V OF THE FINAL ACT OF THE INTERNATIONAL CONFERENCE FOR THE UNIFICATION OF THE LAWS RELATING TO BILLS OF EXCHANGE, PROMISSORY NOTES AND CHEQUES.

1. Is it desirable to prohibit the drawing of cheques on persons who do not carry on the profession of banking ?
 2. Must the drawer have funds in the hands of the drawee, and at what moment, at the time of presentation or at the time of payment ?
 3. " Guthabenklausel " (compulsory mention of cover in the cheque).
 4. Must a cheque always be payable on demand ?
 5. How must the time-limits for presentation be fixed ?
 6. Must the drawer be given the right to object to payment of the cheque (withdrawal) and how far ?
 7. What are the effects of a crossing ? Would it not be possible to combine in a single type the crossed cheque and the cheque only for collection (nur zur Verrechnung) in use by certain countries ?
 8. Is the drawer liable even if the cheque has not been presented within the fixed period of time ?
 9. What are the effects of the transfer of cover to the holder ?—Action for inequitable gain ?
 10. Upon whom do the risks of forgery and alteration fall ?
 11. Can the drawee refuse partial payment of a cheque when there are not sufficient funds to meet it ?
 12. Is it not desirable to prescribe special rules to meet the case in which an instrument which otherwise satisfies all the conditions required for the validity of a bill of exchange stipulates that it is payable not in money, but by a cheque, especially by a cheque drawn on a bank abroad ? If so, what rules should be prescribed ?
 13. A type-written cheque.
 14. Loss or theft of a cheque (amortisation procedure).
 15. Conflicts between transmission clauses.
 16. Domiciled cheque.
 17. Duplicates (parts of a set).
 18. Limitation of actions.
 19. Release of the endorser from his liability.
 20. Consequences ensuing from post-dated cheques.
 21. Acceptation, certification and visa.
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REPLIES FROM GOVERNMENTS.

1. Italy.

[Translation.]

In Italy, the cheque is governed by the provisions of Articles 339 to 344 of the Commercial Code (see, for example, Draft Commercial Code, Articles 630 to 655 and Article 930); there are, in addition, several special provisions governing certain institutions which, although in some respects similar to cheques, come under special legal regulations and cannot therefore be included in the general regulations on cheques.

Question 1.

Yes.

Question 2.

The drawer should have funds in the hands of the drawee at the time of issue; it is, of course, understood that, in the case of this, as of the following questions, any penal provisions must be reserved for the national legislation.

Question 3.

This institution is unknown in Italian practice.

Question 4.

Yes.

Question 5.

The time-limits for presentation must be expressly fixed, due regard being had to the distance between the place of issue and the place of payment (see, for example, Draft Commercial Code, Article 649, paragraph 1).

Question 6.

No. In principle, the drawer cannot countermand a cheque, but he can stop payment in the case of theft or alteration of the instrument.

Question 7.

A crossed cheque can only be paid to a banker in the case of a general crossing, and to the banker named in the cheque in the case of a special crossing.

In Italian practice, the cheque only for collection is unknown, and it would seem difficult to bring such a cheque under the same rules as a crossed cheque. Suitable provisions, however, might be laid down for the cheque only for collection.

Question 8.

Yes.

Question 9.

Transfer of cover to the holder should *ipso facto* be operative. Cover existing at the time of the drawer's bankruptcy is applied to payment *pro rata* of *bona fide* holders of cheques issued before the bankruptcy was declared. It would seem inexpedient to regulate in this Convention the right of action for inequitable gain (*action d'enrichissement*) seeing that the question has not been settled in the Convention on Bills of Exchange.

Question 10.

A drawee paying a cheque the amount of which has been altered, or on which the drawer's signature has been forged, cannot apply to the drawer for compensation unless the latter has committed forgery, or one of his employees is responsible for the alteration or forgery. Any provision to the contrary should be deemed null and void.

Question 11.

Yes.

Question 12.

It might be well to lay down rules on this point, but there should be previous agreement as to the character to the instrument.

Question 13.

The practice, now common in certain countries, of writing out cheques by mechanical processes cannot be prevented.

Question 14.

It would appear impossible to regulate the problem of amortisation, seeing that, as a result of the discussions on the Convention on Bills of Exchange, the settlement of this question was reserved to national legislation.

Question 15.

If the cheque bears the name of the holder and also the stipulations "To Order" and "To Bearer" the cheque is deemed to be payable to order; if the holder's name is not given, but only the two above-mentioned stipulations, the cheque is deemed to be payable to bearer.

Question 16.

Domiciled cheques are admissible.

Question 17.

Article 24 of the Experts' Draft might be taken as a basis of discussion.

Question 18.

The question whether the time-limits provided in Article 27 of the Experts' Draft should not be shortened, and whether, in view of the rapid circulation of cheques, the practice of extinctive prescription should not be adopted for cheques instead of limitation of actions might with advantage be considered.

Question 19.

The endorser should not be released from his liability.

Question 20.

The provisions of the German Cheque Law of 1930 might be taken as a basis of discussion.

Question 21.

In the present state of legislation it would seem very difficult to agree to acceptance. Generally speaking, certification and visa should be permitted, subject to co-ordination with the principles laid down regarding transfer of cover (9).

2. Belgium.

[*Translation.*]

Question 1.

1. The drawing of cheques on persons who do not carry on the profession of banking should be prohibited.

The practice of drawing only on banks gives greater security to the circulation of cheques. Before opening an account for a customer, and thus permitting him to draw cheques on them, credit institutions make enquiries as to his good character and solvency. The effect is to facilitate the negotiability of instruments the parties to which have been subjected to an investigation as to the financial guarantees they offer.

In addition, no delay or difficulty is experienced in paying the instruments, as banks have always large cash reserves.

2. It should be left to the contracting States to decide what persons should be deemed bankers or be assimilated to bankers.

Owing to the fundamental diversity of practice and legislations in the various countries it would seem difficult to solve the problem of inserting in the Uniform Law a formula specifying what persons are to be deemed bankers that would be easily applicable everywhere.

Question 2.

A. The drawer must have available funds in the hands of the drawee and he must have an authorisation, if only a tacit one, to draw cheques on the latter.

B. The above-mentioned funds should exist at the time of presentation of the instrument.

The possession of available funds does not imply the existence in the hands of the drawee of an amount of money belonging to the drawer; these words are to be understood in a wider sense, and should cover all cases where the drawee may be bound, on any ground whatever, to pay the drawer an amount of money in cash and on demand: cash deposits, liabilities payable on demand, opening of credit, etc.

Question 3.

Compulsory mention of cover in the text of the cheque itself should not be required.

Such mention, which is intended to remind the drawer of the disagreeable consequences that may result from issuing a cheque without cover, would not seem very effective for the purpose mentioned or to present any real advantage. To make it compulsory under pain of nullity would have the disadvantage of detracting from the security of transactions without any adequate compensation.

Question 4.

A cheque must always be payable on demand.

This principle should be brought into line with the practice, which is becoming more and more general, of so-called "notified" cheques—that is, cheques which are only payable after the drawer has previously notified them to the drawee.

This practice, which constitutes a form of control, is particularly justified when a cheque has been issued by a stranger who is unknown to the drawee or when the amount of the cheque is exceptionally large.

The following rules might be applied to these cheques:

(1) The words "notified cheque", or their equivalent, should appear in the body of the cheque itself. This would warn the holder that he could only obtain payment after the drawee had received the drawer's notice.

(2) Receipt of such notice should not have the effect of immobilising in the hands of the banker an amount equal to the cover required for paying the cheque.

Question 5.

The minimum time-limit should be fixed at eight days only, but each contracting State should be entitled to prolong it, especially in the case of international cheques.

Question 6.

The drawer should have the right to countermand a cheque, but only within very narrow limits; the right might only be exercised after the expiration of the time-limit for presentation.

If permission were granted to exercise the right of withdrawal before the expiration of the time-limit, it would seriously prejudice the security of the circulation of negotiable instruments. Any person who receives a cheque in payment must have the same security as a person who is paid in cash. Such security is the essential condition for a wider use of the cheque as a form of payment. By its use, a whole series of payments may be made during the time-limit for presentation. Withdrawal would mean prejudicing all these payments, and making those who made them liable to recourse exercised against them. The circulation of cheques would be hampered, because every holder, fearing withdrawal, would hasten to present the cheque at the earliest possible moment.

The right to object to payment should only be exercised in cases of loss or theft of the instrument.

Accordingly, the solutions contained in Article 17, paragraphs 1 and 2, of the Resolutions of The Hague Conference should be adopted.

The expedient of a mere "recommendation", such as that inserted after Article 16 of the Experts' Draft, should be rejected. Such a recommendation would have little effect, and, in the absence of an imperative regulation in the Uniform Law, the right to countermand would still be regulated by divergent laws. If our concern, therefore, is to ensure greater security for the international circulation of cheques, this is one of the questions which it is highly desirable to solve by rules uniformly adopted by all States.

Question 7.

The effect of crossing a cheque should be to make it payable only to a banker (general crossing) or to a particular banker, if the name of such banker is written between the two lines (special crossing).

The drawee who pays to any person other than a banker or the banker named should be responsible for the injury, if any, caused thereby, but the damages must not exceed the amount of the cheque.

The cheque "payable in account" (*nur zur Verrechnung*) was introduced to serve the same purpose as the crossed cheque; both are intended to prevent a cheque being cashed by an unauthorised person. The cheque "payable in account" is thus another form of the crossed cheque, and, as the latter is the more practical and most widely used form, it alone should be regulated by the Uniform Law.

Question 8.

The drawer should be held liable whether a cheque is presented late or presented in due time. He should only be relieved of this liability where the cover has disappeared through circumstances for which he is not responsible.

Question 9.

The Uniform Law should not give the holder a right *in rem* to the cover, in the sense that he would acquire the title to it and, for that reason, be authorised to take direct proceedings against the drawee.

It would not seem impossible to arrive at a uniform legislation on this point laying down that the title to the covering funds would not be transferred to the holder, but the latter would have a right of action "for inequitable gain" against the drawee.

The question of cover is not the same in the case of cheques as in the case of bills of exchange. The guarantees given to the holder by transfer of the title to the cover, tangible in the case of bills of exchange, seem rather illusory in the case of cheques. Where a cheque has not been paid owing to delay in presentation, or when the beneficiary can no longer exercise his right of recourse because the statute of limitations is already operative, action for inequitable gain against the drawer or endorser safeguards the interests of such a payee as effectively, at any rate, as direct action against

the drawee. The latter in most cases will no longer be in possession of the funds after such a considerable lapse of time, and, in any case, it would be rather difficult to prove that the cover on which the cheque was drawn is still held by him at the moment when the action is taken.

Only in the event, perhaps, of the drawer's insolvency, would a title to the cover give the holder a genuine advantage.

His interests would be adequately safeguarded if the law granted him, not a title to the cover, but a lien on it, preventing its distribution among the creditors.

To summarise, the Uniform Law should not leave the question of the holder's rights to the cover to be decided by national laws, but should give him a lien on such cover and recognise his right of action for inequitable gain for the cheque against the drawer and the endorsers.

Only as a second alternative, and in the event of agreement on the above measures proving impossible, should the regulation of this subject be referred to national legislation.

Question 10.

This question has nothing to do with the law governing cheques, and special provisions on it should not be introduced into the Uniform Law. It is for the court to discover who is to be held responsible in each particular case, due allowance being made for all the factors of the case.

Question 11.

The drawee is bound to pay a cheque up to the amount of the cover.

Question 12.

No special rules should be prescribed on this point, except that a stipulation to the effect that a bill of exchange is to be paid by a cheque should be expressed in explicit terms, leaving no room for doubt.

Question 13.

The fact of a cheque, apart from its signature, being typewritten does not affect its validity in any way.

Question 14.

The steps to be taken in the case of loss or theft of a cheque should be regulated by the law of the country where the cheque is payable.

The word "theft" should be interpreted in its wider meaning and cover all cases in which a cheque has been fraudulently acquired.

This is the solution adopted in the Experts' Draft (Convention on Conflicts of Laws, Article 15) which, however, adds to cases of loss or theft that of the holder's bankruptcy.

No such provision should be made in the present regulations.

Article 9 of the Convention for the Settlement of Certain Conflicts of Laws in connection with Bills of Exchange and Promissory Notes only refers to the measures to be taken in case of loss or theft, and makes no mention of the holder's bankruptcy.

"It was pointed out that the true scope of the phrase 'in case of the holder's bankruptcy' was not sufficiently clear; that international questions relating to bankruptcy were very complicated and difficult to settle; that it was not advisable to adopt incidentally a rule of private international law when this question had already formed the subject of a special Convention drawn up at The Hague." (M. Diena's Report.)

These observations apply with equal force to cheques as to bills of exchange.

Question 15.

If the wording of a cheque is contradictory as regards mode of transfer, the holder of the cheque should be given the greatest latitude compatible with the wording of the cheque.

Instruments are sometimes worded: "Pay to the order of X or to bearer". The holder of a cheque so worded should have the option of choosing whichever form of transfer suits him best.

Question 16.

The Uniform Law should provide that any instrument payable at the domicile of a person not carrying on the profession of banker is invalid as a cheque.

Question 17.

A. Duplicates should only be permitted in the case of cheques issued in one country and payable in another, colonies being assimilated for this purpose to foreign countries.

B. In no case may bearer cheques be issued in duplicates or in sets.

C. Articles 64 to 66 of the Uniform Law on Bills of Exchange should be made applicable to cheques made out in several copies.

Question 18.

Action by the holder against a drawer or endorser should be barred after six months from the date of the issue of the cheque.

Action by an endorser against a drawer or other endorser should be barred after six months from the date on which he paid the cheque or the day on which he was sued thereon.

It is better to take as the beginning of the period of prescription of the holder's action against a drawer or endorser the date of issue rather than the date of expiry of the period for presentation, as it might not be easy for the holder to ascertain the latter date which may differ in the various countries.

The causes for interruption and suspension of prescription should continue to be governed by national legislation.

Question 19.

An endorser may in no case be released from his liability, and any clause to this effect should be deemed to be unwritten.

Question 20.

The post-dating of a cheque changes one of its specific characteristics, that of an instrument of prompt payment, and identifies it more nearly with a bill of exchange or promissory note.

A uniform law, therefore, should contain a provision to the effect that a post-dated cheque is not valid as a cheque.

Question 21.

A. Cheques, being instruments of payment and not of credit, should not be liable to acceptance.

B. Contracting States should be entitled to regulate the certification or visa of cheques.

3. Sweden.

[*Translation.*]

PRELIMINARY OBSERVATIONS.

The Swedish Government agrees with the International Chamber of Commerce that it would be extremely desirable, for the sake of clearness, to give the Uniform Law on cheques a different wording from that used in the law on bills of exchange. The method adopted in the Experts' Draft, of referring in a great many cases to the provisions of the Uniform Law on Bills of Exchange, does not seem very desirable, if only for the reason that the articles of this Law will not be numbered in the same way in all the countries adopting it. The Polish Cheque Law of 1924 furnishes a useful example of the advantages of the system here advocated.

In order that the next Geneva Conference should finally succeed in solving the problem of a uniform law on cheques, it would seem essential to prepare, well before the meeting, a basis of discussion in the form of completely drafted texts, as was done when the Conference had to deal with the laws regarding bills of exchange. The Swedish Government, accordingly, ventures to suggest that the President of the Conference, in virtue of the powers which it was proposed to confer on him at the last session (see Final Act, V.III), should ask the Secretary-General of the League of Nations, as soon as the opinions of the various Governments have been obtained and classified by the Secretariat, to convene a meeting of experts whose duty it would be to draw up a complete draft international law on cheques. This draft would form the basis of the proceedings of the Conference at its next session, and obviously could include alternative solutions wherever there appeared to be widely divergent opinions on important questions. It would seem advisable to delegate this task to the Drafting Committee already appointed by the Conference. The Swedish Government, of course, fully realises that the adoption of such a procedure might result in somewhat delaying the meeting of the Conference, but it is equally convinced that it would enable the object in view to be achieved more surely, more rapidly and more economically than if the meeting were to be held without a draft complete in every detail.

REPLIES TO THE QUESTIONNAIRE.

Question 1.

The Swedish Government believes that the Uniform Law on Cheques should enact that a cheque may only be drawn on a banker. The contracting States should, however, be free to assimilate to bankers persons or institutions which, though they cannot be classed as banks, nevertheless carry on a business which involves the receipt and administration of money on current accounts.

This restriction on the use of cheques is specially required in order to ensure public confidence in cheques which have now become a general instrument of international payment.

There would appear to be no real need to authorise the issue of cheques on any persons other than bankers or institutions which can be assimilated to banks. It is true that, among the traders of certain countries, there is a tendency to substitute cheques on a debtor for drafts, with the object of avoiding the comparatively high stamp duties, but this should clearly not be allowed to affect the framing of the legislation here contemplated. On the contrary, if positive and helpful results are to be achieved, it would seem necessary that the decisions to be taken should not be influenced by any secondary considerations.

In support of the restriction above advocated, attention might also be drawn to the importance of adopting regulations which not do differ too widely from British and United States of America legislation, under which cheques can only be drawn on bankers.

Even if the number of drawees is restricted as the Swedish Government suggests, special provisions will probably also be necessary for the protection of those who are *bona fide* holders of a cheque which is invalid as having been drawn on a person other than a banker. For this purpose it might perhaps be well to recognise that the holder of such a document has a right of recourse under the law on negotiable instruments, unless it is proved that, when accepting the cheque, the holder knew or should have known that it was invalid.

A recommendation should also be added to the Convention advocating the adoption of provisions penalising the issue of cheques on a person other than a banker.

Question 2.

The Swedish Government is definitely of opinion that the drawer should, when issuing a cheque, have funds in the hands of the drawee. This principle, which is, unfortunately, too often disregarded, is absolutely indispensable if the cheque is to fulfil its increasingly important function of an instrument of payment taking the place of cash transfers.

The problem of the legal penalty that should be inflicted for issuing a cheque without cover is a very different one. As explicitly stated in both drafts—that of 1912 and that of the Experts' Committee—the penalty should not consist in making the cheque null and void, and yet it does not seem possible to provide for any other monetary penalty. It is accordingly outside the purview of international legislation on the cheque to decide what should be done to establish the principle of cover in advance. The object in view seems rather to call for the adoption by the various States of penal provisions, not only against acts of fraud but also against negligence.

The Swedish Government, therefore, considers that a Uniform Law should not contain the provisions laid down in Article 3, paragraph 1 of the draft of the Experts' Committee. It would be preferable for the Conference, when adopting the Law, to recommend that Governments of signatory States, on putting the Law into operation, should enact penal provisions of the above nature. The Uniform Law should mention the existence of such provisions.

Question 3.

Mention of the existence of cover, compulsory under some legislations, is probably not essential in a Uniform Law. It seems rather inexpedient, and, in the case of holders of cheques who have no legal knowledge, hardly equitable, to make the validity of a cheque conditional on the insertion of such a clause in the body of the document. Nor could such a clause be depended upon to prevent the issue of cheques without cover. Experience shows that such stipulations gradually lose all their efficacy. Much better results, we think, would be achieved by the solution proposed in Question 2 of making offences of this kind criminal.

Question 4.

In the opinion of the Swedish Government, the projected legislation should be based on the principle that a cheque is an instrument of payment and not of credit. This limitation of the cheque's function does not appear to have been consistently observed everywhere. As stated in the reply to Question 1, the stamp duty laws of certain countries seem to have given rise to the temptation to use cheques also as instruments of credit. An international regulation, however, should stipulate that a cheque is always payable on demand, and any reservation to the contrary is void. Accordingly, if, as frequently happens, a cheque bears a date later than that of its issue, payment may be demanded immediately (*cf.*, the German Law of March 28th, 1930).

Question 5.

It is desirable, as regards the time-limits for presentation of cheques drawn between different countries, that the Uniform Law should contain provisions which cannot be departed from by the signatory States. Such provisions should either fix definite time-limits varying according to the different zones, or lay down a relation between the time-limit for presentation and the normal period required for transmission by post of a cheque from the place of issue to the place of payment.

In the case of cheques issued and payable in one and the same country, the Uniform Law should fix a definite time-limit for presentation—for example, eight days; but it would also be well in an annex to the future Convention on a Uniform Law to give each of the signatory States the right to enact provisions in derogation of this rule, provided always that the time-limit for presenting any kind of cheque should not be less than that laid down in the Uniform Law.

Question 6.

Opinions vary as to the juridical nature of cheques. Some believe that the issue of a cheque legally implies transfer of the covering funds to the legitimate holder of the instrument, and consequently that a drawer cannot object to the drawee paying the cheque, or, in other words, that he has no power to countermand it. Others hold, on the contrary, that a cheque should be considered as an order to the drawee, and giving the holder no right whatever in respect of the drawee. According to this theory, the drawee is bound to comply with any countermand of the order addressed to him by the drawer. There is yet a third theory, according to which the drawer has admittedly no right during the time for presentation to object to the payment of the cheque by the drawee, but if he expresses a wish to countermand it, the drawee may, at his option, either make the payment or hold the amount of the cheque.

In favour of the principle of the irrevocability of cheques, it may of course be urged that the value of the instrument as a form of payment is enhanced. The contrary argument, however, holds equally good—*i.e.*, that a logical application of the above principle also leads, in practice, to difficulties which are particularly obvious in the case where several holders of cheques have claims on cover which is not sufficient to satisfy them all. To preclude all possibility of countermanding a cheque would also, in certain cases, be an injustice to a drawer—for instance, who, immediately after issuing a cheque, finds that he has been defrauded. On the other hand, to give the drawee full freedom to comply with, or to ignore a countermand, at his option, would not furnish real security either to the drawee or to the holder. It is, furthermore, rather difficult to understand the real grounds for the rule here referred to, as the drawee has absolutely no cognisance of the relations between the drawer and the holder of the cheque.

Rules regarding the right of withdrawal should dispose of these legal difficulties, while at the same time safeguarding the interests of the holder. It would accordingly be advisable to give the drawer—or the drawee, as the case may be—unlimited power to countermand a cheque, but, at the same time, to provide for penalties for a drawer countermanding a cheque when he knew, or should have known, that in doing so he was injuring the holder of the instrument.

The Swedish Government therefore thinks that the Uniform Law should, as far as countermanding cheques is concerned, provide that improper withdrawal, under the circumstances above referred to, will involve penal measures.

Question 7.

The object of crossing a cheque is to prevent its use by an unauthorised holder, a crossed cheque being, in practice, only payable to a holder through the bank whose customer he actually is, and where, presumably, his character is known. It might be provided that crossing should have the effect of prohibiting the drawee from paying the cheque to a person other than a customer or another bank, and also of preventing bankers from cashing a cheque for account of a person other than the above-mentioned or buying it from such a person. The bank's customer should be deemed to be only a person actually in business relations with the bank concerned and, accordingly, having an account to which the amount of the cheque will be paid.

These are the principles which it was probably intended to embody in the draft prepared by the Experts' Committee. If this is so, the wording of the provisions in the draft would seem to call for certain observations. The provision that the cheque shall only be payable to a banker might be misinterpreted to mean that the paying banker would have no right to pay a cheque to his own client except through another bank, while the latter could encash the amount of the cheque, although the holder was not his customer. According to the draft only, the banker who is drawn is liable to pay damages for failing to observe the order implied in the crossing, although the same liability should clearly be incurred by the banker who, by cashing or purchasing a crossed cheque contrary to the clause in question, causes injury to a signatory of the cheque.

The argument that the text of the draft of the Committee of Experts corresponds approximately to the laws in force in certain countries would hardly seem to justify its acceptance as it stands; experience shows that the provisions of these laws give rise to a state of uncertainty and are a source of misunderstanding. Furthermore, the question now at issue is to submit the system of crossed cheques for adoption by a number of countries which have no practical experience of it.

As regards the provisions of certain laws regarding cheques "payable in account" (*nur zur Verrechnung*), these also seem equally open to the objection that the prohibition to pay in cash only applies to the drawee, and not to bankers cashing or purchasing the cheques.

The Swedish Government feels it should recommend the adoption, in the case of crossed cheques, of provisions clearly defining the nature of this practice as above indicated. If this is done the provisions in question could be applied also to cheques *nur zur Verrechnung*, which amounts to saying that the two forms of cheques referred to in this question can be reduced to one single type.

Question 8.

In such circumstances, the drawer should not be under an obligation of exchange (see Question 9).

Question 9.

As is clear from its reply to Question 6, the Swedish Government believes that the issue of a cheque should not imply transfer of the right to the covering funds, and that a holder, who does

not receive payment of the cheque from a drawee, should merely have his right of recourse. Should he forfeit this right by letting the time-limit of presentation lapse, or for any other reason, he should be entitled to take a civil action for inequitable gain. In such a case, it is to be assumed that the drawer has made a profit at the holder's expense corresponding to the amount of the cheque. The Swedish Government would be glad to see this solution embodied in the Uniform Law. Should it, however, be impossible to arrive at an agreement on this point, the signatory States should be free as in the case of the Convention providing a Uniform Law for Bills of Exchange, to settle the question themselves in their respective countries.

Question 10.

We think that this question should be omitted from the Uniform Law. Should the latter, nevertheless, have to lay down provisions on the question, the loss should be borne by the drawee who paid the cheque, unless the drawer or another party to the instrument was guilty of negligence. The provision regarding the liability of the drawee should be peremptory.

Question 11.

The replies to Questions 6 and 9 show that, in the opinion of the Swedish Government, the drawee should never be bound, *in respect of the holder*, to make either total or partial payment. The question as to what effect the lack of adequate cover has on any obligation incumbent upon the drawee *in respect of the drawer* is not covered by legislation on cheques.

Question 12.

Provisions of this kind are not in any circumstances covered by legislation on cheques.

Question 13.

Provided that, as is assumed, the question does not refer to the signature, the Swedish Government sees no objections to a cheque being typewritten.

Question 14.

There would seem to be no more chance in the case of cheques, than in that of bills of exchange, of agreement on uniform rules regarding amortisation.

Question 15.

The Swedish Government assumes that this refers to cases where a cheque is made out payable "to X or to bearer," or where it contains other similar incongruous clauses. If this interpretation is correct, it thinks that the solution of the question given in Article 4, paragraph 3, of the Expert Committee's Draft should be adhered to.

Question 16.

There appear to be no adequate reasons for prohibiting the domiciling of cheques.

Question 17.

The Swedish Government thinks that the provisions laid down in Articles 24 and 25 of the Expert Committee's Draft, call for no observation except that these provisions should be adapted to the amendments made by the Conference in the Committee of Experts' Draft regarding the Uniform Law for Bills of Exchange.

Question 18.

The Swedish Government supports the insertion in the Uniform Law of the provisions contained in Articles 27 and 28 of the Experts' Draft, with the reservation that the date on which the time-limit barring the holder's action for recourse starts should be that on which the protest was made.

Question 19.

In accordance with the opinion of the Committee of Experts, the Swedish Government considers that the clause releasing the endorser from liability should be inserted in the indorsement.

Question 20.

The Swedish Government begs to refer to its reply to Question 4 (a post-dated cheque is payable immediately).

Question 21.

Various opinions have been expressed regarding the effects to be attributed to the acceptance of a cheque. The objection to assimilating such acceptance to that of Bills of Exchange is the

risk that a cheque will assume the character of a credit instrument, which is not its natural function; on the other hand, there seems to be no serious objection to a provision making the drawee who signed the acceptance liable under the law on negotiable instruments, during the period of presentation prescribed by the law on cheques. It is, if anything, desirable to adopt some provision under which acceptance would be an effective guarantee to the holder that a cheque presented within the prescribed period will be paid. Any other stipulation made by the drawee in the cheque, likely to give a holder the assurance that it will be paid (certification, visa, etc.) should be assimilated in this respect to acceptance. It is essential not to make any distinction in this respect which might easily be misinterpreted by the public. The effect of acceptance, as of any other similar stipulation, should be to make it impossible to countermand the cheque during the period of presentation.

From the legal standpoint, it should be immaterial whether the stipulation has been inserted on the cheque at the request of the drawer or of a holder. If a distinction must be made between these two cases, the question of the onus of proof would give rise to serious difficulty. There seems to be no adequate reason for enacting, as the law of the United States of America does, that any stipulation made by a holder should relieve the drawer and indorsers from all liability.

The principles above advocated should be endorsed by the Uniform Law. No support can be lent to the proposal put forward by the Committee of Experts that the signatory States should have the option of enacting other provisions.

REMARKS CONCERNING CERTAIN ARTICLES IN THE EXPERTS' DRAFT.

Article 7. — Among the articles of the Law on Bills of Exchange to which this draft refers, no mention is made of Article 5, which lays down provisions regarding the effects of a stipulation as to interest inserted in a bill of exchange. The Committee of Experts seems to have thought that a clause of this kind in a cheque should be invalid. It would, nevertheless, seem advisable to insert in the Uniform Law an express provision to this effect.

Article 16. — Under the terms of this article, neither the death of the drawer nor his incapacity arising after the issue of the cheque shall affect the cheque. A cognate question is that of the effect of the drawer's bankruptcy, a question which was not touched upon by the Committee of Experts who obviously thought that it should be left to the decision of each of the contracting States. The Swedish Government considers this rather unsatisfactory and believes that a provision should be inserted in the Uniform Law to the effect that, when the drawer is declared bankrupt and the drawee, even though he was or should have been aware of the fact, has made the payment, he should not be entitled to credit his own account with the amount out of the bankrupt estate.

Article 21. — In order to make the Uniform Law on cheques correspond with that of Bills of Exchange in the matter of the protest on sight bills, the Swedish Government proposes that the last part of this article, from the words "either on the actual day", should be deleted.

Article 23. — Article 54 (Article 53 of the Experts' Draft concerning the Regulation on Bills of Exchange) does not appear among the articles of the Uniform Law on Bills of Exchange to which reference is made in this article. It seems, however, that the provisions of this article regarding the effects of *force majeure* should also apply to cheques.

Article 25. — If the Swedish Government's suggestion regarding the effects of acceptance, certification, etc., is adopted, it will be necessary to insert in the Uniform Law a provision similar to that in Article 66 of the Uniform Law on Bills of Exchange regarding the obligatory character for the drawee of any copy on which he has made a stipulation of the above kind.

4. Denmark.

The text of the Danish answer is identical with that sent by the Swedish Government and reproduced above.

5. Germany.

I.

[*Translation.*]

OBSERVATIONS ON THE QUESTIONNAIRE DRAFTED BY THE CONFERENCE.

Question 1.

The drawing of cheques on persons who do not carry on the profession of banking should be prohibited. Such a limitation is desirable, as it helps to concentrate the accounting operations in fewer hands and economise the use of currency; it also makes the circulation of cheques more reliable, and allows the taker of the cheque to place more confidence in the drawer.

It seems, however, inadvisable to make the validity of a cheque dependent on the observance of the above provision. In the interests of security of circulation, a cheque should be considered valid even when it is drawn on a person other than a banker.

We therefore suggest deleting the second paragraph of Article 5 of the legal experts' text and stating that the validity of a cheque is not affected if it is drawn on a person other than a banker.

Question 2.

As the function of the cheque is to act as a means of payment, the drawer should be required to have funds in the hands of the drawee. "Funds" should be given the widest possible interpretation. It should, for example, include a credit granted to the drawer.

The rule should be that funds are available at the time of presentation.

The validity of the cheque, however, should not be affected by absence of funds at the decisive moment. This is essential to the security of cheque circulation, and a provision to this effect should be laid down as the experts propose

Question 3.

By "Guthabenklausel" is meant the order in a cheque to pay the amount specified for account of the drawer ("Please pay against this cheque to the debit of my account . . . Reichsmarks to Monsieur X"). The "Guthabenklausel" is merely a stipulation regarding the form of the cheque. The real reason for requiring it is to remind the drawer that a cheque should only be issued if there are funds available; the drawer must ask himself whether such funds are available. Consequently, the "Guthabenklausel" is a guarantee against the making out of uncovered cheques. Experience has shown that the "Guthabenklausel" required by German law is very useful. Large and important business circles consider that it should be retained.

Question 4.

A cheque should always be payable on demand. The German delegation approves the experts' proposal that any contrary stipulation is deemed to be unwritten (Article 13).

Question 5.

If cheques are to form a reliable means of payment, definite time-limits of presentation are necessary. In Germany, the ten days' time-limit has proved satisfactory. Should it be impossible to provide a uniform period of presentation for national cheques, a minimum time-limit might well be fixed, and that of eight days proposed by the experts should not be shortened.

Owing to varying distances, it would seem rather difficult to establish uniform time-limits of presentation for international cheques, even in Europe. If unification proves impossible, the question should, as hitherto, be left to the various States. An effort should be made to frame regulations which would prevent, so far as the relations between any two States are concerned, the fixing of different periods of presentation according as the cheque is payable in one or the other of these countries.

We endorse the experts' proposal to fix the time-limit for presentation according to the law of the place of payment (Article 14, paragraph 1).

Question 6.

The admissibility of freely countermanding the order contained in a cheque at any moment and the entire prohibition of countermanding seem to be equally impracticable. If a cheque could be freely countermanded at any moment, even during the time for presentation, the security of cheque circulation would be impaired. On the other hand, it seems inconsistent with the character of the cheque as a substitute for cash payment calling for prompt redemption to prohibit entirely the countermanding of cheques. The best arrangement would be, not to admit countermanding of a cheque during the period for presentation, but to permit it after the expiry of such period. This would enable a holder to depend on the cheque not being countermanded during a certain period; it would simplify banking procedure, inasmuch as the bank drawn upon would, during the time for presentation, not need to investigate whether the order in the cheque had been countermanded, and it would also induce the holder to present the cheque promptly owing to the possibility of its being countermanded after expiry of the time-limit of presentation.

There would appear to be no point in, or even necessity for, making exceptions to the rule that a cheque may not be countermanded during the time for presentation, as, for instance, in the case of a cheque being lost or coming fraudulently into the possession of a third party. Otherwise, the advantages of the principle just laid down above would, to a great extent, be lost, and the obligations of the banks to investigate the validity of cheques would be increased. Moreover, the fact that the order contained in the cheque cannot be countermanded during the period of presentation simply means that the drawee is not *obliged* during that period to comply with the new order given by the drawer; if a cheque is revoked, the drawee will not be liable to the drawer if it is paid on presentation within the proper time. He may, on the other hand, comply with the order for countermanding during the period of presentation.

• Instead, therefore, of the Recommendations (2) and (3) made in Article 16, the following provisions might be inserted:

“ The countermanding of the order contained in the cheque shall only take effect after the expiry of the time for presentation.

“ Should the order contained in the cheque not be countermanded, the drawee retains the right to pay even if the time for presentation has expired.”

Question 7.

It would seem inexpedient to combine in a single type the crossed cheque and the so-called cheque for collection (Verrechnungsscheck). Such unification would impair the special features and advantages which distinguish each of these two kinds of cheques from the other kind, and from the ordinary cheque. Moreover, business people are accustomed to these cheques in their present form and a combination of the two types would lead to uncertainty and, consequently, to practical difficulties. For these reasons the experts' recommendation that countries which at present employ the “ cheque for collection ” should abandon it in favour of the crossed cheque cannot be endorsed. For payment purposes in Germany, an instrument so widely used and so satisfactory as the cheque for collection is indispensable.

Accordingly, Article 20 of the Hague resolutions should be inserted in the Uniform Law on Cheques, together with a reservation corresponding to the last paragraph of Article 19 of these resolutions.

Question 8.

It does not seem practicable to declare the drawer, or the other guarantors, liable if a cheque has not been duly presented at the proper time. The risk of losing his right of recourse if the cheque is not presented at the proper time will usually induce the holder to present it within the right period. This will accelerate the circulation of cheques, an effect which accords with their function as instruments of payment.

An action for inequitable gain should, however, be allowed where a drawer whose liability has lapsed owing to the cheque not being presented at the proper time is enriched to the detriment of the holder.

Question 9.

Under German law, the holder of a cheque has no rights against the drawee. There is no direct legal relation between a holder and a drawee. German cheque law does not recognise the idea of “ cover ”.

As regards actions by the holder for inequitable gain, see remarks under 8 and 18.

Question 10.

In German law, the loss arising from payment of a forged cheque falls, in principle, on the payee, who can only make the drawer responsible if payment of the forged cheque was due to some fault on the part of the drawer. The drawee may, by an agreement, transfer the risk to the drawer. Such agreements are only valid within the general limits of the law. They are null and void where a drawee endeavours, by their means and in a manner contrary to public policy, to make the drawer liable for the consequences of a violation of contractual agreements.

In Germany, where these principles are an integral part of ordinary law, no need is felt for such legislative regulation, all the more so as this is not so much a question of cheque law as of the immediate relations between the drawee and the drawer.

Question 11.

The question whether a drawee can refuse partial payment of a cheque when there are not sufficient funds to meet it is only of importance as regards the relations between the drawee and the drawer, not as regards the relations between the drawee and the holder, since the latter has no direct right of action against the drawee. Whether the drawee has, as against the drawer, the right to refuse partial payment of a cheque when there are not sufficient funds to meet it, depends on the terms of the cheque contract between the drawer and the drawee. This contract is subject to ordinary law, and it seems undesirable to interfere in any way with these contractual relations by means of a provision in the Cheque Law. We would, in any case, deprecate the adoption of a rule by which a drawee would be forced to make partial payment of a cheque which is not entirely covered; such an obligation would not be in conformity with business interests, which are opposed to the issue of uncovered or insufficiently covered cheques.

Question 12.

The stipulation in a bill of exchange that it is payable, not in money, but by a cheque, especially by a cheque drawn on a bank abroad, should be interpreted to mean that the drawee need not, but may, pay the bill of exchange by cheque. Such an interpretation would dispose of objections as to the legal validity of such a bill of exchange. At any rate, even though a German court ruled in one particular case that such a bill of exchange was not valid, no need has been felt for enacting special provisions for such instruments.

Question 13.

It should be permissible to make out cheques mechanically—namely, by printing or

type-writing. The filling up of the amount of a cheque by means of special machine writing is, indeed, one of the best safeguards against forgery. Signatures, of course, should be handwritten.

Question 14.

In Germany, cheques which have been lost, stolen, mislaid or destroyed in any other way are invalidated by a procedure of advertisement (*Aufgebotsverfahren*). Unification of the procedure for invalidating cheques is undesirable, as this would encroach too much on the legal systems, and particularly the law of procedure of the various countries.

Question 15.

In case of conflicts between transmission clauses, the clause which provides for the widest possibility of transmission should prevail; this encourages the largest possible negotiability of the cheque.

Question 16.

Under the German system of payments, no need has been felt to issue domiciled cheques. Seeing that the Uniform Law on Bills of Exchange has abandoned the idea of the domiciled bill of exchange, the idea of the domiciled cheque should similarly not be introduced into the Law on Cheques.

Question 17.

As regards the issue of identical parts of a cheque, Article 26 of the Hague resolutions might well be restored. It facilitates the use of duplicates and accords with the Geneva resolutions concerning the law on bills of exchange (Uniform Law on Bills of Exchange, Article 64, paragraph 2).

Question 18.

We approve of the rules regarding limitation of actions being unified and have no objections to the experts' proposals.

An action for inequitable gain should be allowed against a drawer who has been freed from his liability by lapse of time and who is enriched to the detriment of the holder.

Question 19.

It should, as in the Uniform Law on Bills of Exchange, be possible to release an endorser from his liability.

Question 20.

The issue of post-dated cheques is extremely undesirable, enabling, as it does, the drawer to defer payment at the expense of the payee. As such cheques are very widely used for small payments, artisans, small shopkeepers and the like are often affected. Furthermore, the issue of post-dated cheques amounts to an abuse, as it encourages the drawing of cheques which are not covered; the drawer, in most cases has insufficient funds to his credit at the moment of issue, but takes it for granted that he will obtain cover by the date specified in the cheque. In addition, banks are seriously inconvenienced by the necessity of examining whether a cheque is post-dated or not.

The German Law of March 28th, 1930 (*Reichsgesetzblatt*, 1930, I, page 107), is directed against this abuse of post-dated cheques. Under its provisions, a cheque presented for payment to the drawee before the date of issue named therein is deemed to be drawn on the day of presentation. Post-dating is thus legally inoperative. The holder may present the cheque for payment before the specified date of issue, and the drawer of such a post-dated cheque must reckon with this earlier presentation. There is thus no inducement to issue post-dated cheques.

The above law has been unanimously approved by all the parties concerned. The solution could hardly be more simple and reduces itself to the formula: any dating in advance is deemed to be unwritten. Provisions in virtue of which certain stipulations are deemed to be unwritten are found in bill of exchange and cheque laws. Reference might be made, *inter alia*, to the experts' draft, Article 6, second sentence; Article 11, paragraph 1, second sentence; Article 13, second sentence. The latter provision, in particular, to the effect that a cheque is payable at sight and that any contrary stipulation is deemed to be unwritten, is very closely connected with the non-recognition of post-dating. Whether a future date of payment is given in a cheque or the time of issue is post-dated, comes to one and the same thing, since in both cases the cheque can only be presented for payment at the future date specified. The German solution could thus be easily embodied in the experts' draft, and it might be advisable to insert it in the Uniform Law on Cheques, adopting the following provision:

" A cheque which is presented for payment to the drawee before the date indicated on it as the date of issue shall be deemed to be drawn on the day of presentation. Presentation may only be authenticated by means of the declarations referred to in Article 20, paragraph 2, or by protest.

" In the case of post-dated cheques, the presentation of which before the date specified therein is authenticated in accordance with Article 20, paragraph 2, no fresh presentation

- is required. The provisions, however, regarding the period of presentation, so far as concerns the computing of the time within which notice must be given (Article 23) and the beginning of the period of prescription (Article 27), shall also apply to such cheques; the date of presentation and not the date of issue shall be taken as the date from which the period begins to run."

Question 21.

Under German law, a cheque cannot be accepted. Any mention of acceptance endorsed on the cheque is deemed to be unwritten.

Cheques drawn on the Reichsbank may be certified by the latter. This certification implies that the Reichsbank undertakes to pay the holder and also assumes liability to the drawer and the endorsers for payment. This liability lapses if the cheque is not presented for payment within the period of presentation. The Reichsbank is only authorised to certify cheques after it has received the cover for them in advance.

So far as German trade feels in need of such certified cheques, this need can be met by cheques drawn on the Reichsbank. Business men and economists have expressed themselves as opposed to the Reichsbank's privilege to certify cheques being generally extended.

We approve of the solution proposed by the experts in Article 11 of the draft.

II.

FURTHER OBSERVATIONS REGARDING THE EXPERTS' DRAFT.

Question 1.

The wording of Article 9, paragraph 4, is open to certain objections. If any person, except the drawee, who puts his signature on the back of a cheque payable to bearer is guarantor (by "aval") for the drawer, he will be unable to exercise his right of recourse against any of his predecessors except the drawer. Such a right of recourse, however, should be granted. If, when transferring a bearer cheque, the transferrer puts his signature on the back of the cheque, this is, in practice, tantamount to endorsing an order-cheque, and it seems unfair to deny the right of recourse against previous endorsers to the person concerned in one case and to grant it in the other case. It should, therefore, be stipulated that anyone who puts his signature on the back of a cheque payable to bearer guarantees as an endorser.

Question 2.

The permission given in Article 20 (a) to any State to lay down that the right of recourse shall be lost unless the cheque is protested might well be dispensed with as serving no useful purpose.

Question 3.

We approve of the provision in Article 21 to the effect that protest must be made before the expiration of the time for presentation, but the further stipulation that the protest should be made on one of the two business days following the day of presentation seems open to certain objections. The holder should, we think, be free to make the protest on any day he likes during the period of presentation, even after the two business days following the date of presentation. It should even be permissible to protest the cheque on the day of presentation. Otherwise, in cases where it is clear that a cheque will not be paid, it would have to be presented twice—once for payment and again for the protest, thus needlessly complicating cheque procedure. Moreover, evidence as to the day on which a cheque was presented for payment may present difficulties; these difficulties are specially serious, in that such evidence is necessary to determine whether the cheque has been protested at the proper time and whether, consequently, a right of recourse is admissible.

In our opinion, it is inadvisable to insist on the condition that the declaration by the drawee and the declaration from a clearing-house (Article 20, paragraph 2, (2) and (3)) must be made during the period of presentation. As compared with the Hague draft, and also with existing German law, this stipulation not only makes it difficult to safeguard the holder's rights but also jeopardises such rights, without there being any strong reasons therefor. Similarly, the suggestion that these declarations should be dated might be dispensed with.

In Article 20, paragraph 2 (1) and (2), the word "dated" might accordingly be deleted, and Article 21 drafted to read as follows:

"Protest for default of payment must be made before the expiration of the time for presentation."

Question 4.

As in the case of bills of exchange, provision might be made for the case of a cheque not being presented or a protest drawn up at the proper time owing to *force majeure*.

III.

OBSERVATIONS REGARDING THE FORM OF THE CONVENTION TO BE CONCLUDED.

The Convention to be concluded on cheques might take the same form as that of the Convention, signed on June 7th, 1930, providing a Uniform Law for Bills of Exchange and Promissory Notes. The Uniform Law on Cheques to be drawn up by the new Conference would then form Annex I to a Convention containing merely the usual protocol clauses. A second annex would include the provisions which call for supplementary legislation on the part of the contracting

States, or confer on these the right to derogate from certain provisions of the Uniform Law on Cheques. A clearer distinction than that made in Annex II to the Convention, providing a Uniform Law for Bills of Exchange, should be made between these two kinds of reservations.

6. Norway.

The text of the Norwegian answer is identical with that sent by the Swedish Government and reproduced above.

7. Poland.

[*Translation.*]

Question 1.

As the funds available for covering the issue of cheques by private individuals are, under modern economic conditions, concentrated in banks, it is inadvisable to recognise other cheques than those drawn on banks.

Question 2.

To obviate the issue of a cheque without funds being available for payment, cover in advance—*i.e.*, at the moment of issue of the cheque—should be stipulated.

Question 3.

To require mention of cover as a condition for the validity of a cheque is a superfluous and useless formality.

Question 4.

In view of the function of the cheque as an instrument of payment, it should always be payable on demand.

Question 5.

The following are the time-limits for presentation under Polish law:

- (a) For cheques issued and payable in Poland, 10 days if payable at the place of issue, and 20 days if payable at another place than that of issue;
- (b) For cheques issued in a foreign country and payable in Poland, 30 days, and, if issued outside Europe, 60 days from the date of issue.

The above time-limits have, in practice, proved adequate.

Question 6.

Under Polish law, a cheque may only be countermanded by the drawer after the expiry of the time-limits for presentation. A countermand which has been made before this time is only valid, if the cheque has not been presented for payment within the time-limit. In this case, the countermand begins to be valid only after the expiry of the time-limits for presentation. A cheque payable to a given person or his order might also be countermanded when the cheque is sent direct by the drawer to the drawee—as it is especially usual when post cheques are in question—so long as it has not been handed over to the payee. Polish law further prohibits the drawee to pay a cheque when he has been notified of the drawer's bankruptcy or of the opening of amortisation procedure for the cancelling of a lost or stolen cheque.

Question 7.

The main object, though it is not wholly achieved, of the *crossed cheque* and the *cheque for collection* is to lessen the risk of the cheque being lost or stolen. The cheque for collection has, perhaps, an advantage over the crossed cheque in that it excludes payment in cash, the settlement taking place by means of a transfer. Polish law only deals with cheques for collection. As both these cheques serve similar purposes and are, furthermore, based on a usage of long standing, it might perhaps be possible to recognise both of them.

Question 8.

The drawer should only be held liable if the cheque has been presented within the time-limit of presentation and the other formalities properly complied with. This question is closely connected with that dealt with in the next reply.

Question 9.

Following the example of the Convention providing a Uniform Law for Bills of Exchange and Promissory Notes, the question of cover should not be regulated internationally, as there is at present no possibility of reconciling the two systems current in national legislation, namely, that which admits the beneficiary's title to the cover and that which only regulates the action for inequitable gain.

Question 10.

As Polish cheque law does not expressly deal with this question, it is governed by the general rules of civil legislation. Under these rules, a drawer is liable only if he was at fault. Otherwise, the drawee is liable for the loss resulting from payment of a cheque which has been found to be forged or altered. This solution is all the more to be commended, since the drawee is, from the economic standpoint, the stronger party.

Question 11.

This question is connected with the question of principle referred to above under 9. Under the systems of law which do not recognise the right of the beneficiary to the cover—the principle adopted in Polish law—the beneficiary has no direct right as against the drawee, even where the drawer has supplied funds, and the drawee is only liable to the drawer in accordance with the contract concluded between them.

Question 12.

As the question does not arise in Poland, no regulations have been made regarding it. Nevertheless, a reservation might be made that the States interested in the matter should settle the question in a way similar to that laid down in the French Law of August 28th, 1924.

Question 13.

As far as Polish law is concerned, there is no objection to a typewritten cheque.

Question 14.

Polish law on this point contains special provisions similar to those applicable to bills of exchange and promissory notes. As this is a question which can only be settled on the lines of the procedure in force in the various countries and as these reveal considerable divergencies, uniform regulation would appear rather difficult to achieve. It would, therefore, be preferable to follow the example of the Convention providing a Uniform Law for Bills of Exchange and Promissory Notes and leave this question to national law.

Question 15.

A cheque may be drawn in the name of a person, to order or to bearer. A cheque in favour of a specific individual and containing in addition the words "to Bearer" should be deemed payable to bearer.

Question 16.

There is no reason why a cheque should not be domiciled, provided, however, that it is domiciled with a bank.

Question 17.

Polish law allows a cheque to be duplicated only if it is not to bearer and is payable abroad

Question 18.

The holder's rights of recourse against the indorsers and the drawer are barred six months from the end of the time-limit of presentation, and, in the case of indorsers' rights of

recourse *inter se* and against the drawer, six months from the day when the indorser paid the cheque or from the day when he himself was sued.

Question 19.

There is no reason why this should be prohibited.

Question 20.

The only consequences ensuing from a post-dated cheque under Polish law are those of a fiscal nature, such a cheque being considered as a bill of exchange.

Question 21.

The existing law in Poland does not recognise the acceptance of a cheque, but the Polish delegation would be prepared to discuss the point, if the recognition of acceptance would be likely to popularise cheques by increasing the security of payees.

8. Finland.

The text of the Finnish answer is identical with that sent by the Swedish Government and reproduced above.

9. Austria.

I. DRAFT UNIFORM LAW ON CHEQUES.

[*Translation.*]

The following observations are based on information received from business men in reply to the questionnaire drawn up by the International Conference for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques in preparation for the Conference on cheques which it is proposed to hold in January 1931 (see Final Act of June 7th, 1930; document C.346.M.142.1930.II).

As this document is not merely a reply to the questionnaire, but also contains observations on other provisions in the draft, the replies to the different questions are arranged, not in the order of the questionnaire, but of the various articles in the Geneva draft.

Wherever reference is made hereinafter to "Geneva drafts", this means the two drafts prepared by the League of Nations' experts for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques, and contained on pages 73 to 83 of document C.234.M.83.1929.II, while the expression "Hague draft" should be taken to mean the resolutions adopted by the second Hague Conference of 1912 (see pages 46 to 49 of the above-mentioned League document). Under "Geneva Uniform Law on Bills of Exchange and Promissory Notes" is meant Annex I to the draft Convention providing a Uniform Law for Bills of Exchange and Promissory Notes, drawn up at the Geneva Conference of June 7th, 1930 (document C.346.M.142.1930.II).

Ad Article 1.

In (2) the word "*ordre*" in the French text should be replaced by "*mandat*" (see Geneva Uniform Law on Bills of Exchange and Promissory Notes, Article 1). Similarly, taking the same instrument as an example, in (5) the date should come first and the place of issue second.

As regards compulsory mention of cover (Question 3, *Guthabenklausel*), see remarks *ad* Article 3, and as regards the effect of post-dated cheques (question 20), see remarks *ad* Article 13.

Question 13 of the Questionnaire might well be dealt with in connection with Article 1. There is no objection to making out cheques on a typewriter. The question, however, as to how abuses might be obviated by regulating the manufacture of cheque forms and the manner of filling them up is not covered by cheque law. The International Chamber of Commerce has already made various attempts to lay down international rules on this point. When feasible proposals have been made, they might be embodied in a *special* Convention dealing with the elements of security in connection with cheques.

Ad Article 2.

In accordance with Article 2, paragraph 2, of the Geneva draft, the place specified beside the name of the drawee is, in default of special mention, deemed to be the place of payment and, at

the same time, the residence of the drawee. Paragraph 3 stipulates that a cheque which does not mention the place of payment is deemed to be payable *at the place of its issue*. In the view of business circles concerned, the provisions of paragraph 3 do not meet the requirements of economic life. Paragraph 3, accordingly, should be deleted, and a provision substituted to the effect that, if the place of payment is not stated, a cheque is deemed to be payable at the place where the institution firm drawn upon has its head office (*Cf.* Austrian Cheque Law, section 4, paragraph 3).

Ad Article 3.

The Austrian Cheque Law deals with the question of the need for funds to cover a cheque, in the first place, in section 2, paragraph 1, (5), where it is emphasised that one of the essential characteristics of a cheque is "the order of the drawer to the drawee to pay a determinate sum of money out of the funds standing to the drawer's credit" (so-called *Guthabenklausel*— "Compulsory mention of cover"). The Austrian Law gives no definition of "cover". Section 23 of the Austrian Cheque Law expressly prohibits and attaches penalties (3 per cent of the uncovered amount of the cheque) to the issue of uncovered cheques or cheques with insufficient cover.

The regulation contained in the Geneva draft, which corresponds in its main points with the resolutions adopted at The Hague, should be maintained. The question as to when the funds should be available is answered by a reference to the rule under which a cheque is payable at sight (Geneva draft, Article 13); the drawer, accordingly, need only make sure that, at the moment of presentation, he has sufficient funds with the drawee to pay the cheque.

As regards compulsory mention of cover (question 3, *Guthabenklausel*), we have already stated above that under the Austrian Cheque Law, mention of cover is an essential condition for the validity of a cheque. The advantage of this stipulation is that mention of the need for cover in the body of the cheque serves as a constant reminder of the primary function of the cheque—namely, that of a payment order *backed by funds*, and warns the drawer of the undesirable consequences of issuing cheques without cover. At the same time, compulsory mention of cover strengthens—as pointed out in the detailed explanation attached to the Austrian Cheque Law—the drawer's obligation to the drawee, since the issue of an uncovered cheque, in which cover is stipulated, is tantamount to a deliberately false promise on the part of the drawer; taken along with the payment or service which the holder has made or rendered in return for the cheque, this may be of importance from the point of view of criminal law.

Ad Article 5.

Under section 1 of the Austrian Cheque Law, cheques may only be drawn on the post office savings bank, on public banks and on other institutions whose statutes authorise them to accept money for the account of others, and also on all business firms registered at the commercial court and professionally engaged in banking. There is nothing to prevent a cheque being drawn on institutions and firms other than those just mentioned; such procedure does not of itself invalidate the cheque, but an instrument of this kind *is not a cheque* in the legal sense (see Austrian Cheque Law, section 2, paragraph 2).

The question as to the effect of such an instrument depends upon the other provisions of civil and commercial law.

The provisions of the Geneva draft correspond with the Austrian Law and should, in any case, be maintained; they ensure, moreover the necessary flexibility since Article 5, paragraph 2 (*a*) of the Geneva draft very appropriately reserves power to the contracting States to determine the class of persons on whom cheques may be drawn, a right which should be taken advantage of, more particularly as regards the *post office savings banks* and *postal cheque offices* of all countries,

As regards the question whether it is necessary to prohibit the issue of cheques drawn on persons other than those carrying on the profession of banking, it might be pointed out that, during the twenty-five years' existence of the Austrian Cheque Law, no need has been felt for enlarging the class of persons on whom cheques may be drawn. Thus, strict prohibition of the drawing of cheques on persons not carrying on the profession of bankers, as Question 1 suggests, seems unnecessary, since such cheques do not affect the figures of payments to any extent, as they are not considered cheques and therefore do not benefit either by the provisions of the Cheque Law or by the various privileges in respect of duties and taxes. While believing it to be unnecessary, the Austrian Government would not object to such prohibition, however problematic its value would be if unsupported by penal provisions.

The addition made under (*b*) by the experts to the Hague draft of Article 5 (*civil consequences*) should enable the contracting States to settle the question as to the effect of an instrument drawn on a person not carrying on the profession of banking and therefore not to be considered as a cheque. Even without such express authorisation, national law would still be competent to regulate such consequences. In the analogous case of Article 2, paragraph 1, of the Geneva Uniform Law on Bills of Exchange and Promissory Notes, no provision was made for such express authorisation. If this were not agreed to, provision would have to be made for such authorisation in all

recourse *inter se* and against the drawer, six months from the day when the indorser paid the cheque or from the day when he himself was sued.

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The regulation contained in the Geneva draft, which corresponds in its main points with the resolutions adopted at The Hague, should be maintained. The question as to when the funds should be available is answered by a reference to the rule under which a cheque is payable at sight (Geneva draft, Article 13); the drawer, accordingly, need only make sure that, at the moment of presentation, he has sufficient funds with the drawee to pay the cheque.

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The question as to the effect of such an instrument depends upon the other provisions of civil and commercial law.

The provisions of the Geneva draft correspond with the Austrian Law and should, in any case, be maintained; they ensure, moreover the necessary flexibility since Article 5, paragraph 2 (a) of the Geneva draft very appropriately reserves power to the contracting States to determine the class of persons on whom cheques may be drawn, a right which should be taken advantage of, more particularly as regards the *post office savings banks* and *postal cheque offices* of all countries,

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The addition made under (b) by the experts to the Hague draft of Article 5 (*civil consequences*) should enable the contracting States to settle the question as to the effect of an instrument drawn on a person not carrying on the profession of banking and therefore not to be considered as a cheque. Even without such express authorisation, national law would still be competent to regulate such consequences. In the analogous case of Article 2, paragraph 1, of the Geneva Uniform Law on Bills of Exchange and Promissory Notes, no provision was made for such express authorisation. If this were not agreed to, provision would have to be made for such authorisation in all

cases where an instrument is invalid as a cheque in the absence of one of the essential conditions referred to in Article 1.

Ad Article 7.

Although, in the opinion of business people, there is hardly any call for domiciled cheques, the possibility of issuing such cheques should not be *prima facie* excluded. The future development of business technique may, perhaps, result in cheques presented at a branch being verified at the head office by means of phototelegraphy.

Ad Article 11.

In accordance with the conception of cheques adopted in Austrian law, the drawee is not a fresh debtor or a second debtor, but merely an organ of payment. As such he has only to effect payment; he makes no promise. The drawee has to take the debtor's place not as a debtor, but solely for purposes of payment. A person who has no funds out of which to pay a certain amount should not draw a cheque—there are other instruments of payment which will serve his purpose. If acceptance were recognised, it would be possible to disregard the condition that the drawer must have funds at his disposal.

Austrian Cheque Law (Section 8) expressly excludes the acceptance of cheques and considers a statement of acceptance on a cheque as unwritten. The provision of Article 11, paragraph 1, of the Geneva draft corresponds to the Austrian Law and should be maintained. On the other hand, the reference in paragraph 2 to the power reserved to contracting States should, if possible, be omitted.

Moreover, for the reasons given above, certification and visa should not be authorised. They should, in any case, not be operative in cheque law. Apart from the fact that the value of cheques not containing such indications would be diminished if cheques containing them were sanctioned, it has been found that, with the development of the law, the distinction originally made between acceptance and certification—which merely confirms the existence of cover without implying any obligation—has gradually tended to disappear.

Ad Article 12.

In paragraph 3, the reference to Articles 30 and 31, should be altered to Articles 31 and 32 of the Geneva Uniform Law on Bills of Exchange and Promissory Notes.

Ad Article 13.

A cheque is intended to take the place of cash and should, therefore, always be exchangeable for cash. The Austrian Cheque Law (Section 5) embodies this idea when it enacts that a cheque is payable at sight, even if it mentions another or no time of payment. The corresponding provision of the Geneva draft should be maintained.

Question 20, dealing with post-dated cheques, might also be dealt with in connection with Article 13.

Under Austrian law the only disadvantages—and that, solely in the case of cheques payable abroad—resulting from a cheque being post-dated, are of a fiscal character.

Of recent years, the misuse of post-dated cheques has assumed such proportions that frequent demands have been made for remedial legislation. There are, however, industrial and trading circles which affirm that post-dated cheques often serve useful purposes (*e.g.*, when payments have to be made on a specific date at a place other than that in which the debtor resides). It has been objected that the possibility of post-dating cheques facilitates their being improperly used for credit purposes and thus enables them to be given functions which they should not have. Banks, in particular, have called for regulations which would stop the tendency to post-date cheques. It would be sufficient if such a provision enacted, supplementary to Article 13 of the Geneva draft, that a cheque is payable at sight—even before the date of issue indicated thereon. The new Law of 1930, amending the German Law on cheques, contains a similar provision.

Ad Article 14.

It would be better to fix the time-limits for presentation of cheques internationally than to leave this matter to national legislation. A distinction might well be made in this respect between cheques drawn on national, foreign and oversea places. Should it be impossible to lay down uniform time-limits for presentation, the above three categories of cheques, at any rate, might be internationally established and, possibly also, minimum time-limits of presentation laid down for the various groups.

Ad Article 16.

With reference to the wording of Article 16 of the Geneva draft, the question whether "incapacity arising after issue" also includes the drawer's bankruptcy, declared after issue of

the cheque, should be made clear. Austrian Cheque Law (Section 12, paragraph 1) obliges the drawee in such case to refuse payment if he learns that the drawer has been declared bankrupt.

In regard to the countermanding of cheques, the Austrian Government has already stated, in its note of February 9th, 1929, its view that it would be a retrograde step to omit Article 17 of the Hague resolutions to the effect that countermand of the order contained in a cheque shall only take effect after the expiration of the time for presenting it. The doubts expressed on the Hague regulation refer to cases which are decidedly or infrequent occurrence and they should, in any case, give precedence to the argument that, for purposes of legal security, it should be impossible to countermand a cheque. The taker of a cheque should be protected against the possibility of the drawer, who has received value, countermanding the cheque immediately afterwards. In countries where it is customary to consider it impossible to countermand a cheque, this principle could not be departed from without discrediting cheques. The provision of Article 17 of the Hague resolutions should, therefore, be restored.

In any case, it would be advisable to rule, as in section 9, paragraph 7, of the Austrian Cheque Law, that the expiration of the time limit of presentation shall not debar the drawee from paying the cheque, so far as the cheque has not been explicitly countermanded.

Ad Article 17 (Article 18 of the Hague Resolutions).

The provision of paragraph 2, under which the holder may not refuse a partial payment, is certainly in agreement with the regulation concerning bills of exchange made in Article 39 of the Geneva Uniform Law on Bills of Exchange and Promissory Notes. The purpose of the cheque being merely to make payments which have already fallen due in another place, cheques seem to call for treatment different from that given to bills of exchange. Under section 11, paragraph 2, of the Austrian Cheque Law, the holder may refuse a partial payment, although Austrian law contains a contrary provision for bills of exchange.

Article 18, paragraph 2, of the Hague resolutions should be restored.

Austrian Cheque Law does not directly deal with the question whether the *drawee* can refuse partial payment of a cheque when there are not sufficient funds to meet it (Question 11). Under section 23, paragraph 1, of the Austrian Cheque Law, in case of insufficient cover, the drawee may make only partial payment on the cheque but is not *obliged* to do so.

Bankers, however, take the view that, in case of insufficient cover, the drawee should be entitled to refuse *any* payment. Even though he made partial payment, he would have to leave the cheque with the holder, and would thus be unable, in case of need, to prove that the cheque actually came from the drawer. A receipt given by the holder (for the partial payment made) would be of no value to him in the case of fraudulent proceedings on the part of the holder.

Ad Article 18 (Article 19 of the Hague Resolutions).

The crossed cheque is not mentioned in Austrian law. This is due to the fact that people in Austria are not yet so accustomed to leaving accounting operations to bankers as in Anglo-Saxon countries.

Austrian economic requirements, however, do necessitate the *cheque only for collection*, by which cash payment is excluded; for this reason we would be in favour of restoring Article 20 of the Hague resolutions, which corresponds to section 22 of the Austrian Cheque Law. There is hardly likely to be any objection to this, since the last paragraph of that article empowers contracting States to prohibit in their territories the system of cheques only for collection.

It seems hardly possible, in view of their different characters, to combine in a single type crossed cheques and cheques for collection, but it would be feasible to lay down a provision under which crossed cheques should, in countries where the cheque for collection only is used, be treated as such.

Ad Article 19 (Article 21 of the Hague Resolutions).

The issue or transfer of a cheque is not, in Austrian law, tantamount to the simultaneous transfer of cover. Nor has the holder a right to take action against the drawee. Austrian business men are therefore in favour of the provision contained in Article 19 of the Geneva draft (see, as regards bills of exchange, Article 16 of Annex II to the Geneva Convention of June 14th, 1930).

Reference should, moreover, be made to the observation on Article 20 in regard to (Question 8).

Ad Article 20 (Article 22 of the Hague Resolutions).

The right afforded under Article 20 of the Geneva draft to replace a protest by a declaration by the drawee written on the cheque or by a declaration from a clearing-house corresponds to the regulation contained in Article 16 of the Austrian Cheque Law. In view of the desirability of unifying the law on cheques, particularly as regards formal procedure, we support the proposal of the Governments of Denmark, Finland, Norway and Sweden to omit the reservation formulated in the Geneva draft under (a).

Having regard to the additions proposed by the experts to Article 22 of the Hague resolutions, Questions 8 and 19 regarding the liability of the drawer and of endorsers of cheques not presented within the fixed period of time or protested might be dealt with in connection with Article 20.

Section 19 of the Austrian Cheque Law provides that the holder of a cheque, after acquiring a right of recourse in respect of a claim for the settlement of which the cheque was issued or transferred, may, at his option, exercise the right of recourse or, if the cheque is returned, revert to the relations existing between him and the drawer or the endorser immediately preceding the holder, which led to the issue or transfer of the cheque. Unless otherwise agreed, the holder of the cheque may exercise *the latter option, even if presentation and protest have not been duly effected* or if the right of recourse has been lost through lapse of time. The holder, however, must accept deduction of the loss sustained by the drawer in consequence of omission or delay in presenting the cheque. Hungarian law has settled this question in a similar manner (Article 18 of the Hungarian Law on Cheques). Austrian business men are in favour of this arrangement being maintained. Should it not be generally agreed to, power should be given to the contracting States to settle the matter, as is provided in Article 25 of the Hague resolutions.

Ad *Article 21* (Article 23 of the Hague Resolutions).

Under section 16, paragraph 4, of the Austrian Law on Cheques, a protest must be drawn up not later than the first business day following presentation. The Austrian Government agrees with the Czechoslovak Government that the provisions of Austrian and Czechoslovak Law might take the place of the rather ambiguous ruling given in Article 21; this question has been regulated in the same way by Article 44 of the Geneva Law on Bills of Exchange and Promissory Notes.

Ad *Article 22*.

As regards the right to commission, a similar reservation to that in Article 14 of Annex II to the Geneva Convention should be adopted.

Ad *Articles 24 and 25* (Articles 26 and 27 of the Hague Resolutions).

The Austrian Cheque Law does not provide for the issue of a duplicated cheque. Austrian bankers consider that the experts' proposals meet a requirement of economic life. The need to draw duplicated cheques would be substantially decreased if lost cheques could be invalidated in all countries reasonably quickly.

Furthermore, Article 24 should be made to correspond with the wording of Article 64, paragraph 2, of the Geneva Uniform Law on Bills of Exchange and Promissory Notes.

Ad *Article 26* (Article 28 of the Hague Resolutions).

As it will frequently be impossible to decide where the forgery (alteration) was committed and as, moreover, the civil laws which are applicable in regard to Question 10 differ considerably, this question should be settled internationally.

Under section 20, paragraph 4, of the Austrian Law (and under the Czechoslovak Law) on Cheques, the loss arising from counterfeit or forged cheques falls on the drawer, so far as he can be shown to be guilty of some fault connected with the counterfeiting (forgery) or if the counterfeiting (forgery) has been committed by the alleged drawer's employees responsible for cheques. Otherwise, the loss must be borne by the drawee.

Bankers recommend that the liability of the alleged drawer should be extended so that the drawer would be responsible for the fault of *all* his employees—*i.e.*, such employees also as are not responsible for cheques and persons who are members of his household.

In any case, the Austrian Government supports the proposal already made by the Czechoslovak Government under which a provision corresponding to the above indications should be inserted in the Uniform Law. The proposals already mentioned are to be considered as the outcome of the principles referred to above.

Ad *Article 27* (Article 29 of the Hague Resolutions).

Under Austrian Law (section 18 of the Law on Cheques), rights of recourse against the drawer and previous endorsers are barred, after three months if the cheque is payable in Europe, and after six months in all other cases. The period of prescription as regards the holder runs from the date on which the protest was drawn up, and, in the case of the endorser, if he has paid before being notified of proceedings, as from the day of payment, and in all other cases, as from the day on which action is entered.

There is no objection to unification of the time-limits of prescription as proposed in the draft.

• Point 12 of the Questionnaire deals with the case in which an instrument which otherwise satisfies all the conditions required for the validity of a bill of exchange, stipulates that it is payable, not in money, but by a cheque.

Business men hold the view that it would be advisable for the Law on Cheques or Bills of Exchange to make special provisions for this case. This would not only mean abandoning the principle that a debt under the law on negotiable instruments must be settled in cash, but the advantage anticipated would also be very insignificant as compared with the resulting disadvantages.

It is not clear from the question whether the issue or transfer of a cheque should be permitted as delivery on payment (*datio in solutum*) or merely as a means of payment (*solutionis causa*).

If a cheque can be issued *as delivery on payment*, every holder has to bear in mind the fact that, should the cheque not be paid, his only claim is against the party who is bound under the cheque and that he can no longer exercise rights arising out of the *bill of exchange* which has been paid by the cheque. This conversion of his rights, and frequently also the trouble of having to maintain his rights arising out of the cheque, in a foreign country under unfamiliar conditions, will make the drawer of the bill of exchange and any later holder inclined to accept bills containing the stipulation: payable by cheque only where the future drawer of the cheque is known and where his solvency is unquestioned. Where cheques are used to pay bills of exchange it will often be very difficult to form a positive opinion of the solvency of the foreign drawer of the cheque.

If, on the other hand, a cheque is regarded merely *as a means of payment (solutionis causa)* it necessarily follows that the holder of the bill of exchange, whenever he is likely to receive the cheque only after the time-limit for protest has expired, will, *in any case*, take the precaution of drawing up a protest, in order, should the cheque not be paid, to maintain his right of recourse arising out of the bill of exchange. The proposed regulation would thus be very complicated and costly.

Furthermore, it would, in both cases, be necessary to solve the question as to how the loss of interest sustained by the holder of the cheque could be compensated.

In view of these considerations, it might be expedient to leave the question of payment of a bill of exchange debt by means of a cheque entirely to private arrangement as at present, more especially in view of the fact that, in each particular case, on the maturity of the bill, special conditions of payment would have to be established which would be at variance with the legal principles laid down for bills of exchange.

* * *

Amortisation procedure for cheques.

Under section 21 of the Austrian Law on Cheques, the loser of a cheque may ask the Commercial Court of the place of payment to cancel it. The relevant procedure is governed by the provisions of Article 73, paragraph 3, of the Law on Bills of Exchange; the Court must, by decree, summon the holder of the cheque to produce it within a period of thirty days. On such procedure being instituted the Court may prohibit payment of the cheque with the effect that payment contrary to this prohibition would be inoperative as regards the person who applied for cancellation.

In view of the great advantages of the procedure of amortisation, it would be advisable to have it internationally regulated.

II. DRAFT ARTICLES OF A CONVENTION LAYING DOWN RULES GOVERNING CONFLICTS OF LAWS IN CONNECTION WITH CHEQUES.

Ad Article 3.

The wording of paragraph 2 should be amended on the lines of Article 2, paragraph 2, of the Geneva Convention for the Settlement of Conflicts of Laws in connection with Bills of Exchange and Promissory Notes.

Ad Article 4.

An addition might perhaps be made on the lines of paragraph 3 of Article 3 of the Geneva Convention.

Ad Article 6.

In drafting this article, the wording of Article 4, paragraph 2, of the Geneva Convention should be taken into consideration.

Ad Article 10.

The Austrian Government endorses the Czechoslovak Government's proposal to omit this stipulation.

* * *

Finally, it would be advisable to insert in the draft temporary provisions on the lines of Article 11 of the Geneva Convention already referred to.

10. Hungary.

[*Translation.*]

Question 1.

Provisions of this kind should be reserved for national legislation and should be such as to involve juridical consequences (penalties, for example) in the case of cheques drawn on persons not carrying on the profession of banking, though not to the extent of invalidating such cheques. It should similarly, of course, be left to national legislation to define who is a banker.

Question 2.

It is sufficient if the funds exist at the time of payment, as the holder of the cheque is only concerned in receiving the money at that moment.

States, however, should have the right to determine the juridical consequences (penalties, for example) of issuing cheques without cover, as stated in the amended text drawn up by the League experts (resolutions adopted by the Second Conference of The Hague, 1912, on the Unification of the Law on Cheques, Article 3, paragraph 2), and a special proviso added that the absence of covering funds shall not invalidate the cheque.

Question 3.

This question is connected with the preceding one, from the reply to which it follows that no mention of covering funds is necessary.

Question 4.

A satisfactory solution is given in Article 13 of the Hague resolutions as drafted by the Committee of Experts of the League. The text reads as follows: "A cheque is payable at sight. Any contrary stipulation is deemed to be unwritten."

Question 5.

In the case of cheques issued and payable in one and the same country, the time-limit of eight days laid down in the experts' draft (Hague resolutions, Article 14) seems sufficient. If, however, the cheque is payable in another country than that of issue or in the colonies, longer time-limits for payment should be provided; for instance, the rule laid down for bills of exchange at sight (Uniform Law, Article 34) might be applied, provided that the drawer may curtail the period (*e.g.*, by the stipulation "payable at sight within a period of three months").

Question 6.

Countermanding should be considered valid, whether it is notified before or after the expiration of the time-limit of presentation.

Question 7.

It seems impossible to combine these two kinds of cheques in a single type, seeing that they are cheques which differ in character and purpose. Whereas the crossed cheque is intended to protect the holder against loss and theft, the cheque for collection calls for a certain specific form of payment. Contracting States, therefore, should keep both types of cheque.

As regards the crossed cheque, both forms (general and special crossing) should be authorised, in accordance with Article 19 of the Hague resolutions, but with the amendments to the original text made by the League experts.

Question 8.

If a cheque is not presented within the period of time laid down, there is no longer any right of recourse on the basis of cheque law. It is, therefore, not for a law on cheques to decide whether, in the case in question, the holder has or has not forfeited his rights against the drawer; this must be dealt with by national law, as in the case of bills of exchange, on more general principles. Article 15 of Annex II to the Geneva Convention of June 7th, 1930, on Bills of Exchange and Promissory Notes might, in substance, apply to cheques.

Question 9.

As in the case of the question No. 8, the legal implications of cover do not come within the scope of cheque law, and should be reserved for regulation by national law. The principle embodied in Article 25 of the Hague resolutions is therefore correct and is, moreover, in accordance with the view expressed in Articles 15 and 16 of Annex II to the Geneva Convention on Bills of Exchange.

Question 10.

The following rule should be laid down:

“ The loss resulting from the payment of a forged or altered cheque, where no fault is imputable to the drawee or his employee, may only fall on the drawer or the alleged drawer, if such party has been guilty of gross negligence or if his employee responsible for handling cheques has been guilty of gross negligence in issuing the forged cheque or in altering the cheque. Any stipulation to the contrary which would be more advantageous to the drawee shall be null and void.”

Question 11.

It would appear desirable to make it a rule that the drawee cannot refuse partial payment to the extent of the cover available, always provided that the holder accepts partial payment.

Question 12.

Bills of Exchange drawn on places abroad often contain the stipulation, intended to obviate loss arising from the conversion of currency, that payment should be made, not in money, but by cheque on the drawer's place of domicile. Such a stipulation is not valid under the Law on Bills of Exchange; its observance is entirely a matter for the drawee and calls, moreover, for special prudence and care on his part in incurring liability, since, if a cheque given in payment is not absolutely genuine, the parties concerned suffer injury. This method of paying a bill of exchange, consequently depends on the wishes of the parties and on the willingness of the bank which has to cash it; confidence is its main feature and makes juridical regulation both unnecessary and undesirable, as it would be in contradiction to the recognised principle of bills of exchange law.

Question 13.

As in the case of bills of exchange, there is no objection to cheques being typewritten. This does not affect the validity of the cheque. Naturally, signatures should not be given by mechanical means.

Question 14.

The action to be taken in the case of the theft or loss of a cheque should be determined by the local law of the place of payment, as Article 31 of the Hague resolutions very properly stipulates. The same principle appears in Article 9 of the Convention for the Settlement of Certain Conflicts of Laws in connection with Bills of Exchange and Promissory Notes.

Question 15.

It is not clear what conflicts are referred to here. The Uniform Law for Bills of Exchange and Promissory Notes makes no provision for conflicts of this kind. In the case of a conflict arising from the despatch of several duplicates of a cheque to different persons, the best solution would be that advocated in Article 27, paragraph 2, of the Hague resolutions, which corresponds to Article 65, paragraph 2, of the Uniform Law on Bills of Exchange. The same solution should be adopted in respect of cheques.

Question 16.

Domiciliation is incompatible with the nature of a cheque, and should, therefore, be prohibited.

Question 17.

Subject to the relevant alterations, the rules for bills of exchange (Uniform Law, Articles 64 to 66) should be applied.

Copies of cheques are, of course, unnecessary.

Question 18.

Article 29 of the Hague resolutions fixing uniform time-limits of prescription (irrespective of zones) in which distances are not considered would be a desirable solution.

Interruption of prescription might be regulated on the lines of Article 71 of the Uniform Law on Bills of Exchange and, as regards action for inequitable gain, Article 15 of Annex II to the Convention on Bills of Exchange and Promissory Notes should be applied.

Question 19.

This should be permitted, as in the case of bills of exchange (Uniform Law, Article 15) and as sanctioned by Article 10 of the Hague resolutions on cheques; there is no reason why permission should be refused.

Question 20.

To put an end to the abuses of such cheques, this question will be left to national legislation (which might lay down penalties) without specifying that a post-dated cheque is null and void. Article 3 of the Hague resolutions should, therefore, be approved. It might perhaps be added that, in the case of a post-dated cheque, the day of presentation will be taken as the day of issue, provided it is earlier than the date entered on the cheque.

Question 21.

Acceptance, certification and visaing should be prohibited.

11. Yugoslavia.

I. GENERAL OBSERVATIONS.

[*Translation.*]

1. The Royal Yugoslav Government is of opinion that the method followed at the last session of the Geneva Conference for the Unification of Laws on Bills of Exchange should also be followed for cheques. In particular, a convention should be signed whereby the contracting States undertake to embody in their national law the regulation (Uniform Law) on cheques which will be adopted at the second session of the Conference, subject to any amendments and additions allowed by the Conference as reservations. A special convention on the stamp and a special convention on the conflict of laws should thereafter be signed.

2. As regards the draft regulation on cheques, the Yugoslav Law on Cheques of November 29th, 1929, embodies the Hague resolutions, with few and unimportant modifications.

As the experts have also adopted in their draft the main principles of these Hague resolutions, the Yugoslav Government approves the essential provisions of the draft.

We are specially gratified to find that the experts have accepted two of the Hague principles—*i.e.*, cheques may not be drawn on persons who do not carry on the profession of banking, and the drawer must have funds in the hands of the drawee.

The object of cheques—to serve as instruments of payment and to economise the use of currency for payment—can only be attained by concentrating the circulation of cheques in the hands of bankers. A restriction of this nature makes for certainty in the use of cheques and tends to increase confidence in this instrument of payment. In point of fact any person will readily accept a cheque drawn on a banker if he is sure that the bank will pay it without difficulty. In countries where the population is not yet accustomed to the use of cheques, it would be positively dangerous to allow them to be drawn on persons who do not carry on the profession of banking.

Similarly, the Yugoslav Government is of opinion that the provision whereby the drawer must have funds in the hands of the drawee available at demand is absolutely essential; otherwise the cheque would cease to be a means of payment, and confidence in this commercial instrument would disappear.

All those concerned have given their opinion in favour of both these principles and have asked that the provisions on the subject in the Yugoslav Cheque Law should in any case be retained.

In practice, the drawer was bound to have funds in the hands of the drawee only at the moment when the cheque was presented for payment. Experience has, however, shown that such a regulation might be prejudicial to the interests of persons buying cheques. In the opinion of the Yugoslav Government, the law should therefore prohibit the drawing of cheques for which funds do not exist when the cheque is signed ("cheques drawn in the air"). The Yugoslav Government, however, does not think that the validity of the cheque should necessarily depend on the existence of funds, and considers that it would be enough to impose civil or criminal penalties for drawing cheques without funds, or with insufficient funds, as provided in the Yugoslav Law on Cheques (section 4 paragraph (a) 1, 2, and section 25) and in Article 3, paragraph 2, of the experts' draft.

• The Royal Government will now deal here only with No. 12 of the questionnaire annexed to the Final Act of the Conference of May and June 1930, a point which is not directly connected with the provisions of the draft Convention. The other matters raised in the questionnaire will be commented on later in connection with the provisions of the draft regulation and draft Convention on cheques.

No. 12 of the Questionnaire asks whether it is desirable to prescribe special rules to meet the case in which an instrument which otherwise satisfies all the conditions required for the validity of a bill of exchange stipulates that it is payable not in money, but by a cheque, especially by a cheque drawn on a bank abroad, and if so, what rules should be prescribed.

The Royal Yugoslav Government does not think that special rules should be prescribed for the above-mentioned case, and in particular it considers that such bills of exchange should not be regarded as fully valid.

As the law now stands, the holder of a bill of exchange may be given a cheque instead of being paid in cash. Bills of exchange which contain a stipulation that they are payable in a currency other than the currency of the country in which payment will be made, usually include the words "payable at the rate of exchange on demand". Such bills of exchange are usually paid by means of cheques drawn on a foreign country, but always drawn by an absolutely reliable bank. Accordingly, the holder of the bill of exchange seldom objects to payment by a cheque of this kind instead of payment in cash. The position would, however, be entirely different if the bill of exchange itself laid down that payment would be made, not in cash, but by means of a cheque. The holder would no longer be in a position to decide whether the bank in question was sufficiently sound, and he would be obliged to accept the cheque. It is unnecessary to refer to the risks which holders of such bills of exchange would run. The cheque would cease to be an instrument of payment. It is therefore undesirable to declare that such bills of exchange are fully valid.

II. OBSERVATIONS AND AMENDMENTS IN REGARD TO THE DRAFT REGULATION ON CHEQUES.

Ad Article 1.

(a) With a view to bringing the text of the Law on cheques as far as possible into harmony with that of the Law on bills of exchange as adopted at the first session of the Geneva Conference, the word "*ordre*" in No. 2 should be replaced by the word "*mandat*" (English text remains unchanged).

(b) Under the Yugoslav Cheque law the *Guthabenklausel* must be included in the cheque (section 1, No. 2).

Although this provision cannot be regarded as absolutely essential, it is nevertheless of some importance, as the attention of the drawer is directed to the requirements of the law in regard to cover, and also to the civil and criminal consequences of a cheque drawn without funds.

Moreover, Yugoslav business men are in favour of retaining this stipulation.

Accordingly the contracting States should at least have the right to insert this stipulation in their national law.

The following reservation is therefore suggested for Article 1:

"Notwithstanding the terms of Article 1, No. 2, of the Uniform Law, each of the High Contracting Parties reserves the right to embody in its national law a provision prescribing that mention must be made of the fund against which the cheque is drawn."

(c) The Royal Yugoslav Government considers that typewritten cheques should be deemed to be valid, like all other cheques.

The principal parts of most cheques in circulation are now typewritten.

The essential point is that the drawer should sign the cheque with his own hand.

In these circumstances, no special provisions on the matter are necessary in the Cheque law.

Ad Article 2.

In order to render the provisions as complete and as clear as possible, a fifth paragraph should be added to this article, reading as follows:

"Any stipulation in regard to interest inserted in the cheque is deemed not to be written."

Ad Article 3.

Having regard to the general observations made above (No. 2) the Yugoslav Government approves the provisions of the present article, which are in conformity with those of Article 3 of the Hague resolutions.

It agrees, in particular, with the view set out in the draft that when a cheque is issued post-dated, the validity of the instrument as a cheque should be maintained, but that the contracting States should have power to impose appropriate penalties in such cases. The Yugoslav law on Cheques has settled this question on these lines (paragraph 24, No. 1).

The second paragraph of this article should, of course, be transferred from the regulation to the annex relating to the reservations.

Ad Article 4.

The only observation to be made on this article is that the sixth paragraph should not be included in the regulation, but should be transferred to the annex for the reservations.

Ad Article 5.

In our general observations we expressed our approval of the principle that the drawee should be a banker. Accordingly, the Yugoslav Government is in favour of the provision in the draft that a cheque drawn on any person other than a banker is not valid as a cheque.

We also approve the provisions in the second paragraph; they should, however, be transferred to the annex containing the reservations.

Ad Article 6.

No observation on this article.

Ad Article 7.

(a) The question of domiciled cheques formed the subject of a long discussion at the Hague Conference, as a result of which the Hague resolutions make no provision for such cheques. The Yugoslav Government approves of this view, since the cheque, by its very nature, does not lend itself to genuine domiciling, seeing that cover would also be required at the place of domicile or with the paying agent.

The reference to Article 4 of the regulation on bills of exchange should therefore be omitted from paragraph 1 of this article, together with the whole of paragraph 2.

On the other hand, it might be permissible to indicate the place of payment (*Zahlstelle*), so as to give the holder of the cheque facilities for obtaining payment. In that case, however, the provision on the subject should make it clear that the cheque can be protected only in the actual place where payment is to be made.

(b) The words "draft regulation" should be replaced by the words "Uniform Law".

Ad Articles 8 and 9.

No observations.

Ad Article 10.

(a) To bring the reference in this article in to agreement with the Law on bills of exchange as now adopted, the words "the provisions of Articles 12 to 17 of the draft regulation" should be replaced by the words "the provisions of Articles 13 to 18 of the Uniform Law".

(b) As regards the defence that the endorser is liable the Royal Government thinks that this question should be regulated for cheques in the same way as it has been regulated for bills of exchange.

It has therefore no objection to the provisions of this article.

Ad Article 11.

(a) The Royal Yugoslav Government agrees with the statement contained in the draft that a cheque cannot be accepted, this view being in conformity with the nature of a cheque. There is, however, no need to insert the provision that a statement of acceptance on a cheque is deemed to be unwritten.

It would be sufficient if a statement of acceptance involved no consequences under cheque law, as is prescribed in the Yugoslav cheque law (paragraph 9). This statement can, however, produce effects under civil law, and these should not be abolished.

The Royal Government accordingly proposes to replace the provision contained in the second sentence of paragraph 1 by the following:

"A statement of acceptance on a cheque produces no effect under cheque law."

(b) It has no objection to make to the reservation contained in paragraph 2 of this article. It merely proposes, in accordance with its general view, to transfer the provisions of the second paragraph to the annex relating to reservations.

Ad Article 12.

(a) Under Article 9, paragraph 4, of the draft, any person, except the drawee, who puts his signature on the back of a cheque payable to bearer is guarantor (by *aval*) for the drawer.

• Under the third paragraph of Article 31 (former Article 30) of the Unified Law on Bills of Exchange which provisions are applicable to the cheque in virtue of paragraph 3 of the Article 12 we are dealing with—the *aval* is deemed to be constituted by the mere signature of the giver of the *aval* placed on the face of the cheque, except in the case of the signature of the drawee or of the drawer.

These provisions are not in harmony.

To obviate this contradiction, a second sentence should be added to paragraph 3 of this article, reading as follows:

“ The provisions of Article 31, paragraph 3, apply only to a cheque for a specified person, or to order.”

(b) To bring the reference in this article into line with the Unified Law on Bills of Exchange, the words “ Articles 30 and 31 of the draft regulation ” occurring in the same paragraph of the article should be replaced by the words “ Articles 31 and 32 of the Uniform Law ”.

Ad Article 13.

The very nature of cheques and their circulation render it absolutely essential that a cheque should always be payable at sight. Otherwise the cheque cannot be an instrument of payment capable of taking the place of currency.

All business men in Yugoslavia are definitely in favour of this principle.

We therefore support the view expressed in the draft.

We cannot, however, accept the provision in the draft that any contrary stipulation is deemed to be unwritten. Such a provision is not only at variance with the principle indicated above, but it compels the parties to accept effects which are not in accordance with their intentions.

The text of the Hague resolutions should therefore be restored in this case—*i.e.*, the second sentence of this article should be replaced by the following provision:

“ An instrument containing any other time of payment is invalid as a cheque. ”

Ad Article 14.

The Yugoslav Government accepts the essential provisions set out in this article, seeing that there is no prospect of the times being fixed uniformly.

Owing to the character of the provisions in paragraphs 3 and 5 of this article, they should be placed in the annex relating to the reservations.

Ad Article 15.

No observations.

Ad Article 16.

(a) The question of the possibility of countermanding the order contained in a cheque was fully discussed at the second Hague Conference. In the opinion of the Yugoslav Government, the solution contained in the Hague resolutions on this point is entirely satisfactory. It takes adequate account of the interest of the drawers of cheques, and also gives sufficient protection to a holder in good faith, while guaranteeing the general circulation of cheques.

The Royal Government therefore proposes to adopt the provisions in paragraphs 1 and 3 Article 17 of the Hague resolutions.

(b) In addition to the case of countermand after the expiration of the time of presentation, the Yugoslav Cheque Law also provides for another case of countermand—*i.e.*, a cheque payable to a specified person or to the order of such person, provided the cheque has been sent by the drawer direct to the drawee with an order to pay it to the person specified therein and provided the countermand is received before the drawee has complied with the order.

The Royal Government considers that it is fully entitled in such a case to recognise the drawer's right to countermand the order.

It accordingly proposes to add the following provision as a second paragraph to the Article:

“ The countermanding of the order also takes effect where the drawer of a cheque to a specified person or to order sends the cheque immediately to the drawee with the order to pay the sum to the person named in the cheque, provided the countermand is received before the drawee has complied with the order.”

(c) In place of the provision in the Hague article it would seem better to lay down that the provision of Article 40, paragraph 3, of the Law on Bills of Exchange should also apply to the cheque.

The Royal Government therefore proposes the addition to the new article of the following clause, which would form paragraph 4:

“ The provisions of Article 40, paragraph 2 of the Uniform Law on Bills of Exchange and Promissory Notes are applicable to the cheque.”

Ad Article 17.

The Yugoslav Government approves the departure from Article 18 of the Hague resolutions in regard to the right of the holder to refuse a partial payment.

The reasons which led to the insertion of the provision of paragraph 2 of Article 39 in the Uniform Law on Bills of Exchange, to the effect that a partial payment of a bill of exchange may not be refused, also hold good in regard to the law on cheques.

Ad Article 18.

The Yugoslav Government agrees with the experts in taking over the provisions of Article 19 of the Hague resolutions on the crossed cheque. It also approves the additions made to these provisions in the draft. The last paragraph should, however, be inserted in the Annex relating to reservations.

On the other hand, it regrets that the provisions of Article 20 of the Hague resolutions in regard to cheques "payable in account" also are not included in the experts' draft. The need for issuing such cheques has also been experienced in practice.

The Royal Government considers it inadvisable to recommend the use of a single type for the crossed cheque and the cheque "payable in account" only.

These two forms of cheque are used for different purposes. The first is employed principally for cash payments, subject to the reservation that the cheque can only be paid through a bank, while the second is employed for payments which consist merely of book entries. These two kinds of cheque should therefore be allowed to remain.

This is the view taken by the Yugoslav business men.

The Royal Government therefore proposes that Article 20 at the Hague resolution should also be adopted.

Ad Article 19.

Yugoslav banking circles have spoken strongly against any provision in the Uniform Law on Cheques which would lay down that the holder of a cheque acquires, along with the cheque, a right on the fund against which it is drawn.

The Royal Government considers that the bankers' view is fully justified.

The legislative enactments on the circulation of cheques should be as simple and as clear as possible. To grant the holder of a cheque a direct right against the drawee might give rise to complicated legal disputes. In countries where the right of the holder of a cheque on the fund against which it is drawn is not at present recognised, such a recognition might prejudicially affect the circulation of cheques, seeing that banks would be obliged to restrict the opening of cheque accounts, while continental disputes would shake confidence in such instruments.

The belief that a right on the fund against which the cheque is drawn would furnish an additional security is not really justified, since in the event of a dispute the holder of a cheque relies upon the support and good will of the drawer.

Moreover, the adoption of such a system would allow of various abuses, particularly on the eve of the failure of a person in debt. By taking advantage of the system referred to, he could cause loss to his creditors by issuing cheques.

The Yugoslav Government therefore approves the action of the experts, who, in accordance with the Hague resolutions, decided not to include in their draft for the Uniform Law on Cheques the principle that the holder of a cheque has a right on the fund against which it is drawn.

Should certain States wish to retain in their national law the right of the holder of a cheque on the fund against which it is drawn, such a request could be acceded to by allowing them to make a reservation. Accordingly, Article 19 of the draft, if it is retained, should be transferred to the annex relating to reservations.

Ad Article 20.

If the holder of the cheque has not presented it for payment within the statutory period, or if the cheque cannot be used for any other reason, the drawer should not be liable under the cheque law.

In such cases the holder of the cheque should be given a right of recourse against the drawer in virtue of the original claim or else an action for inequitable gain, as is the case under the Yugoslav cheque law.

On this point, a reservation should be allowed similar to that laid down in Article 15 of Annex II to the Convention on Bills of Exchange adopted at the first session of the Geneva Conference.

Ad Article 21.

No observations.

Ad Article 22.

In connection with this article, a reservation regarding cheques should also be allowed similar to that contained in Article 14 of Annex II to the Convention on Bills of Exchange adopted at the first session of the Geneva Conference.

Ad *Article 23.*

No observations.

Ad *Articles 24 and 25.*

The Yugoslav Government has no objection in principle to the provisions in the draft relating to the drawing of a duplicated cheque, since, in certain cases, it has been found necessary in practice to provide for the possibility of multiple copies.

The provisions of Article 24 of the draft should, however, be brought into line with those of Article 64 of the Uniform Law on Bills of Exchange adopted at the first session of the Geneva Conference—*i.e.*, the text of Article 26 of the Hague resolutions should be restored.

Ad *Article 26.*

(a) Under the Yugoslav Cheque Law (section 23, No. 10) the question of the person on whom the risk of a forged or altered cheque falls is regulated as follows: Should the drawer or the drawer's employees who are responsible for making out the cheque be guilty of any fault in connection with the forgery or alteration of the cheque, the drawer is responsible. In all other cases, the loss is borne by the drawee. Any stipulation to the contrary is null and void.

The Royal Yugoslav Government regards this as a fair solution, since it adequately protects both the drawer and the drawee, and also safeguards the circulation of cheques.

It therefore proposes to add the following provisions at this point:

“ Any loss resulting from the payment of a forged or altered cheque is borne by the reputed drawer of the forged or altered cheque, should he or his employees responsible for making out the cheque be guilty of some fault connected with the forgery or alteration; in all other cases the drawee is liable for the loss.”

(b) In order to correct the reference in this article and bring it into line with the Uniform Law on Bills of Exchange, Article 68 should be replaced by Article 7, and the words “ draft regulation ” by “ Uniform Law ”.

Ad *Articles 27 and 28.*

No observations.

In connection with these articles, a reservation should, however, be provided for similar to that contained in Article 17 of Annex II to the Convention on Bills of Exchange adopted at the first session of the Geneva Conference.

Ad *Article 29.*

The reference in this article to the regulation on bills of exchange should be replaced by a reference to the Law on Bills of Exchange adopted at the first session of the Geneva Conference.

III. OBSERVATIONS AND AMENDMENTS REGARDING THE DRAFT CONVENTION ON CHEQUES.

Ad *Article 6.*

This article should be reworded to bring it into harmony with Article 4, paragraph 2 of the Convention on the Conflicts of Laws adopted at the first session of the Geneva Conference. The Yugoslav Government has no observations to make on the other articles.

12. Latvia.

[*Translation.*]

Question 1.

Cheques should be issued only on banks or other credit establishments, including savings banks and post offices. This would be in keeping with the historical development of the cheque system and the special characteristics of the cheque as an instrument of payment.

Question 2.

Owing to the frequent occurrence of cases in which cheques are not covered at the time of presentation, it would be better to provide that funds should be in the hands of the drawee at the time of issue. Nevertheless, it is doubtful whether such an arrangement would get rid of uncovered cheques, for the existence of funds at the moment of issue of a cheque does not mean that it will be paid on presentation. A very heavy penalty should be imposed when a cheque is not paid owing to the absence of cover.

Question 3.

The advocates of the "Guthabenklausel" claim that it reminds the drawer of a cheque that he is assuming the obligation to pay by means of funds placed in the hands of the drawee, and that if payment is not made, he is liable to a penalty. In reality, this stipulation is a mere formality; it has therefore been omitted from the law of most countries as being merely a declaration and likely to lead to an increase in the number of cheques that are invalid owing to the accidental omission of the stipulation in question.

Question 4.

A cheque should always be payable on demand, and no departure from this principle should be recognised, as the essential character of the cheque as an instrument of payment would thereby be adversely affected.

Question 5.

The time limits for presentation should continue to differ in accordance with the economic peculiarities of the various countries. A uniform fixed period is essential only for cheques payable in a foreign country.

Question 6.

As the right to countermand the order in a cheque before the expiration of the period for presentation is apt to weaken confidence in the cheque, it should not be recognised.

Question 7.

The crossed cheque and the cheque "only for collection" are firmly established in the business worlds, and should therefore be kept in their present form.

Question 8.

The drawer may not be released from his liability for the cheque even when it is not duly presented within the period laid down. This liability could only lapse if the drawee (credit establishment) became insolvent after the expiration of the time for presentation.

Question 9.

The case referred to here is not dealt with in Latvian law.

Question 10.

Liability for the loss resulting from the forgery or alteration of a cheque should fall on the bank if it has been guilty of serious negligence in paying the cheque. Nevertheless, where the drawee has not been at fault, the consequences of a forgery or alteration fall on the drawer.

Question 11.

This question should be raised not only in regard to the drawee, but also the holder. The former should be allowed to make partial payment, and the latter should be compelled to accept this payment.

Question 12.

As this question relates to a method of paying a bill of exchange, it would be better not to include it in the law on cheques.

Question 13.

The Latvian Government has no objection, provided that the amount is written in with a special machine.

Question 14.

The amortisation procedure and annulment are essential for the protection of the drawer against possible loss, should he issue another cheque in lieu of the lost cheque and should the cheque announced as lost subsequently be found.

Question 15.

This question should be regulated on the lines of the provisions in the Law on Bills of Exchange.

Question 16.

Domiciled cheques should be recognised.

Question 17.

Multiple copies of cheques should be admitted, especially in dealings with the United States of America. The provisions relating to duplicate bills of exchange should apply in this case also.

Question 18.

Limitation of actions is as essential for cheques as for bills of exchange.

Question 19.

The release of the endorser from his liability should be regulated on similar lines to those applicable to bills of exchange.

Question 20.

Post-dated cheques should not be admitted, as otherwise there would be a danger of depriving the cheque of its characteristic as an instrument of payment, and of converting it into a credit instrument. Moreover, post-dated cheques might give rise to special difficulties where the drawer died before the date of issue wrongly inserted in the cheque.

Question 21.

There is no objection to recognising the usage followed in the United States of America, Great Britain and other countries where a cheque can be accepted. It would, however, be desirable to replace the word "accepted" by the word "certified" or some other expression, for the cheque is not really accepted. The so-called acceptance is a mere declaration that funds exist, and that they are held over for the cheque. These cheques in some ways resemble bank-notes; but this is true only for a specified period and among a small number of persons.

13. Siam.

Question 1.

Under the definition given by the Siamese Code (Section 987) and according to the interpretation given by English law, a cheque *must* be drawn on a *banker*. The opinion of the Siamese legislator has been that the distinction between cheques and bills in the matter is a natural consequence of the relationship of banker and customer, subsisting between the drawer and drawee of a cheque. Practically, since only persons carrying on the profession of banking are in a position to "clear" cheques by way of clearing-houses or otherwise, this means an economy of specie or currency notes for the State.

Question 2.

It must be noted, as a reminder of the Conference of The Hague (1912) that it was then admitted (Resolutions, Article 13) that no practical difference is to be made between time of "presentation" and time of "payment", because a cheque should be *payable on demand*. Consequently, it is sufficient that funds are in the hands of the drawee (banker) *at the time of payment*. (See England, Argentine, Austria, Brazil, Chile, Costa Rica, Denmark, Ecuador, Netherlands, Norway, Peru, Roumania, Italy.) A contrary provision would be drastic without utility. (Illustration: A person draws a cheque on Friday after business hours without funds being in the hands of his bankers. Saturday, Sunday and Monday, the bank is closed for any reason whatsoever. Supposing that, during those three days, a fixed deposit belonging to this person comes to maturity and produces interest, or that under a previous agreement, overdraft becomes permissible, etc. Why prohibit this person, who is fully aware of the circumstances, to issue a cheque without funds *at the time of issuing*? It may be impossible for him to send funds to the bank when issuing the cheque, on account of the bank's closing: Why forbid this person to free himself from his debt on Friday, as soon as a settlement has been required from him?) It is suggested consequently that the wording of the Uniform Regulation on Cheques presented by the experts (Article 3 paragraph 1) should be redrafted in order not to allow so drastic an interpretation.

Question 3.

Although German, Austrian and Hungarian laws compel the drawer to mention in the cheque an express reference to the funds assigned for meeting the cheque, to make such a mention compulsory seems rather useless formalism; and Siam sticks to her opinion already given on July 13th, 1912, at The Hague, in agreement with the majority of the other Governments—*viz.*, against the mention *Guthabenklausel*.

Question 4.

Yes. This conforms to the Hague resolutions 1912 (Article 13) and to the Siamese law.

Question 5.

Siamese Code (Section 990) dealt with the matter as follows:

“ The holder of a cheque must present it for payment to the banker within *one month* after the date of issue if it is payable in the same town where it is issued or within *three months* if it is payable elsewhere; otherwise he loses his right of recourse against *the endorser*; he loses *also* his right against the drawer to the extent of any injury caused to the drawer by failure of such presentation.

“ The holder of such cheque as to which such drawer is discharged shall be subrogated to the rights of such drawer against the banker. ”

Apart from the duration of the periods (one month and three months) this system is similar to the Spanish Code (Commercial Code, 537), Swiss Code (Code of Obligation, 835) and to the general policy of the French Law, June 14th, 1865, Article 5 (Commercial Code, 168).

“ One month ” duration has been tested by experience in Siam, primarily for Treasury orders and afterwards for cheques, and found suitable. On the other hand, the “ three months ” duration is suitable for countries where the system of road and railways is still under development or can be temporarily out of order on account of some climatic occurrences (floods in rainy season, etc.).

Question 6.

The drawer must have the right to object to payment of the cheque.

(1) This is in conformity with law on mandate (a cheque being an *order* to pay and a mandate, as a rule, being revocable). The solution seems necessary under laws (like Siamese law) where a cheque is only a kind of bill of exchange.

(2) This is practically the most efficient, cheapest and quickest remedy when a cheque is lost or stolen.

Owing to the foregoing reasons, it does not seem advisable to allow—like the Hague resolutions, Article 17, paragraph 1—withdrawal to be made only after the expiration of time for presentation. A cheque can be lost or stolen meanwhile.

Even in the countries where the system of immediate assignment of funds at the time of drawing of the cheque led to an objection to the withdrawal of a cheque, there is a clear tendency to allow it now (*cf.*, France, *Gauthier v. Poulain*, Cassation, December 17th, 1924, *SIREY* 1925, L. 9).

Subject to the ordinary rules about the liabilities for compensation and damages if the drawer countermands payment of a cheque without serious grounds, Siam cannot propose to deal with the matter otherwise than by the present provisions of Section 992 C.C.C.:

“ Section 992. — The duty and authority of a banker to pay a cheque drawn on him come to an end on:

“ (1) Countermand of payment;

“ (2) Knowledge of the drawer's death;

“ (3) Knowledge of publication of an interim receiving order or bankruptcy order against the drawer. ”

It is noticeable that Section 992 (2) is coherent with the principles of the law on mandate, and that (2) and (3) are moreover almost necessary in order to maintain an equitable treatment as regards the heirs or the creditors of a deceased drawee. Therefore, Article 22 of the Uniform Regulation drafted by the experts seems too narrow, and Article 21 is most objectionable as contrary to the rules dealing with the mandate, the Siamese and the English law.

Question 7.

Under Siamese law, a cheque crossed “ generally ” can be paid only to a banker. A cheque crossed “ specially ” can be paid only to the banker whose name stands between the lines of the crossing (Article 994, C.C.C).

Would it not be possible to combine, in a single type, the crossed cheque and the cheque only for collection (nur zur Verrechnung) in use by certain countries?

In Germany (Law March 11th, 1908, Article 14), crossing is not recognised but cheques may be marked *nur zur Verrechnung*.

It seems that the same result may be obtained by allowing the insertion in a cheque, crossed generally or specially, of a special mention. It is suggested that the mention “ only for clearing ” is possibly better than the mention “ only for collection ”, it implies the word “ clearing ” which is already used in the Hague regulations for “ clearing-houses ”. The essential difference between

a crossed cheque and a cheque bearing the mention *nur zur Verrechnung* is that the first one may be paid *in cash* and the second one may be paid only by adjustment or entry in book-keeping. It may be feared that the words "only for collection" do not give such a technical meaning and will be construed under Article 9, paragraph of the Uniform Regulation (expert's draft) which provides that a cheque endorsed "merely for collection" is a cheque endorsed with the view to give a *mandate* and nothing more.

Question 8.

It is understood that the "fixed period of time" so mentioned is the time of presentation specified by law. In such case, it seems that a drawer is liable as long as the holder has not violated the provisions referred to in the answer to Question No. 5—viz., as long as the holder has not caused any injury to the drawer by failure to present the cheque.

But, in order to enact a limitation of action against a holder guilty of negligence in presentation, it might be proposed that "no action against the drawer of a cheque can be entered later than (three years or one year) after the time for presentation has elapsed". As regards the principle of a limitation, such provisions would be in line with the Hague resolution, Article 29, paragraph 1; as regards the duration of time (three years) such provisions would be in line with Article 70, paragraph 1, of the Uniform Regulation adopted by the Conference in 1930: or with Article 70, paragraph 2, of the Uniform Regulation for Bills of Exchange (see *infra*, Question 18); as regards time of "prescription", it seems logical to place the drawer of a cheque and the maker of a promissory note (or the drawer of a bill of exchange) on the same footing.

Question 9.

This is a problem which, on account of its baffling complication or intricacy, has shown the impossibility of reaching any complete agreement between the various legislations in the matter of cheques. Generally speaking some legislations do not admit the transfer of the cover to the holder. Others admit it. Moreover, within the limits of legislation itself, some provisions are based on the first principle, other provisions are based on the second. For instance, according to English law, as a rule, the issuing of a bill does not entail an assignment of funds; but this rule is not strictly followed as regards cheques (which are, however, a kind of bill in English law) and Section 74 of Bills of Exchange Act, 1882, sub-section 3 (like Section 990 of the Siamese Code), admits that, when the holder of a cheque omits to present it within a reasonable time whereby the drawer has been damaged (*i.e.*, by the bank failing), the drawer is *pro tanto* discharged and the holder is substituted as a creditor of the bank. Such provisions are considered, even by the English lawyers, as creating a *quasi-privity* between the holder and the drawee; but, as a matter of fact, this is an exception to the general rule of English law. On the other hand, in France, as in Scotland, when the drawee has funds, the issuing of a bill, and particularly of a cheque, operates as an assignment of them in favour of the holder. This idea has been expressly embodied in the French law of February 1922, which says: "The ownership of the cover passes by right to the successive holders of the bill of exchange". France, therefore, may be considered, for the time being, as the strongest supporter of the principle called "transfer of cover"¹. However, even in France, the highest court—viz., the *Cour de Cassation*, has been compelled to admit that the drawer of a cheque may *countermand* payment: by doing so, the court is returning to the idea that a cheque is "an order" (or mandate) to pay and not merely a transfer of ownership (Gauthier *v.* Poulain, December 17th, 1924; SIREY 1925, L.19; Report, A. COLIN: *Le chèque est un mandat de paiement et non un instrument de paiement proprement dit*", page 20, colonne 1).

There is much more to be said about this question of cover, but the foregoing remarks suffice to show that, for the time being, no agreement can be reached in the matter and it is wiser to stick firmly to the Hague Convention, Article 14, which reads as follows:

"The question whether the drawer is bound to furnish cover at maturity and whether the holder has any special right on this cover, are to be left outside the regulation and the present Convention."

¹ In the past, and under the old French law, the drawing of any bill did not operate as an assignment of funds in favour of the holder. The contrary principle, which entails objectionable consequences in the matter of bankruptcy, originated in the decision of French courts afterwards embodied in the recent French statutes (see also Law of August 2nd, 1917). Theoretically, any attempt to support this principle in law has failed (LACOUR et BOUTERON: "Précis de Droit commercial", Second Edition, No. 1243). It is not to be recommended to a legislator (LYON-CAEN, "Traité de Droit commercial", Volume IV, No. 188). As far as cheque is concerned, it does not seem that this new principle entails a larger or more secure circulation of cheques in France than in England.

Inequitable gain may be more or less connected with the question of "transfer of cover" and it may arise in practice, whether the "question of transfer" is expressly dealt with in the law or not.

The action (or claim) for inequitable gain is essentially a subsidiary one governed by general principles of law which, in each national law, can be used as a remedy to gaps in general legislation or to discrepancies therein, as the case may be. It, as well as the question of transfer of cover, should be left outside the work of the Conference.

Question 10.

It would be advisable to deal with the question of "forgery" and "alteration" in separate provisions. (This was done by the Conference of the League of Nations in 1930 in the matter of bills of exchange and promissory notes.)

(a) *Forgery.* — In the English law concerning bills, the principle is that a forged signature is wholly inoperative, whether it purports to be the signature of the drawer or an endorser. In the continental system—as summarised by the Hague regulations (1912), Article 68—the forgery of a signature, either if it be that of the drawer or of an endorser, in no wise affects the validity of the other signatures. The policy of Siam is, in accordance with her law, to recommend the medium way—*viz.*, to follow the English system as far as the signature of the drawer is concerned and to follow the continental system as far as endorsements are concerned. This is the Siamese system applicable, not only to cheques, but also to bills of exchange and promissory notes. Moreover, and owing to the fact that a cheque is a special kind of bill, where the drawee is a banker, special provisions may be made in order to meet the special and somewhat contradictory necessities of practice—namely, that a banker is a drawee specially equipped for the verifying of his customer's signature and, on the other hand, that a banker paying a cheque in good faith and without negligence must not be responsible.

Conciliatory steps seem to have been taken by each system of legislation as far as cheques are concerned. For instance, English law, which does not protect the banker when the *drawer's* signature has been forged (*Orr v. Union Bank* (1854), 1 Macq., H.L.Ca.513), takes the banker as discharged when he has paid a cheque bearing a forged *endorsement* (Bills of Exchange Act, Section 60). In France, although there are many discrepancies between the decisions of the law courts, it has been held by the *Cour d'Appel de Paris* (February 1st, 1923; *Gaz. Pal.* March 11th-12th, 1923) that the risks of forgery fall on the banker when he has paid a cheque *issued* under a forged signature, and that the banker is duly discharged when he has paid a cheque bearing a forged *endorsement* (January 29th, 1924, *Recueil hebdomadaire de Jurisprudence*, DALLOZ, February 7th, 1924). Consequently, it may be hoped that conciliation between the two systems of legislation is not so difficult as it appears at a first sight.

(b) *Alteration.* — Apart from the case of forged signatures, other alterations are possible in the text of a cheque (increase of amount and so on). It seems advisable to adopt here provisions similar to article 69 of the Uniform Regulation (*re* Bills of Exchange) adopted by the Conference of the League of Nations in 1930—namely:

"In case of alteration of the text of a bill of exchange, parties who have signed subsequent to the alteration are bound according to the terms of the altered text: parties who have signed before the alteration are bound according to the terms of the original text."

Question 11.

As a preliminary remark, it must be pointed out that such a question implies actually that the holder is entitled to *require* from the banker the partial payment of a cheque, and this is contrary to the present Siamese Code Section 991, under which a banker is not bound to pay a cheque drawn on him by his customer when there is not enough money to the credit of the account of the customer to meet the cheque. In other words, such a question as implying *privity* between the holder and the drawee of a cheque is closely connected with the question of "transfer of cover" and the answer must be the same—namely, to leave it outside the Uniform Regulation.

Question 12.

If the drawer of a bill of exchange is allowed to stipulate that the payment shall be made by cheque and not in money, this stipulation, especially when the cheque at stake is drawn on a bank abroad, may be tantamount to payment in a foreign currency. This is a question of internal policy for each State, and this policy may vary for economical or political reasons. If, therefore, some provisions are made in the Uniform Regulation for cheques, a reservation must be allowed for the contracting States, as it has been admitted for the Uniform Regulation for Bills of Exchange, Article 41. To try to induce a uniform law under such conditions about a matter so peculiar and not essential does not seem at all urgent.

Question 13.

Of course, in any case, the signature must be handwritten. But, in large firms, where a great number of cheques are issued every day, the person who signs and the person who fills them are often different: thus there is already some differences between the handwriting appearing on the face of the cheque. In some countries, like France, typewriting has been objected to on the ground that typewriters do not individualise the writing (*Administration de l'Enregistrement*, January 24th, 1918).

As a matter of fact, it seems difficult to enact provision suitable for all the circumstances of the case. Moreover, a typewriter may be specially fitted and used for *preventing* forgeries and alterations in the drawing of a cheque. Consequently it seems better to enact no provision dealing with the matter in Uniform Law.

Question 14.

The "amortisation" procedure seems to have been introduced by the Austrian Law of April 3rd, 1906 (Article 21). This special word "amortisation" does not seem to be adopted by the other German legislations of language (for instance, the German Law of March 11th, 1908, Article 27), and is likely to raise some misunderstanding in English-speaking countries where "amortisation" is used with different spelling and meaning.

In any event, is it advisable to legislate the matter for cheques? After careful examination, this question in the case of bills of exchange gave rise to recommendations by the Conference held at Buenos Ayres in 1916 (Article 15), and to reservations embodied in Article 15 at the Hague Conference in 1912, finally at the Conference held at Geneva in June 1930, it was suggested that each contracting State should remain free to issue legislative provisions as regards loss or theft of a bill of exchange or of a promissory note (see report about Article 23 of the Annex II to the Uniform Law).

In the matter of cheques, many steps have already been taken and can be easily used as remedies in the case of loss or theft, such as countermanding (*supra*, Question 6), crossing (*supra* Question 7) and contingently rules as to the burden of risks when a forgery or alteration is effected by a thief (*supra*, Question 10). It is difficult to say whether the Uniform Law which actually says nothing in the case of bills of exchange should, in the matter of cheques, deal with the loss or theft by more elaborate provisions than those already specified for the cases above mentioned. Even if statutory provisions of that kind were issued, the additional remedies proposed (*viz.*, a judicial order and the giving of security) are, for the sake of speed, disregarded in practice, and business men are satisfied by a reciprocal exchange of letters of notifications and guarantee between the interested parties (banker, drawer and holder).

Question 15.

It is understood that the meaning of Question 15 is as follows: In what manner must be settled conflicts concerning the means of transferring a cheque. For instance, a cheque bears on its face *both* the mention of a specified holder and the words "or to bearer". Is such cheque to be treated as a cheque to bearer (*i.e.*, transferable by mere delivery) or as a cheque to a specified person, the words "or to bearer" being considered as unwritten (so that the cheque should be not only delivered but *endorsed* for a valid transfer).

Like the Danish, Norwegian, Swedish and Swiss Governments, the Siamese Government thinks that such cheque must be considered as a cheque to bearer. The German law of March 11th, 1918, Article 4, the Austrian Law of April 3rd, 1906, Article 3, give the same solution. English law is construed in the same way by the courts (*House Property Co. v. London County and Westminster Bank*, 1915, L. J. K. B. 1846).

This solution is very useful in practice and specially in countries like Siam—for instance, when a drawer has to deliver a cheque to some person and does not or cannot know whether the holder is illiterate or not, whether he reads a foreign language or not, whether he is able to justify his identity to the banker or not, such drawer may nevertheless, in addition to mentioning the bearer, have good reasons to make other mention (name of the holder) which may provide a useful clue to prove his payment. This mention may also be useful for the holder if the cheque is stolen from him.

Question 16.

When a cheque is made payable elsewhere than at the residence or place of business of the banker the cheque is said to be "domiciled" at the place where it is payable.

The question of "domiciled cheque" is easier to settle if Question I, as aforesaid, is answered in the affirmative—*viz.*, a cheque can be drawn only on a banker.

As a rule, when a bank has several branches, and its customer has an account at one branch only, the other branches are not bound to honour his cheque, because a bank is not

bound theoretically to keep funds available for meeting this cheque in every branch. But this rule, which is adopted, for instance, by English law, is mitigated if alternative places of payment are specified: then presentation at either of such places is sufficient. Moreover, in practice and in many countries, large banks do not make any charge for meeting at one branch a cheque which is payable in another branch, subject to these branches being found in a list ordinarily supplied to the customer from the beginning of the transactions. Consequently, except for the question of delay, the result will be the same, even if domiciliation of cheque is not expressly dealt with by the law.

Question 17.

This question does not raise any material objection and has been settled by Siamese law under provisions (Section 989, 975, 976, 977, C.C.C.) similar to the Uniform Regulation on cheques presented by the League of Nations experts on February 25th, 1927.

Question 18.

Generally speaking, Siam has no objection to Article 39 of the Uniform Regulation on Cheques drafted by the experts, but does not see why under paragraph 1 of this article the *duration* of prescription is shorter as regards the drawer of a cheque (six months) than as regards the drawer of a bill of exchange (one year) or *a fortiori* the maker of a promissory note (three years).

In Siam when a cheque has been presented for payment and a protest (or noting) drawn up, the duration is one year after the date of the protest (1002 C.C.C.). But when a cheque has not been presented within the time fixed by law, the duration of prescription, under general rule is ten years (Article 164. C.C.C.). In England, the duration of prescription is six years. In France, where the provisions concerning the maker of a *promissory note* are applied by analogy (Commercial Code, Article 189), this duration is thirty years, or at least five years, depending on the cheque being issued for meeting a civil or a commercial debt.

When uniform legislation is at stake, it seems more advisable to restrict the choice to two alternative solutions. One solution by analogy with the issuer of a promissory note, would amount to three years' duration (see Uniform Regulation on Promissory Notes, Article 70, paragraph 1). The second solution would be to adopt the same duration for both cheques and bills of exchange —viz., one year (see Uniform Regulation on Bills of Exchange, Article 70, paragraph 2).

Question 19.

This question seems settled wisely by Article 29, paragraph 2, of the Uniform Regulation on Cheques drafted by the experts.

Question 20.

Anglo-American law, which Siamese legislation has tried to approach, does not take as null and void the post-dated cheques (see Bill of Exchange Act, Sections 4 and 13). Even in France, where such cheques arouse some suspicions, it is admitted that they are valid "at least as regard endorsers" (BOUTERON, "Le Chèque", page 219).

The question may have some interest only as regards the fiscal penalties and consequently should not be dealt with in the Uniform Law.

Question 21.

Article 16 of the Uniform Regulations drafted by experts seems 'satisfactory, and, within the limits provided by the second paragraph of this article, has suggested provisions, permitting certification of cheques (*cf.*, Siamese Code, Section 993).

14. Czechoslovakia.

[*Translation.*]

In accordance with the resolution quoted in No. V of the Final Act of the Conference for the Unification of Laws on Bills of Exchange, Promissory Notes and Cheques, signed at Geneva on June 7th, 1930, the Government of the Czechoslovak Republic, after consulting the circles technically concerned, has considered in detail the questions summarised in the above-mentioned section.

In the replies to the Questionnaire, the point of view adopted by the Government of the Czechoslovak Republic concerning the draft of the League of Nations Committee of Experts, reproduced in document C.234.M.83.1929.II (C.I.L.C. I), is also stated, as far as is necessary, in each case.

•In accordance with the resolution of June 7th, 1930, the Government of the Czechoslovak Republic has not merely replied to the Questionnaire, but has examined once more the whole draft of the Committee of Experts to be used as a basis of discussion at the next session of the Conference, and has also revised its former opinions concerning this draft (see letter from the Czechoslovak Minister at Berne, dated April 10th, 1929, printed in document C.234.M.83.1929.II). The results of this examination are set out at the end of the present reply.

I. REPLIES TO THE QUESTIONNAIRE.

These replies mainly describe the law as it exists in Czechoslovakia. It should be observed that the Czechoslovak Republic has not yet proceeded to unify cheque law in its territory by any legislation of its own. Under the terms of the Law of October 28th, 1918, No. 11 of the *Collection of Laws and Decrees* concerning the establishment of an independent Czechoslovak State, the Austrian Cheque Law of April 3rd, 1906, No. 84 of the *Collection of the Laws of the Empire* (referred to hereinafter as "Law No. 84/1906"), remains in force in the former Austrian regions—*i.e.*, in the provinces of Bohemia, Moravia and Silesia—while in the former Hungarian regions—*i.e.*, in the provinces of Slovakia and Sub-Carpathian Russia—the Hungarian Cheque Law of December 28th, 1908, promulgated as Law LVIII of 1908 (referred to hereinafter as "Law LVIII/1908") is still in force.

Question 1.

According to paragraph 1 of Law 84/1906, the following may act as drawee:

- (1) Public banks or other establishments authorised by their statutes to receive money on behalf of third persons;
- (2) All other firms, registered with the commercial courts, which conduct banking operations as part of their business.

In addition, the following may be drawees: the Prague Postal Cheques Office, established by the Law of March 11th, 1919, No. 140 of the *Collection of Laws and Decrees*, and the branch of the Postal Cheques Office at Brno, established by the Decree of the Government, dated April 16th, 1926, No. 52 of the *Collection of Laws and Decrees*. In virtue of the Law of September 23rd, 1930, No. 143 of the *Collection of Laws and Decrees*, the Post Office Savings Bank will henceforth fulfil the duties of the Postal Cheques Office and will consequently be authorised to act as drawee.

Under the terms of Section I, paragraph 2, of Law LVIII/1908, when a cheque is payable within the country, only a firm which, according to its statutes recognised by a special law, or according to its description in the commercial register, conducts banking operations may be indicated as drawee. The second section of the said paragraph lays down that, in the case of cheques payable abroad, the only persons who may be indicated as drawees are those on whom, according to the law in force in the place of payment, cheques may be drawn.

Thus, the provisions in force in Czechoslovakia correspond to Article 5 of the draft of the Committee of Experts according to which a cheque can only be drawn on a banker, a cheque drawn on a person other than a banker not being valid as a cheque. The question as to who is a banker under the terms of this provision or what persons may, in order to be drawees, be assimilated to bankers, should be decided according to the law of the State in whose territory the cheque is payable. The reservation expressed in Article 5, paragraph 2 (a), of the draft of the Committee of Experts should therefore be retained.

Question 2.

It would seem that an error has crept into the drafting of Question 2. Up to the present, the laws of the various countries differ as to whether the drawer must have funds in the hands of the drawee at the time of the issue of the cheque or at the time of its presentation. The Hague Conference of 1912 considered this question and discussed whether it ought to be settled in the regulation concerning cheques. The Government of the Czechoslovak Republic thinks that Question 2 is obviously connected with this discussion at the Hague Conference in 1912.

If the question is viewed in the above light, it should be observed that, according to paragraph 23 of Law 84/1906, the drawer is liable to an administrative fine when the cheque is not paid because, at the time of its presentation, the drawer had not, in the hands of the drawee, funds which might be used for its payment, or when the cheque is not fully paid owing to the absence of available funds. The drawer is not liable to punishment if, when the cheque was drawn, he might reasonably have supposed that he would have sufficient funds in the hands of the drawee at the time of presentation.

According to paragraph 26, No. 1, of Law LVIII/1908, a drawer is liable to a fine when the drawee is not, in conformity with paragraph 13, bound to honour the cheque on presentation and does not do so, if the drawer had no reasonable grounds to suppose at the time the cheque was drawn that the drawee would be bound in conformity with paragraph 13 to honour it on presentation.

It is obvious therefore that funds must exist in the possession of the drawee at the time of the presentation of the cheque and that their inadequacy does not make the cheque null and void.

It should be observed that, in theory as well as in practice, "credit claims" (*créances*) should not be taken to mean merely liquid funds which the drawer possesses in the hands of the drawee to serve as cover for the cheque, but, in general, all the relations between the drawer and drawee which constitute legal guarantees that the cheque will be paid by the drawee. For instance, an agreement under which the drawee undertook to provide the drawer with credit up to a certain amount would be sufficient. This is certainly the explanation to be accorded, in Article 3 of the draft of the Committee of Experts, to the words "holding funds at the disposal of the drawer".

Question 3.

According to paragraph 2, No. 5, of Law 84/1906, a cheque must include an order on the part of the drawer to the drawee to pay out of his funds a certain amount of money.

Similar provisions are to be found in paragraph 1, No. 3, of Law LVIII/1908.

Clearly therefore, according to the existing Czechoslovak law, the mention of funds (*Guthaben-klausel*) is obligatory. The Government of the Czechoslovak Republic, however, is not opposed to the draft of the Committee of Experts, Article 1, No. 2, of which does not require such mention, provided that the clause in No. 1 of this article, to the effect that the word "cheque" must be expressly inserted in the body of the instrument, is not altered.

Question 4.

Paragraph 5 of Law 84/1906 lays down that cheques shall be payable in presentation (at sight) even when they contain other provisions, or contain no provision regarding the date of payment.

Paragraph 5 of Law LVIII/1908 is absolutely the same as the above.

The Czechoslovak Government therefore accepts the provisions of Article 13 of the text proposed by the Committee of Experts.

Question 5.

Concerning the presentation of a cheque for payment, paragraph 9 of Law 84/1906 lays down:

"A cheque payable at the place at which it was drawn must be presented for payment within five days, and a cheque payable at another place in Czechoslovakia, within eight days following the date on which it was drawn. Cheques drawn outside the territory of the Republic to which Law 84/1906 applies must be sent within the five days following the date on which they were drawn to the place of payment and be presented there for payment within five days of their reception. The date of the reception of the cheque at the place of payment may be proved by attestation of the postal authorities. The day on which it was drawn and the day of its arrival as well as Sundays and legal holidays are not counted in calculating the time allowed for presentation.

"Special provisions concerning cheques drawn in Istria, Dalmatia and in certain islands along the Adriatic coast on another place in Austria or vice versa no longer concern Czechoslovakia."

Paragraph 8 of Law LVIII/1908 lays down the following rules regarding the period of presentation:

"Cheques drawn within the country must be presented to the drawee at the place of payment within ten days following the date on which they were drawn. Cheques drawn in other countries of Europe except Iceland and the Faroe Islands must be presented within three weeks as from the date on which they were drawn. Cheques drawn in the maritime countries of Asia and Africa bordering on the Mediterranean or the Black Sea, or in islands belonging to parts of the world neighbouring on these seas, must be presented within the month in which they were drawn. Cheques drawn in the United States of America, Canada, Newfoundland, the Azores, Madeira, the Canary Islands or the Cape Verd Islands, must be presented within two months of the date on which they were drawn. Cheques drawn elsewhere must be presented within three months from the date on which they were issued."

It is very difficult to regulate the time-limit for presentation of cheques in a uniform law on the subject. The Government of the Czechoslovak Republic has already, in its reply given in 1929, raised a number of objections to the solution proposed in Article 14 of the draft of the Committee of Experts. It observed that the difference in the time-limits for presentation causes serious inconvenience in international commercial relations and recommended that these should be fixed uniformly for all States. In addition, it stated its opinion that the time-limit of eight days was too long—at least, in the case of cheques payable in the State in which they are drawn.

The Czechoslovak Government does not, however, maintain this latter objection and is prepared to accept the time-limit of eight days as the uniform time-limit for cheques payable in the State in which they are drawn.

On the other hand, it maintains its request that all time-limits for presentation should be fixed uniformly. It therefore recommends that the time-limit of eight days indicated above should not be prolonged by the various countries, and that a uniform rule should also be established for the presentation of cheques payable in a country other than that in which they are drawn—namely, that they should be sent within five days from the date on which they were drawn to the place of payment and should be presented for payment there within five days following their arrival, but in any case, at the latest, within three months from the date on which they were drawn. The provision of Law 84/1906, according to which cheques drawn abroad must be sent

within five days to the place of payment and presented to the drawee within a further period of five days, works perfectly well in practice. The fixing of a maximum limit of three months would ensure that cheques would in no case be in circulation for a longer period than is required by their character as instruments of payment. All persons concerned in dealings with cheques could thus be certain that cheques would be liquidated within three months as from the date on which they were drawn.

Question 6.

According to paragraph 13 of Law No. 84/1906, the drawer may withdraw the cheque as regards the drawee, only :

(1) If the cheque made out for a given person or to order, which the drawer has sent direct to the drawee in order that the sum may be paid to the person designated to receive it, has been expressly withdrawn before the drawee has carried out the order :

(2) If the cheque has been expressly withdrawn after the time-limit for presentation, or when the cheque has not been presented within the time-limit for presentation. In the latter case, withdrawal is only valid as against the drawee after the expiration of the time-limit for presentation.

The drawee, in respect of whom a cheque has been validly withdrawn, may no longer honour it.

Law LVIII/1908, lays down in paragraph 15 that the withdrawal of the cheque by the drawer is valid in respect of the drawee, only :

(1) If the cheque has been withdrawn after the expiration of the time-limit for presentation when it has not been presented for payment within that time-limit; in which latter case, withdrawal is only valid after the expiry of the time-limit for presentation;

(2) If the cheque has been sent direct by the drawer to the drawee with the order to pay the amount to the person entitled to receive it, or to the endorser designated by name or as a firm, and if notice of withdrawal has been received before the order has been carried out.

Withdrawal, which would otherwise have been valid according to No. 1, is null and void if the cheque has been lost, as regards the party who has requested amortisation, when the Courts, within the time-limit for presentation or before the withdrawal of the cheque, have forbidden the drawee to honour it.

It should be observed that according to paragraph 26, No. 2, of Law LVIII/1908, a fine representing two per cent of the amount of the cheque, and at least 200 crowns, is imposed on a drawer who, being aware that, under the terms of paragraph 15, he cannot validly withdraw his cheque, intentionally makes such use of his funds as to render the payment of the cheque impossible.

The provisions with regard to the withdrawal of cheques, as set out in paragraph 13 of Law No. 84/1906, have proved excellent in practice, and the Government of the Czechoslovak Republic recommends their incorporation in the uniform law on cheques.

Question 7.

Neither Law No. 84/1906 nor Law LVIII/1908 make any mention of crossed cheques. They merely refer to cheques only for collection (*nur zur Verrechnung*).

Law No. 84/1906 lays down (paragraph 22) that:

“ The drawer or any endorser of a cheque may, by the words ‘ to be paid to account only ’ written or printed across the face, prohibit the drawee from paying the cheque in currency. In this case, the cheque can only be utilised in accounts with the drawee or with a person having a transfer account, or with a member of the clearing-house of the place of payment. If the drawee is not himself a member of the clearing-house, he may, by words written on the cheque at the time of its presentation, make it payable with some member of the clearing-house (paragraph 4, section 1). The subsequent settlement of accounts is valid as payment of the cheque within the meaning of this law. The drawee is responsible for any loss resulting from the fact that he has not taken this prohibition into account.

“ The words ‘ payable in account ’ may not be withdrawn.”

Paragraph 11 of Law LVIII/1908 contains similar provisions.

These provisions have worked quite well in practice, and the interested circles in Czechoslovakia would be very loth to agree to the abolition of cheques marked “ payable in account ”. The Government of the Czechoslovak Republic is ready to accept the provisions concerning crossed cheques (paragraph 18 of the draft of the Committee of Experts), but recommends that Article 20 of the Hague resolutions of 1912 concerning cheques payable in account should be reinserted.

Question 8.

Paragraph 16, section 1 of Law No. 84/1906 lays down that there can be no recourse against the drawer unless the cheque has been presented for payment within the fixed time-limit. Under the terms of paragraph 19, however, the holder of the cheque may exercise his right of recourse or claim payment of the sum on the sole ground of the original claim he had against the drawer or the previous endorser, which was the reason for drawing the cheque. The holder of the cheque may even plead this claim later, provided there be no agreement to the contrary, when he has not presented the cheque or protested it within the proper time, or when his right of recourse has been forfeited through lapse of time. In this case, however, any damage suffered by the

drawer owing to the fact that the cheque has not been presented to the drawee or has been presented to him too late, has to be made good by the holder, and will be deducted from the amount of the cheque.

Paragraph 18, section 1 of Law LVIII/1908 contains similar provisions.

These provisions have worked well, and the Government of the Czechoslovak Republic would prefer that the uniform law on cheques should not modify them in any way.

Question 9.

Neither Law No. 84/1906 nor Law LVIII/1908 contains any provisions concerning the transfer of cover to the holder. According to existing Czechoslovak law, the latter does not acquire any direct right over the cover.

As the reply to Question 8 shows, the juridical relationship between the holder of the cheque and the drawer or between the holder and the previous holder, being the reason for which the cheque was drawn or transferred, remains as a rule unaffected, even after the cheque has been drawn.

Paragraph 18, section 2, of Law LVIII/1908 contains express provisions concerning an action for inequitable gain. The right of bringing such action belongs to the holder of the cheque who does not possess, against the drawer who has derived inequitable gain to the detriment of the holder, the rights indicated in paragraph 18, section 1.

In the opinion of the Czechoslovak Government, these questions cannot be settled in a uniform law on cheques, and the principle laid down in Article 19 of the draft of the Committee of Experts should be maintained.

Question 10.

According to paragraph 20, No. 4, of the Law No. 84/1906, the provisions regarding forged and altered bills of exchange (at present paragraphs 77 to 79 of the Bills of Exchange, etc., Law of December 13th, 1927, No. 1 of the *Collection of Laws and Decrees* for 1928) also apply by analogy to forged or altered cheques.

The damage caused by the payment of a forged or altered cheque only affects the alleged drawer of the forged cheque or the drawer of the altered cheque if negligence is imputable to him as regards the forgery or alteration, or if the said forgeries or alterations were committed by his employees having to deal with cheques. In all other cases, the drawee has to support the consequences. Any stipulation to the contrary is null and void.

Similarly, paragraph 22, No. 14, of Law LVIII/1908, lays down that the provisions of the Bills of Exchange, etc., Law with regard to forged or altered bills of exchange shall apply to cheques. As regards damage, paragraph 23 lays down:

“ The alleged drawer of the forged cheque or the drawer of the altered cheque is not responsible for damage caused by the payment of the forged or altered cheque unless negligence in connection with the forgery or alteration is ascribable to him or to any of his employees dealing with cheques. Any stipulation to the contrary, if it is more advantageous to the drawee, shall be null and void. ”

In its reply in 1929, the Government of the Czechoslovak Republic recommended that Article 26 of the draft of the Committee of Experts should be amplified in the sense of paragraph 20, No. 4, quoted above, of Law No. 84/1906. It maintains its opinion on this subject.

Question 11.

Paragraph 14 of Law No. 84/1906 states as a general rule that the drawee, in the absence of any legal provisions releasing him from payment, is responsible to the drawer for the payment of the cheque according to the terms of the agreement existing between them.

Paragraph 13 of Law LVIII/1908 specifies:

“ The drawee is bound, if the drawer possesses sufficient funds, to honour the cheque, even if the time-limit for presentation has entirely elapsed.

“ The drawee is responsible to the drawer for the fulfilment of this obligation. ”

The provisions of paragraph 14 of Law No. 84/1906 show that the drawee, in his relations with the drawer, may not, as a general rule, refuse payment of a cheque which is not entirely covered. It should, however, be observed that, both according to paragraph 11, section 2, of Law No. 84/1906, and paragraph 10, section 2, of Law LVIII/1908, the holder of the cheque is not bound to accept partial payment. The Government of the Czechoslovak Republic has already pronounced against the opposite principle laid down in Article 17, paragraph 2, of the draft of the Committee of Experts. Recognising, however, that this question should be settled in the same manner as in the Uniform Law on Bills of Exchange, it does not maintain its objection.

Question 12.

Existing Czechoslovak law does not recognise as valid a bill of exchange, according to which the sum for which the bill is drawn is to be paid, not in money but by a cheque.

The Government of the Czechoslovak Republic does not see any urgent need to insert any special provision on papers of this kind in the Convention concerning cheque law.

Question 13.

Under existing Czechoslovak law, there is no objection to the cheque being typewritten—apart from the necessary signatures. It is not even necessary to make any express provision on this subject.

Question 14.

According to paragraph 21 of Law No. 84/1906, the person whose cheque has been lost may claim its amortisation before a commercial court. The provisions as to the procedure for the amortisation of bills of exchange (at present paragraphs 73-75 of the Bills of Exchange, etc., Law, No. 1, 1928 of the *Collection of Laws and Decrees*) apply to the procedure for the amortisation of cheques, except that the time-limit is fixed at thirty days in the summons. At the beginning of the proceedings for amortisation, the court may, at the request of the petitioner, forbid the drawee—as a provisional measure—to pay the cheque (paragraphs 389-400 of the Rules of Application). The payment of a cheque in spite of such prohibition is null and void as far as the petitioner is concerned.

With regard to procedure, the Decree of August 31st, 1915, No. 257 of the *Collection of Laws of the Empire* on the amortisation of documents, applies.

Law LVIII/1908 lays down, with regard to the loss of cheques (paragraph 20):

“ The owner of a lost cheque may petition for its amortisation before the proper court of the place of payment.

“ The petitioner must submit a copy of the cheque or at any rate indicate its essential contents and prove that he formerly had it in his possession. If the court is of opinion that the data given are sufficient, it forbids the drawee to make payment and summons the holder of the cheque to put forward his claim within thirty days and present the cheque.

“ The time-limit of thirty days begins to run as from the day following the date on which the above-mentioned summons was for the first time published in the official journal of the country.

“ The court may also prohibit payment without obtaining proof of previous possession, provided the petitioner pays into court a deposit, the amount of which the court itself decides. In this case, when forbidding payment, the court fixes the limit-time within which proof of previous possession must be brought forward as additional evidence; if the time-limit has elapsed without such proof being given, the court annuls the prohibition pronounced on behalf of the petitioner.

“ Payment of the cheque in spite of the prohibition is held to be null and void as far as the petitioner is concerned.

“ *Paragraph 21:*

“ If, after proceedings for amortisation have been begun, the owner of the cheque proves that in conformity with paragraph 17 the cheque has been presented for payment within the prescribed time-limit and has not been honoured, he may exercise a right of recourse against the drawer. He may, however, only claim for payment if he pays a deposit into court, to remain in the keeping of the court until the end of the amortisation proceedings. If he does not pay money into court, the owner may merely request that the drawer shall deposit the sum in question with the clerk of the court.

“ If, after the publication of the summons, no holder of the cheque comes forward, the court declares that the cheque has lapsed. But if a holder presents the cheque within the prescribed time-limit, the court discontinues the amortisation proceedings, and calls upon the petitioner, after withdrawing the prohibition on his behalf, to take legal steps to uphold his right of ownership as against the holder of the cheque.”

Question 15.

“ Conflicts between transmission clauses ” probably means cases in which the cheque, as drafted, might be transferred to a new holder in several ways, for instance when it is made out to a person mentioned by name and is also made out “ to bearer ”.

In this connection, it is sufficient to refer to the provisions of paragraph 3, section 3, of Law No. 84/1906, to the effect that a cheque which contains the bearer stipulation, in addition to the name of the person on whose behalf it is drawn, is regarded as a bearer cheque. Paragraph 3, section 3, of Law LVIII/1908 contains the same provision.

Article 4, paragraph 3, of the draft of the Committee of Experts is in keeping with these provisions.

Question 16.

According to paragraph 4 of law No. 84/1906, the only places which may be indicated on the cheque as place of payment are the places in which the drawee possesses a business establishment (or branch thereof) or the place in which the clearing-house of which he is a member is situated. If the place of payment is not mentioned, or the place of payment indicated does not correspond with the conditions mentioned above, the cheque must be regarded as payable in the place where the establishment indicated as drawee has its head office, or else the place where the firm or person designated as drawee has its or his principal establishment.

Existing Czechoslovak law does not recognise domiciled cheques in the strict sense of the term. If provisions concerning the domiciliation of cheques are embodied in the Uniform Law, the text should adhere to the principle laid down in Article 7, paragraph 2, of the draft of the

Question 17.

Law No. 84/1906 does not recognise *duplicata*.

According to paragraph 22, No. 11, of Law LVIII/1908, the provisions laid down for bills of exchange in duplicates (at present paragraphs 66-69 of the Bills of Exchange, etc., Law No. 1/1928 of the *Collection of Laws and Decrees*) also apply to multiple copies of cheques, except as regards the acceptor and acceptance.

In the observations put forward in 1929, the Czechoslovak Government stated that it was opposed to Articles 24 and 25 of the draft of the Committee of Experts, which admit multiple copies. If, in spite of this, the Conference decides to maintain these articles, it should also decide that cheques made out to order, if drawn up in more copies than one, cannot be transferred by endorsement in blank. It would be necessary, moreover, to adapt Article 24 to Article 64 of the Uniform Law on Bills of Exchange.

Question 18.

According to paragraph 18 of Law No. 84/1906, rights of recourse against the drawer and previous holders lapse in three months' time if the cheque is payable in Europe, and in six months' time in other cases. The period of limitation begins to run against the holder of the cheque from the day on which protest is made, or the day on which one of the other proofs of presentation or transfer referred to in paragraph 16 has been duly furnished. But this period only runs against the endorser, if he has paid the cheque before the action is brought, as from the date of payment, and from the date on which the petition was filed in all other cases. According to paragraph 20, No. 5, the provisions laid down for bills of exchange with regard to the interruption of limitation in respect of recourse (at present paragraph 83 of the Bills of Exchange, etc., Law No. 1/1928 of the *Collection of Laws and Decrees*) also apply to cheques, with the additional provision that the presentation on bankruptcy of claims in connection with cheques has the same effect as the filing of a petition.

According to paragraph 19 of Law LVIII/1908, the right of recourse lapses:

- (1) After three months, if the cheque is payable in Europe, excluding Iceland and the Faroe Islands;
- (2) After six months, if the cheque is payable in Iceland or in any of the Faroe Islands, or in any other country outside Europe.

The period of limitation begins to run as against the holder of the cheque on the day after the first working day following that on which the time-limit for presentation expired; against the endorser, if he has paid before the action is filed against him, on the day after the day of payment; in all other cases, the day after the day on which the petition is filed.

Apart from that, the limitation of recourse is regulated according to paragraph 22, No. 15, of the aforesaid Law No. LVIII, by the provisions which apply to bills of exchange.

The Czechoslovak Government does not submit any proposal in this connection.

Question 19.

According to paragraph 15 of Law No. 84/1906, an endorser who has added to the endorsement the words "without guarantee" "*sine obligo*", or any other reservations of the same order, is released from his liability arising from endorsement.

Paragraph 16, section 2, of Law LVIII/1908 contains a similar provision.

The Czechoslovak Government recommends that this principle should be embodied in the uniform law on cheques.

Question 20.

The omission of the date on a cheque, or the inscription of a wrong date, may involve a fine, according to paragraph 25, No. 5, of Law No. 84/1906.

Similarly, paragraph 25, No. 2, of Law LVIII/1908 provides that any person who intentionally omits to date a cheque drawn by him, or who intentionally inserts a wrong date, shall be punished with a fine representing two per cent of the amount of the cheque, and not less than 100 crowns.

The post-dating of a cheque does not, according to Czechoslovak law, have any influence on the validity of the cheque, and the Government of the Czechoslovak Republic agrees to Article 3, paragraph 3 of the draft of the Committee of Experts.

Question 21.

According to paragraph 8 of Law No. 84/1906, acceptance is not recognised in the case of cheques. Any mention of acceptance on a cheque is deemed to be unwritten.

Similarly, Law LVIII/1908 lays down, in paragraph 7, that acceptance added to a cheque is null according to cheque law, and cannot be regarded as acceptance either of a commercial or of an ordinary bill. The question as to what meaning, if any, such an acceptance may have, has to be decided according to general provisions.

Existing Czechoslovak law does not recognise either certification or visa.

The Government of the Czechoslovak Republic accepts the provisions of Article 11, paragraph 2, of the draft of the Committee of Experts, and does not recommend the admission of certification and visa in the uniform law on cheques.

II. OTHER OBSERVATIONS WITH REGARD TO THE COMMITTEE OF EXPERTS' DRAFT.

The Government of the Czechoslovak Republic hopes that the Conference on Cheque Law will take up the same attitude as was adopted by the Conference at its meeting held at Geneva in May and June this year concerning bills of exchange law, and that, consequently, it will prepare a Convention which obliges the contracting parties to promulgate in their territory a uniform law on cheques, this forming Annex I to the above-mentioned Convention. Naturally, therefore, it will be necessary to exclude from the text of the uniform law on cheques some of the provisions which the Committee of Experts has embodied in various articles of its draft, and to set them out in the form of reservations in Annex II to the Convention.

Moreover, the texts adopted for cheques should be carefully harmonised with those already adopted for bills of exchange. In particular, it will be necessary to revise the quotations from articles of the uniform law on bills of exchange, to which the uniform law on cheques refers.

In this connection it may be well to point out:

With regard to Article 1, in its 1929 reply the Government of the Czechoslovak Republic proposed an amendment to Article 1, No. 1. A similar amendment was proposed for Article 1, No. 1, of the Regulation concerning Bills of Exchange and was accepted by the Conference. This amendment has not, however, been embodied in the final text of the act in question. The Conference has merely, in its report on the uniform law for bills of exchange, recognised as justified the opinion which, according to the Czechoslovak proposal, ought to have been expressed in the text itself.

In these circumstances, the Government of the Czechoslovak Republic does not insist on the proposal it made in 1929 with regard to Article 1, No. 1, of the Regulation concerning Cheques. It feels, however, that the opinion expressed in the report concerning Article 1 of the Uniform Law for Bills of Exchange should apply similarly to Article 1 of the Uniform Law for Cheques.

With regard to Article 21, the Government of the Czechoslovak Republic maintains the observations it made in 1929, according to which Article 21 ought to lay down that protest for non-payment, or similar proved circumstances as mentioned in Article 20 should be made at the latest on the first working day after presentation.

With regard to Article 22, in view of the provisions of Articles 48 and 49 of the Uniform Law for Bills of Exchange, in which the rate of interest is fixed at 6 per cent, the Czechoslovak Government does not maintain the objections it made in 1929 to the draft of the Committee of Experts.

With regard to the draft Convention, in view of the results achieved at the session of the Geneva Conference, the Government of the Czechoslovak Republic does not maintain its objections to Article 1, paragraph 2, and Article 3, paragraph 3.

Similarly, it does not maintain its objection to Article 10, for it recognises that, in relations with States which do not accept the provision to the effect that a cheque must always be payable at sight (Article 13 of the regulation) the suggested clause may have some practical value.

15. Great Britain.

Question 1.

The Bills of Exchange Act 1882 (Section 73) defines a cheque as " a bill of exchange drawn on a banker payable on demand ". Thus, from the point of view of the United Kingdom, a cheque is a special form of a bill of exchange with certain peculiar incidents of its own, and the distinctions between cheques and ordinary bills of exchange arise from the fact that the relationship of banker and customer subsists between the drawer and drawee of a cheque. The conception of a cheque drawn on some person who is not a banker must therefore be excluded so far as English law and banking practice are concerned.

Question 2.

English law leaves it to the parties to make their own arrangements as to the circumstances in which a customer may draw a cheque on his banker.

As a rule, a cheque is, by agreement, drawn against funds in the hands of a banker but, in other cases, it may be drawn in pursuance of an agreement for an overdraft, by which the banker, although not placed in funds, undertakes to honour cheques drawn on him by the customer up to a fixed amount. The banker is not under any obligation to honour a customer's cheque in circumstances other than those indicated above. If there is an agreement between the banker and the customer that cheques are only to be drawn against funds in the banker's hands, such funds must be available when the cheque is presented for payment.

Question 3.

This clause is never inserted in cheques drawn in the United Kingdom.

Question 4.

It follows from the definition of a cheque contained in Section 73 of the Bills of Exchange Act 1882 that a cheque must always be payable on demand. (See, however, answer to Question 20.)

Question 5.

In England, a cheque may be enforced by action against the drawer at any time within six years, unless the drawer can prove that he has been prejudiced by delay in presentation. The endorsers are, however, discharged from liability if a cheque is not presented for payment within a reasonable time.

It is provided by the Bills of Exchange Act 1882 (Section 74) that, in determining what is a reasonable time, regard shall be had to the nature of the instrument, the usage of trade and of bankers and the facts of the particular case. Although this rule may appear to be lacking in precision, it works well in practice.

It may be added that it is the custom of English bankers not to pay a cheque which has been in circulation for more than six months (or twelve months in the case of certain banks) without further instructions from the drawer. This custom has not been judicially recognised up to the present.

Question 6.

The drawer of a cheque is at liberty to countermand payment, and the banker on whom the cheque is drawn must give effect to such countermand (Section 75 of the Bills of Exchange Act 1882). Such countermand does not however affect the liability of the drawer of the cheque to a holder in due course.

This right of countermand serves a very useful purpose in cases where the owner of the cheque has been deprived of possession of the instrument by reason of loss or theft or any other cause.

A certain amount of difficulty is experienced where the countermand takes the form of a telegraphic or telephonic message which cannot readily be verified by the banker, but, apart from this, it does not give rise in practice either to inconvenience or to hardship, because it is a right which the drawer will not, from the very nature of the case, make use of, unless in very exceptional circumstances.

Question 7.

A crossed cheque can only be paid by the drawee banker to another banker.

Cheques may be crossed "generally"—*i.e.*, the banker to whom payment is to be made is not named in the crossing. Cheques may also be crossed "specially"—*i.e.*, the banker who is to receive payment is mentioned in the crossing, in which case payment can only be made to the named banker. Cheques may also be crossed with the addition of the words "not negotiable". The employment of this last mentioned crossing does not render the cheque non-transferable, but a person acquiring a cheque so crossed, takes it subject to any defect in the title of his predecessors. A cheque so crossed can therefore be endorsed, but the endorsement operates solely as an ordinary assignment.

In addition to the crossings referred to, all of which are sanctioned by the Bills of Exchange Act, 1882, a practice has grown up of recent years by which cheques are crossed with the addition of the words "account payee" to the crossing. This crossing is not recognised by the Bills of Exchange Act 1882, but it is well settled by judicial decisions that such a crossing does not render the cheque not negotiable or non-transferable, and that the effect of the words "account payee" is to fix the collecting banker with responsibility if he collects the proceeds of the cheque for anyone other than the payee named in the body of the cheque. If he does so, he is deemed to have acted negligently and loses the protection, hereafter mentioned, which the law affords to bankers collecting crossed cheques.

By Section 80 of the Bills of Exchange Act 1882, a banker paying a crossed cheque strictly in accordance with the crossing and in good faith and without negligence is relieved from all responsibility. Further Section 82 of the Act also protects a collecting banker who has collected the proceeds of a crossed cheque in good faith and without negligence for a customer who subsequently turns out to have either no title, or a defective title, to the cheque.

As regards cheques drawn *nur zur Verrechnung*, it may be pointed out that the results obtained by drawing a cheque in this way would appear in practice to be secured by the use of a crossing accompanied by the words "account payee", in accordance with the practice and law in the United Kingdom.

Question 8.

This question has already been dealt with in the answer to Question 5.

Question 9.

(a) The legal concept of *provision* (cover) is not known to English law. It may be added that the presentment of a cheque does not (except in Scotland) operate as an assignment to the drawee of any part of the funds in the bankers' hands against which it is drawn.

(b) There is no counterpart in the English legal system to the *action d'enrichissement*.

Question 10.

(a) In general, the risk of forgery falls on the paying banker. But there is one very important exception to this rule. By Section 60 of the Bills of Exchange Act 1882, bankers paying order cheques are relieved from the duty of verifying the endorsements on the cheque, though they must prove that the cheque in question was paid by them in good faith and in the ordinary course of business, and that the endorsement purported to be that of the payee—*i.e.*, that it was *prima facie* correct. A banker collecting an order cheque crossed generally or specially to himself with a forged endorsement will be protected if he satisfied the conditions laid down in Section 82 of the Bills of Exchange Act 1882 (see answer to Question 7).

(b) The question presumably refers to fraudulent alterations. If so, the general rule is the same as in the case of forgery, subject to this—that, if the alteration has been rendered possible by want of reasonable care on the part of the drawer when writing out the cheque, the loss will fall upon him and not on the banker on whom the cheque is drawn.

Question 11.

The drawee banker is bound to refuse partial payment of a cheque. Otherwise he would be acting in breach of his contract with his customer, and it is probable that in the majority of such cases a partial payment would be contrary to the rule of the English law of bankruptcy, which forbids a preference of a particular creditor to the detriment of the others.

Question 12.

A bill of exchange must be drawn with reference to a "sum certain in money" (Bills of Exchange Act, 1882, Section 3). A stipulation in the body of the cheque that payment should be made by another cheque would therefore render the instrument invalid. Section 9, 1 (d), however provides that the sum payable is a sum certain, although it is payable according to an indicated rate of exchange or according to a rate of exchange to be ascertained as directed by the bill.

Bills payable abroad are sometimes by agreement drawn for a sum "payable at the rate of exchange for sight drafts on London on the day of payment". Such bills are valid and would, in practice, often be paid by a cheque on a London bank.

Question 13.

Typewritten cheques are valid by English law but are discouraged by English bankers because typewriting is more easily capable of fraudulent alteration than handwriting.

Question 14.

The procedure of amortisation is not known in England. The Bills of Exchange Act 1882 contains certain provisions the object of which is to enable a holder of a cheque to enforce payment of a lost instrument, on giving security against claims which may be made thereafter on the bill by other persons (Sections 69 and 70 of the Bills of Exchange Act 1882).

Question 15.

This is a matter which does not appear to arise under English Law.

Question 16.

The only circumstances in which cheques are domiciled for payment are when cheques drawn on certain merchant bankers and non-clearing bankers in the City of London are presented for payment by other bankers; they are then accepted, payable at the office of the clearing agent of the drawee banker.

Question 17.

Inland cheques are never drawn in sets in England, but sometimes sight or demand drafts drawn by a London bank on a bank abroad, or *vice versa*, are so drawn.

Question 18.

(a) As against the drawer, all rights of action are barred when six years have elapsed from the date when notice of dishonour is received. But as for the most part the giving of notice of dishonour is excused in the case of cheques, time will run as a rule from the date of dishonour.

(b) The rule is the same as regards endorsers.

(c) The rules of the law in general relating to the revival of claims barred by lapse of time are also applicable to rights of action against the drawers or endorsers of cheques.

Question 19.

Ordinarily an endorser guarantees payment of the amount of the cheque to the holder, but by the use of appropriate words he may exclude his liability (Section 16 of the Bills of Exchange

Act, 1882). He is also discharged as already stated, by the failure of the holder to present the cheque for payment within a reasonable time (Section 74 of the Bills of Exchange Act, 1882).

Question 20.

Post-dated cheques are declared to be valid by Section 13 (2) of the Bills of Exchange Act. The drawee banker must not, however, pay such a cheque before the ostensible date it bears, for by doing so he would be disregarding the instructions of the drawer.

Post-dated cheques are disliked by bankers, but it is doubtful whether they would be prepared to agree to their prohibition under penalty. Such a penalty would be difficult to enforce if it were necessary to prove that the post-dating was intentional.

Question 21.

(a) It is the practice to accept cheques only in the circumstances described in the answer to Question 16 and such cheques are never negotiated after acceptance.

(b) The marking or certification of cheques is practically unknown in English banking practice. The only case in which cheques are marked by a drawee banker is when they reach the hands of a collecting banker too late for presentation through the clearing-house on the same day. Such marking is recognised by the custom of bankers as binding between the bankers concerned.

(c) The practice of writing a visa on sight bills is not known in the United Kingdom, but is occasionally met with on bills payable after sight.

16. Spain.

[*Translation.*]

Question 1.

The Spanish system is different (see Article 534 of the Commercial Code of 1885, which is still in force, and Article 623 of the preliminary draft of the New Commercial Code).

The system proposed in Article 5 of the resolutions of the second Hague Conference of 1912, which conforms to the remarks of the Hungarian Government, would appear preferable. It is apparently also adopted by the French legislation (see French Law of June 14th, 1865, Article 1).

Question 2.

According to Spanish law, before the issue of the cheque (Article 536 of the Code of 1885, Article 528 of the preliminary draft makes no change in the principle).

For France see Article 2 of the Law of June 14th, 1865, already quoted.

Question 3.

Spanish law is silent on this point.

Question 4.

This is so under Spanish law (Article 539 of the Code of 1885, Article 629 of the preliminary draft).

Similarly in France (Article 1, paragraph 3, of the Law of June 14th, 1865).

Question 5.

Under Articles 537 and 538 of the Code in force (Code of 1885) the time-limit is counted from the date of the cheque.

Under Article 639 of the preliminary draft the time-limit is counted from the date of the introduction of the cheque into Spain. This is the system under the Code of 1885 for bills at sight or at so many days after sight, drawn in foreign countries on Spanish markets, to be presented for payment or acceptance within forty days from their introduction into the Kingdom.

This system appears preferable, though it is less practical from the point of view of proof, since, under the present system, the date of issue of the cheque is always known, being on the cheque itself.

In any case, it appears to be very desirable to reckon from the date of the cheque, as under the French law (Law of June 14th, 1865, Article 5).

Question 6.

The French system (Article 12 of the Law of June 14th, 1865, as amended by the Law of August 26th, 1926) appears sound, and acceptable in case of loss or theft, but not in the case of

insolvency of the holder: see reasons given in Article 15 of the Draft Convention for the Settlement of Certain Conflicts of Laws in connection with Cheques.

Question 7.

Code of 1885, Article 541, and preliminary draft, Articles 632 and 633.

The system of the Spanish preliminary draft appears preferable to the system proposed, as also to the French system (last sentence of paragraph 1 of Article 8 of the Law of December 30th, 1911).

Question 8.

The drawer is liable except in the two cases specified in Article 537, paragraph 2, of the Code of 1885. Article 630, paragraph 2, of the preliminary draft adds a third case—viz., meeting of the creditors.

The wording of the French Law (Article 5, paragraph 2) appears more comprehensive: it relates to circumstances *subsequent* to the fixed period of time.

Question 9.

This question is no doubt difficult: it should be kept in mind in connection with the proposed unification. A solution might at any rate be attempted on the lines of giving priority to the holder in the case of bankruptcy of the drawer.

Question 10.

Apart from what may be applicable of the provisions with regard to bills of exchange in Article 69 of the Uniform Regulations, it does not appear easy to find a solution such as could be incorporated in the Convention. The only solution would appear to be a provision leaving the question to each country to settle by its own legislation.

Question 11.

The Code of 1885 has no explicit provision on the point. The preliminary draft deals with it in Article 628, paragraph 2, from which it may be inferred that payment cannot be refused in such case; this accords with the provision of the French Law of August 12th, 1926, Article 2, paragraph 2.

Question 12.

No provision is made for this case as regards cheques either in the Code or in the preliminary draft.

The French Law of August 28th, 1924, and Article 13 of the Law of August 12th, 1926, appear to cover the case.

Question 13.

Neither the Code of 1885 nor the preliminary draft have any explicit provision on the point in the articles dealing with cheques. There is a provision with regard to the date of the cheque in the second sub-paragraph of paragraph 6 of Article 1 of the French Law of June 14th, 1865, as amended by the Law of February 19th, 1874, which says that the date must be written in full (in words) and by the hand of the person drawing the cheque.

In practice, typewriters are used with a special arrangement which prevents (or renders difficult) forgeries and alterations, and with a special device which writes in the amount of the cheque in figures (in addition to the specification of it in words in the body of the cheque).

Question 14.

This is a matter for the legislation of the country in which the cheque is payable.

Question 15.

It should not be in the power of a third party to alter the form of transmission on which the drawer has decided. This would appear to be a matter for the legislation of the country in which the cheque is payable.

Question 16.

No explicit provision in the articles dealing with cheques.

Question 17.

The position in Spain is governed by Article 540 of the Code of 1885 (see also Article 629 of the preliminary draft).

Question 18.

Article 950 of the Code of 1885, which is reproduced in Article 185 of the preliminary draft.

Question 19.

Article 542 (in conjunction with Article 467) of the Code of 1885.
Articles 636 and 549 of the preliminary draft.

Question 20.

French law takes the view that no penalties should attach to failure to date a cheque properly, except from the point of view of taxation (Article 6, paragraph 1, of the Law already quoted). This solution appears admissible, and preferable to treating post-dated cheques as not being cheques but mere promises to pay.

Question 21.

There is no provision on the point in the Articles of either the Code of 1885 or the preliminary draft which deal with cheques.

There is an indirect reference to acceptance in Article 532 of the Code of 1885 which, in determining the liability and effect of promissory notes given by one firm to another, says: ". . . save in the case of acceptance which is reserved to . . . bills of exchange".

Article 539 says: "Cheques are payable by the drawee at the moment of presentation".

Article 639 of the preliminary draft says: "The drawer may not issue cheques payable otherwise than at sight".

The French law is similar (last paragraph of Article 1 of the Law already quoted).

The following observations are suggested by texts of the three Conventions concerning bills of exchange, and promissory notes, signed at Geneva on June 7th of this year, and the Spanish legislation on the subject.

A. GENERAL OBSERVATIONS.

1. The Conventions (regarding cheques) should also be three in number.
2. The headings should be similar to those of the Conventions on Bills of Exchange.
3. The titles and headings of the Uniform Law for Cheques (" Issue and Form of Cheques ", " Guarantee and Payment ", " Endorsement ", etc.) should be made into chapters and numbered as in the case of the Conventions on Bills of Exchange.

B. OBSERVATIONS ON THE DRAFT REGULATION CONCERNING CHEQUES.

Article 1 (2).

The word "*ordre*" in the French text might be replaced by "*mandat*" (Article 534 of the Spanish Commercial Code).¹

Article 2, Paragraph 3.

The words "*sans indication*" in the French text might be replaced by "*n'indiquant pas*", to conform with Article 3 of the Uniform Law for Bills of Exchange and Promissory Notes.¹

Article 5.

The provisions of this article are not in accordance with the Spanish system (Article 534 of the Commercial Code), and the remarks of the Hungarian Government (preparatory documents, page 74) seem to the point: see reply to point 1 of page 30 of document C.346.M.142.1930.II).

Article 7.

The changes made in the final draft of Articles 7 and 8 of the Uniform Law on Bills of Exchange must be considered preferable, as being more complete; the reference should therefore be to these articles *as thus drafted*.

Article 10 of the Uniform Law for Bills of Exchange did not appear in the draft, but in its present form, it would seem that its provisions regarding incomplete bills of exchange might also be made applicable to cheques.

¹ This will not affect the English text.

Article 8.

Is not in accordance with the Spanish system. Only cheques to order may be transferred by endorsement (Article 535 of the Commercial Code).

Article 9.

The text of Article 12, paragraph 3 of the Uniform Law on Bills of Exchange should be kept in view in the drafting of the third paragraph of this article.

The remark of the Danish, Finnish, Norwegian and Swedish Governments with regard to the word "place" (preparatory documents, page 75) appears to be well founded.

Article 10.

The new text of Article 12 to 18 of the draft Regulation concerning Bills of Exchange, which now appear as Articles 13 to 19 of the Uniform Law, should be taken into account, a reference of course being inserted to Articles 13 to 18 of the said Law.

Article 12.

Note that the articles to which this article refers are now Articles 31 and 32 of the Uniform Law on Bills of Exchange. The changes which the Conference accepted in the first paragraph of Article 29 of the draft (now Article 30 of the Uniform Law) and in the third paragraph of Article 31 of the draft (now Article 32 of the Uniform Law) should also be kept in view.

Article 14.

In accordance with the principle to which the remark of the Czechoslovak Government draws attention, the minimum period of presentation should be five days (Article 537 of the Commercial Code), the various countries being left free to increase the period, etc.

Article 18.

The principle embodied in Article 19 of the Hague resolutions has no doubt influenced the drafting of the articles of the preliminary draft of the new Commercial Code which deal with the subject.

Article 22.

The wording approved by the Conference in Article 48 (3) of the Uniform Law on Bills of Exchange (slightly modifying Article 47 of the draft regulation) might be adopted in this case.

Article 23.

A reference should be made to Articles 45 to 47 and 49 and 50 of the Uniform Law, with the changes introduced into the corresponding articles of the draft regulation (Articles 44 to 46 and 48 and 49) by the Conference, because, in each case, it preferred the new text.

Article 24.

The rule in Spain is different (Article 540 of the Commercial Code). Apart from this, the change in the wording of Article 63 of the draft regulation (now Article 64 of the Uniform Law) should be retained in this article, although it appears doubtful whether the new third paragraph can be accepted, except in so far as it related to cheques issued in one State and payable in another State or in another (oversea) part of the State in which they were issued.

Article 25.

The remark of the Danish, Finnish, Norwegian and Swedish Governments must be endorsed, if the system of certification proposed in Article 11 is approved.

Article 26.

The heading "Chapter X—Forgeries and Alterations" of Articles 68 and 69 of the draft regulation having been replaced by the heading "Chapter X—Alterations" in Article 69 of the Uniform Law approved by the Conference, the latter form ("Alterations") should be used here, with a reference to Article 69 of the Uniform Law.

Article 29.

Article 73 (a) of the draft regulation having become Article 74 of the Uniform Law, the reference should be to Articles 72, 73 and 74 of the latter.

C. OBSERVATIONS ON THE DRAFT ARTICLES OF A CONVENTION.

Article 1.

This article, which should be worded similarly to the corresponding article on bills of exchange and promissory notes, together with the usual articles in regard to signature, ratification, etc., might constitute, on the precedent of the other subjects dealt with, a convention in regard to stamp duties on cheques.

Article 3.

If the above proposal is accepted, the object of Article 2 will be to settle certain conflicts of laws in the case of cheques. It seems better to word it similarly to Article 2 of the Convention on Bills of Exchange and Promissory Notes (see the interesting communication by Professor M. Diena in document C.I.L.C.59 (proof), Geneva, June 21st, 1930, pages 30 and 31).

Article 4.

A third paragraph should be added similar to the (new) third paragraph of Article 3 of the Convention for the Settlement of Certain Conflicts of Laws in the case of Bills of Exchange and Promissory Notes (see report quoted, page 30, No. 195).

Article 6.

The wording of Article 4 of the Convention for the Settlement of Certain Conflicts of Laws in the case of Bills of Exchange and Promissory Notes (in so far as applicable to cheques) seems preferable.

Article 7.

The compromise wording of Article 6 of the Convention for the Settlement of Certain Conflicts of Laws in the case of Bills of Exchange and Promissory Notes might be followed.

Article 13.

This article embodies the principle accepted in the case of bills of exchange and promissory notes in Article 7 of the Convention above quoted: the wording of the latter might therefore be followed.

Article 15.

The words "in the case of the holder's bankruptcy" should be omitted, as in Article 9 of the Convention above quoted, for the reasons given by Professor Diena in document C.I.L.C.59 already quoted, pages 32 and 33, No. 203.

Article 16.

In Article 10 of the Draft of a Convention for the Settlement of Certain Conflicts of Laws in the case of Bills of Exchange and Promissory Notes (preparatory documents, pages 23 and 72), as also in Article 10 of the final Convention, reference is only made to the principles of international private law which the Convention embodies, whereas, in this Article 16, there is a reference to the draft regulation in addition.

On page 32 it is stated that the text reproduces Article 20 of the Hague Convention on Bills of Exchange and Promissory Notes, which is true (see preparatory documents, page 44).

But, in the observation appended to Article 10 of the Draft of a Convention for the Settlement of Certain Conflicts of Laws in the case of Bills of Exchange and Promissory Notes (see document quoted, page 23), it is said that Article 10 reproduces Article 20 of the Hague Convention of 1912; and yet the article, which has gone through into the final Convention in this form only alludes to the Convention.

[*Translation.*]

CHEQUES. — LEGISLATION IN FORCE: PROPOSED REVISION OF THE
COMMERCIAL CODE.

SPANISH COMMERCIAL CODE OF AUGUST 22nd, 1885 (Book II, Chapter II. — Second Part); ORDERS TO PAY,
KNOWN AS CHEQUES.

Article 534.

An order to pay, known in commerce by the name of cheque, is a document which enables the drawer to withdraw in his own favour or in favour of a third person the whole or part of the funds held at his disposal by the drawee.

Article 535.

An order to pay must certain:

- The name and signature of the drawer;
- The name and domicile of the drawee;
- The amount and the date of issue, which must be expressed in words;

and must state whether it is made out to bearer, in favour of a specified person, or to order; in the last case, it shall be transferable by endorsement.

Article 536.

An order to pay may be drawn on the same market or on another market, but the drawer must have previously deposited the necessary funds with the drawee.

Article 537.

The holder of an order to pay must present it for payment within five days of the date of issue, in the case of orders drawn on the same market and within eight days in the case of those drawn on some other market.

A holder who fails to present the cheque within this time loses his right of recourse against the endorsers, and shall also lose it against the drawer, if the funds held by the drawee are no longer available owing to the latter's suspension of payments or bankruptcy.

Article 538.

The time-limit of eight days fixed in the previous article for orders to pay drawn by one market on another shall be extended to twelve days from the date of issue in the case of orders drawn on foreign markets.

Article 539.

The order is payable by the drawee at the moment of presentment.
The person to whom it is paid shall state his name and the date of payment on the receipt.

Article 540.

Duplicate orders to pay may not be issued until the originals have first been cancelled after the expiration of the time allowed for presentment: the consent of the drawee must also be obtained.

Article 541.

The drawer or any legal holder of an order to pay shall have the right to specify that it shall be paid to a certain banker or company: this shall be done by crossing the order on its face and writing the name of the said bank or company or simply the words " and Co. " between the lines.

Payment wrongly made to some person other than the banker or company mentioned shall not relieve the drawee of liability.

Article 542.

The provisions laid down in the present Code concerning the joint liability of the drawer and endorsers, protests and the exercise of the right of recourse in respect of bills of exchange shall be applicable to orders to pay.

Article 543.

Bankers' or mercantile companies' orders to pay in current account, known by the name of " talones " (counterfoil cheques) shall be governed by the foregoing provisions in so far as they are applicable.

SPANISH COMMERCIAL CODE OF AUGUST 22nd, 1885; OTHER ARTICLES OF THE CODE REFERRED TO IN THE REPLIES TO THE QUESTIONNAIRE.

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Article 467.

The endorsers shall be jointly and severally liable for the value of the bill, if it is not accepted, and for its payment, including the costs of protest and re-exchange, if it is not paid at maturity, provided the formalities of presentment and protest have been carried out in the time and manner stipulated in the present Code.

The endorser's liability shall cease if, when transferring the bill, he inserts the clause " without liability ".

In such case, the endorser shall only be responsible as regards the identity of the transferer or his right to transfer or endorse the bill.

Article 474.

Bills drawn at sight or at a fixed period after sight in foreign countries on markets in Spanish territory, shall be presented for payment or acceptance within forty days of their introduction into Spain: and bills payable on a fixed date within the time stipulated therein.

.....

Article 532.

Drafts payable to order between merchants and promissory notes also payable to order, in respect of commercial transactions, shall involve the same obligations and have the same effects as bills of exchange, except as regards acceptance which is reserved to the latter.

Promissory notes which are not made out to order shall be regarded simply as promises to pay and shall be subject to the common or mercantile law according to their nature, except as otherwise provided in the following chapter.

.....

Article 950.

Actions arising out of bills of exchange shall be barred after three years reckoned from the date of maturity, whether they have been protested or not.

The same rule shall apply to drafts and commercial bills, cheques, " talones " (counterfoil cheques) and other exchange instruments, as well as to dividends, coupons and sinking fund payments on bonds issued in accordance with the present Code.

PRELIMINARY DRAFT OF THE NEW COMMERCIAL CODE (Book II, Chapter IX. — Second Part); CHEQUES.

Article 623.

A cheque is a mercantile document containing an order to pay the whole or part of the funds of the drawer held at his disposal by a third person.

Article 624.

A cheque may be drawn in favour of the drawer or of another person, on the same or on some other market.

Article 625.

A cheque may be made payable to a specified person, to order or to bearer: it may be left uncrossed or be crossed in the manner and for the purposes stipulated in Articles 632 and 633.

A cheque made out in favour of a specified person may not be converted into a cheque to order to bearer, nor vice versa, except as regards the provisions relating to crossing.

Article 626.

A cheque made out in favour of a specified person may be transferred by an ordinary transfer, a cheque made out to order by endorsement, and a cheque made out to bearer by simply handing it over.

Article 627.

A cheque must contain:

- The name and signature of the drawer;
- The name and domicile of the drawee;
- The amount, expressed in words and in figures;
- The date of issue, the day and month being expressed in words;

and must state whether it is to bearer, to order, or in favour of a specified person.

An instrument in which any of these requirements are wanting is invalid as a cheque, without prejudice, however, to the provisions of the common law in the matter.

Article 628.

No person may issue cheques without previously furnishing the drawee with available funds or obtaining the latter's permission to draw on account of some credit against which the amount of the cheque will be charged by the latter to the drawer.

If the funds available or the amount of the credit allowed to the drawer are smaller than the sum indicated in the cheque, the latter shall produce its full effects up to the amount of the funds or the credit in question.

Article 629.

The drawer may not issue cheques payable otherwise than at sight, nor duplicates until the originals have been cancelled after the expiration of the time allowed for presentment: the consent of the drawee must also be obtained.

Article 630.

The holder of a cheque shall require the drawee to pay it on presentment: the cheque must be presented within five days of the date of issue if it was drawn on the same market, within eight days if it was drawn on some other market in Spanish territory, or, it was drawn on a foreign market, within twelve days, reckoning from the date of its introduction into Spain.

A holder who fails to present a cheque within the proper time shall lose his right of recourse against the endorsers and against the drawer if the funds held by the drawee are no longer available owing to the latter's suspension of payments, bankruptcy or a meeting of his creditors.

Article 631.

The person to whom a cheque is paid shall state his name and the date of payment on the receipt, unless the cheque is made out to bearer.

Article 632.

The drawer and any holder shall have the right to cross the cheque.

If this is done by drawing two parallel lines diagonally across the face of the cheque and writing between them the words "and Co.", the crossing is a general one and the cheque may only be presented for payment by a banker or a mercantile company.

If the name of a specified banker or company is written between the two lines the crossing is a special one and payment must be made exclusively to the person or company mentioned.

Article 633.

A general crossing may be converted into a special crossing by any holder of the cheque, but a special crossing cannot be converted into a general crossing.

The holder is forbidden to efface the crossing or the name of the banker or company specified.

Payment wrongly made to some person other than the person mentioned in the crossing whether general or special shall not relieve the drawee of responsibility.

Article 634.

The drawer and holder of the cheque may prohibit cash payment by writing across the face of the cheque the words "payable in account" or some other similar expression.

Article 635.

The settlement of cheques by the clearing system shall be governed by the special provisions relating to this matter or by the statutes of the companies.

Article 636.

Cases not provided for in the foregoing articles shall be governed by the provisions relating to bills of exchange in so far as these are applicable.

PRELIMINARY DRAFT OF THE NEW COMMERCIAL CODE: OTHER ARTICLES REFERRED TO IN REPLIES
TO THE QUESTIONNAIRE.

Article 549.

The endorsers shall be jointly and severally liable for the value of the bill, if it is not accepted, and its payment, including the expense of protest and re-exchange, if it is not paid at maturity, provided the formalities of presentment and protest have been carried out in the time and manner stipulated in the present Code.

The endorser's liability shall cease if, when transferring the bill, he inserts the clause: "without liability".

In such case, the endorser shall only be responsible as regards the identity of the transferrer or his right to transfer or endorse the bill.

The insertion of the foregoing clause by a drawer who is also an endorser, in the case of bills drawn in accordance with No. 1 of Article 526, shall only relieve him of his responsibility as an endorser but not as a drawer.

Article 526.

The drawer may make out a bill of exchange:

1. To his own order.

17. Free City of Danzig.

[*Translation.*]

The German Cheque Law of March 11th, 1908 (published in the *Reichsgesetzblatt*, page 71), as amended by the Danzig Law of September 26th, 1930 (published in the *Danziger Gesetzblatt*, page 194), applies in the territory of the Free City of Danzig. The latter Law regulates post-dated cheques in the same way as the German Law of March 28th, 1930 (published in the *Reichsgesetzblatt* I, page 107). The Cheque Law of March 11th, 1908, is hereinafter referred to as "Sch. G." (*Scheckgesetz*).

The following are our views on the questions submitted by the Conference. Under (a) of each number we give the provisions of Danzig law and under (b) our point of view on the question.

Question 1.

(a) Under Section 2 Sch.G., cheques must only be drawn (apart from public institutions) on firms entered in the Commercial Register which carry on the business of banking. Furthermore, the obligation to use the forms prescribed by bank regulations is an effective guarantee that cheques drawn on persons other than bankers (and public institutions) will not be put into circulation.

(b) With a view to the security of cheque circulation, the drawing of cheques on persons not carrying on the profession of banking should be prohibited. But, for the same reason, the validity of a cheque should not be affected if it is nevertheless drawn on another person. Article 5, paragraph 1, of the Hague resolutions is therefore preferable.

Question 2.

(a) The *Guthabenklausel* of section 1, No. 2 Sch.G., is a purely formal requirement. The legal existence of a cheque is not conditional on the actual existence of cover.

(b) As the cheque is essentially a means of payment, the drawer should in principle be required to keep funds with the drawee. The validity of the cheque, however, must not be affected by absence of funds at the proper moment.

The moment at which funds should be available is the time of presentation.

Question 3.

(a) Under Section 1, No. 2, Sch.G., definite mention of cover is obligatory.

(b) The *Guthabenklausel* (compulsory mention of cover) is the stipulation that the amount of the cheque must be paid out of the drawer's funds. It is regarded as a formal requirement and does not imply that the drawer must have funds in the hands of the drawee. It could thus be

dispensed with, but should be retained, as it has proved useful and simplifies, in particular, criminal law procedure in the case of cheque frauds.

Question 4.

(a) Under Section 7, Sch.G., a cheque is payable on demand; if any other time of payment is mentioned, the cheque is null and void.

(b) A cheque should always be made out payable on demand. The provision in the Geneva Draft (Article 13, second sentence), that any contrary stipulation is deemed to be unwritten, facilitates circulation and is preferable to the Danzig regulation.

Question 5.

(a) Under Section 11, Sch.G., the time-limit for presenting inland cheques is ten days, and, in accordance with the Regulation of March 19th, 1908, from three weeks to three months for foreign cheques.

(b) Uniform regulation of time-limits for presentation is desirable. The general adoption of a uniform time-limit for the presentation of *inland* cheques is also perfectly feasible. Too short a time-limit should be avoided, as inland cheques are sometimes also sent abroad in payment. The ten days' time-limit of the Hague resolutions is therefore preferable.

It is hardly possible to adopt a uniform time-limit of presentation for cheques *drawn in one country on another country*. The regulation of this matter should, in accordance with Article 14, paragraph 3, of the Geneva draft, be left to the individual countries. In this connection, the law of the place of payment is, as stipulated in Article 14, paragraph 1, of the Geneva Draft, decisive.

Question 6.

(a) Under Section 13, paragraph 3, Sch.G., the countermanding of the order contained in a cheque is only operative after the time-limit of presentation has expired.

(b) In the interest of the security of cheque circulation, the *unrestricted* right of withdrawal should not be allowed. At the same time, however, this right of withdrawal should not be entirely *excluded*. Preference should be given to the stipulation suggested in Article 17 of the Hague resolutions, under which countermand of the order contained in a cheque shall only take effect after the expiration of the time for presenting it. This clear, simple and certain stipulation would be equally appropriate and applicable as a general international regulation. There would then be no necessity for the experts' recommendation that the question should be left to the States to decide.

Question 7.

(a) The crossed cheque is not known in Danzig law and practice. Only the *Verrechnungsscheck* (cheque only for collection) is recognised. This cheque is dealt with in Section 24, Sch.G.

(b) As crossed cheques are not known in Danzig, no view is expressed on the question whether it would be possible and desirable to combine in a single type both forms of cheque. We think, however, that such combination is not desirable, as it would conceivably weaken the effects of *both* forms or lead to a falling-off in their use. As the cheque only for collection has proved extremely useful in practice, States which use no other form must be allowed to continue to do so; it should preferably not be replaced in such countries by the crossed cheque.

Question 8.

(a) Under Section 15, 16 *et seq.*, Sch.G., the drawer is only liable if the cheque has been presented within the proper time-limit and if notification has been made of non-payment; otherwise he is only liable under Section 21, Sch.G. for inequitable gain.

(b) The rule that the drawer is not liable if the cheque is not duly presented within the prescribed period should be adhered to. This legal consequence clears up the situation promptly and therefore facilitates cheque circulation. An action for inequitable gain should be permitted when necessary.

Question 9.

(a) Danzig law does not deal with the case of the transfer of cover to the holder. A cheque does not give rise to any direct relations between the holder and the drawee.

(b) No opinion is therefore expressed on this point; compare also Article 19 of the Geneva draft.

Question 10.

(a) Under the usage of the Danzig courts the risk of forgery and alteration falls on the drawee, except where the drawer is at fault. When arranging terms of business, banks usually transfer the risk to the drawer, so far as this is legally permissible—*i.e.*, not contrary to public policy.

Exemption from liability in the case of fraud and gross negligence is, for example, contrary to public policy.

(b) Some such regulation as to the above would seem expedient but not essential.

Question 11.

(a) This question is not dealt with in the Danzig Cheque Law.

(b) The question as to whether and how far the drawee is bound to pay the cheque, depends on the terms on which the cheque account was opened—*i.e.*, on the mutual relations between the drawer and the drawee, and is, very properly, not dealt with in the regulation.

Question 12.

(a) No provision in the Danzig Cheque Law.

(b) This is a question to be regulated by bills of exchange law. In Article 41 of the "Uniform Law on Bills of Exchange" a clause, in addition to the stipulation for effective payment in foreign currency might be inserted for the purpose, under which payment by a cheque drawn on abroad is also permissible. If such a stipulation, however, is interpreted to mean that the drawee is not *obliged*, but only entitled, to pay the bill by means of a cheque, there is no need for regulating the question.

Question 13.

(a) No provision in the Danzig Cheque Law.

(b) There is no objection to type-written cheques. Naturally, the signature must be written by hand.

Question 14.

(a) Under Section 27, Sch.G., cheques which have been lost or destroyed are invalid by a procedure of amortisation.

(b) As this procedure is very long and complicated, it should not be laid down in the regulation itself. Article 15 of the Convention is approved of.

Question 15.

(a) No provision in the Danzig Cheque Law.

(b) In the case of conflicts between transmission clauses, the decisive clause should be that giving the greatest facilities for transfer. There is no justification for declaring a cheque invalid owing to conflicts between transmission clauses. No special provision in the regulation is called for.

Question 16.

(a) Under Section 5 of the Sch.G. any mention of domicile is deemed to be unwritten.

(b) The need for domiciled cheques (*cf.*, Article 1 (4) and Article 2 of the Geneva draft), does not arise in practice, nor under the "Uniform Law on Bills of Exchange".

Question 17.

(a) Duplicates are, under Section 9, Sch.G., admissible in the case of foreign cheques with specific beneficiaries.

(b) In view of the text of Article 64, paragraph 2, of the "Uniform Law on Bills of Exchange", the wording of Article 26 of the Hague resolutions is preferable.

Question 18.

(a) Section 20, Sch.G., makes a distinction between various periods of prescription.

(b) The uniform and simpler provision of Article 27 of the Geneva draft is approved.

Question 19.

(a) Section 15, paragraph 3, Sch.G., admits of the endorser being released from liability.

(b) It is recommended that the endorser should be able to disclaim liability (in accordance with Article 10 of the Geneva draft and Article 12 to 17 of the "Uniform Law on Bills of Exchange").

Question 20.

(a) The Danzig Law of September 26th, 1930, regulates post-dated cheques in the same way as the German Law of March 28th, 1930. Under these laws a post-dated cheque can be validly presented for payment before the nominal date of issue. This is a simple, straightforward and

effective way of combating the objectionable practice of issuing post-dated cheques. A similar provision should be included in the regulation—*cf.*, provision in Article 3, paragraph 2, of the Geneva draft.

Question 21.

(a) Under Section 10, Sch.G., a cheque cannot be accepted and any statement to that effect is deemed to be unwritten.

(b) This is similar to the provision of Article 11, paragraph 1, of the Geneva draft, which should be approved. As regards the stipulation in paragraph 2 of Article 11, we would refer to a criticism in Dr. James BREIT's Commentary of 1929 on the German Cheque Law (Note 22, *ad* Section 10, page 49), reading as follows:

“ This provision in the draft international regulation on cheques is really an abandonment of the principle of international codification: one of the most important sections in the whole of cheque law is still to remain subject to national regulation.”

18. Roumania.

[*Translation.*]

Question 1.

The draft law on Instruments of Credit, submitted to Parliament by the Roumanian Government (Point 1 of the Questionnaire on the future regulation of the cheque) constitutes a departure from existing legislation under which cheques may be drawn on any person whatsoever (Roumanian Commercial Code, Article 364) and introduces the system advocated in the Regulation framed by the League's committee of experts—namely, that cheques may only be drawn on bankers. This solution is consistent with the juridical nature of the cheque, which must not be considered as an instrument of credit but as a means of payment. It is also intended to assign the cheque to its proper functions and especially to obviate many of the existing drawbacks regarding payment and thus enhance its security. As the purpose of cheques is to dispense with cash payments and facilitate transfer and clearing-house transactions, the solution seems to us to meet the latter requirements also.

The Roumanian Government believes that individual States should remain free to decide in their own particular case what persons can be assimilated to bankers, although for special reasons Roumania does not permit such assimilation in her own territory, and the same principle is embodied in the above-mentioned draft law.

As regards the definition of a banker, since, as a result of the increasing frequency of international relations, banking operations are nowadays practically uniform in type and organisation, and in view of the heavy penalties provided in Article 5 of the regulation of the committee of legal experts, which are also considered essential for the future uniform code, it would be desirable to define banking so as to avoid the serious conflicts which might otherwise arise.

Question 2.

As the wider use of the cheque depends more particularly on the certainty the holder will feel of being paid on mere presentation, the Roumanian Government believes that the following provision should be made: A drawer may only issue cheques when he has cash funds (cover) available with the drawee or if—which comes to the same thing—before drawing the cheque, he has arranged with a banker to honour his cheques. This provision, which is included in the aforesaid Roumanian draft law, is closely connected with another, to which we shall refer again in connection with Point 9 of the Questionnaire. Under this provision, in order to obviate the possibility of the cheque's being countermanded, the covering funds become *ipso facto* the property of the holder, as soon as the cheque has been drawn, without any other formality, and cannot be claimed either by the drawer's creditors or those of the endorsers (the same system as that adopted in the French law of 1926).

This is the central point in cheque regulation and is the only system capable of removing the obstacles to the more widespread use of the cheque. A banker on whom a cheque has been drawn will no longer be taken unawares by presentations for payment nor the drawer be able to countermand a cheque, since he cannot dispose of property which is no longer his. Under this system the holder will have the right to sue the drawee direct, which he was unable to do under existing Roumanian, French and Italian legislation, where he could only take proceedings against the drawer and the endorsers after protest.

A provision requiring the existence of covering funds at the time of payment would not be suitable, as it would enable the drawer to withdraw the funds in the interval between issue and presentation.

Question 3.

The stipulation *Guthabenklausel*, as known in German, Austrian and Hungarian law, is not provided for in Roumanian legislation and is seldom used. In view of the obligation, which is also stipulated in the experts' regulation, that the drawer should have funds available in order to be able to issue cheques, the mention of this obligation on the instrument does not serve any purpose. Quite apart from such mention, the drawer's liability would remain the same, always provided that the preliminary condition of having cash funds available in order to be able to issue cheques is maintained. This, moreover, is the view which prevailed at the 1912 Hague Conference.

Question 4.

Roumanian legislation is equally familiar with cheques payable on demand and cheques payable after a certain period. Nevertheless, in order to advance the cause of international unification the draft law on Instruments of credit submitted to Parliament, which endeavours to embody the largest possible number of the provisions of the committee of experts, accepts the solution advocated by the latter that cheques may only be drawn at sight (adopted at The Hague). The Roumanian Government recommends this provision to the Conference, not merely because the system is recognised by practically all bodies of law, including those of Anglo-Saxon countries, but also, and more particularly, because it is the only one consistent with the principle that the cheque is an instrument which gives its holder the right to demand immediate payment. Were it otherwise, the drawer could have used another credit instrument, such as the bill of exchange, the feature of which is that it is payable after a certain lapse of time. A cheque payable after a certain period would thus encroach upon the domain of the bill of exchange.

Question 5.

Time-limits for presentation must be fixed so as to comply with the purpose of the cheque—viz., the making of prompt payments. Future international regulation should therefore be directed to this end, the more so as this principle forms a part of most foreign legislation, where periods of five to fifteen days are fixed. The standpoint taken in the Roumanian draft law, moreover, does not seriously differ from that found in the regulation drawn up by the experts' committee, which will form the basis for the discussions of the future conference. It lays down a period of ten days for a cheque payable in the place where it was drawn (instead of eight days as stipulated in Article 367 of the present Roumanian Commercial Code and of fifteen days when the payment is to be made in another part of Roumania).

The Roumanian Government further considers that the reservation in Article 14 of the draft regulation regarding the domestic legislation of each contracting State should be maintained, but that a uniform rule should be laid down as regards the time-limit for the presentation for cheques issued in one country and payable in another. The provision of the Roumanian draft law, fixing a time-limit of thirty days if the cheque is payable in Europe (or in the same continent) and sixty days if payable outside the continent, seems to the Roumanian Government to deserve consideration by the future Conference. The work done with regard to bills of exchange, the results of which the Roumanian Government is about to adopt, furnishes a happy precedent for this method of differentiating the domestic sphere of each State from the international. Only thus can conflicts of international law be avoided.

Question 6.

The reply to Question 6 of the Questionnaire is the natural corollary of that raised in Question 2, and the same answer should therefore be given. It was stated in that answer that, in the Roumanian Government's opinion, the most effective way of affording the cheque as a legal instrument of wide possibilities of development was to make it perfectly safe. Only when the holder is confident of being paid on demand will he accept such a form of payment. Hence the necessity for legislative measures to prevent the drawer countermanding the cheque.

It would be advisable to find a uniform provision to prevent a cheque being countermanded during the time-limit for presentation. The best solution is that advocated by the Roumanian Government in reply to Question 2—viz., that the mere fact of issuing a cheque should be taken as tantamount to transfer of the cover.

This provision should be amplified by penal clauses, at the discretion of the individual States.

It will be necessary to treat any other means of preventing payment, more particularly the practice of "stopping", in the same way as countermanding.

Accordingly, the formula used in the Roumanian draft law—viz., "Until the expiry of the period of presentation a drawer may neither countermand a cheque, nor stop payment, nor dispose in any other way of the amounts in the hands of the drawee"—seems to us worthy of consideration.

Cases of the bankruptcy of the holder and loss or theft of the instrument would, of course, be excepted.

In amplification of the idea that a cheque should not be liable to withdrawal, it would be advisable to provide for penalties being imposed on a dishonest drawee who, though holding a

sufficient amount of the drawer's funds, refuses to make payment. The Contracting States might well be recommended to introduce into their national legislation penalties for such parties, as well as for a drawer who, though no longer entitled to the cover, since it has become the property of the holder, objects to payment.

Question 7.

The crossed cheque is not recognised in the Roumanian Commercial Code. It is, nevertheless, used in practice, and the above-mentioned draft law accordingly regulates its use. Under this draft law, such a cheque is only payable to a banker. Two bankers are thus required, one of whom pays and the other receives. The holder of a crossed cheque is thus unable to exercise his rights, since he is compelled to use the intermediary of a banker in order to obtain payment. The purpose of this innovation is to ensure payment being made to the real beneficiary.

The Roumanian Government believes that there is no objection to the two types of cheque, crossed cheques and cheques "payable in account", being combined by permitting the words "payable in account" to be inserted on the crossed cheque.

Question 8.

The most equitable and most legitimate solution is to release the drawer and endorsers from all liability if the cheque has not been presented within the fixed period for payment. This follows naturally from the theory that the life of a cheque is limited and that persons who are liable as endorsers cannot be held so indefinitely, seeing that, as a result of the delay, the amount has become unavailable through the action of the drawee. This is the solution adopted both in the Roumanian Commercial Code (Article 368) and in the new draft law.

Question 9.

The most important effect of the transfer of cover to the holder is to give the latter the right of direct action against the drawee for payment of the amount of the cheque.

The holder of the instrument may take an action for inequitable gain whenever he is debarred from having recourse on the instrument against the drawer, since the issue of a cheque cannot be taken as implying a modification of the basic relation.

Question 10.

In the Roumanian Government's opinion, any risks of forgery and alteration should be borne by the drawee. This question is not regulated by the existing Roumanian law. In the draft law on Instruments of Credit submitted to Parliament, the above solution has been adopted. A drawee paying a cheque the amount of which has been altered or which bears a forged signature of the drawer may only apply to the drawer for payment where the latter is to blame or if the alteration and forgery are the fault of one of his employees. Any other agreement is null and void.

This solution is based on the argument that, since a banker—the only person legally entitled to pay cheques under the system advocated—benefits from the issue of cheques drawn on him, it is natural that, whenever an amount has been altered or a signature forged, payment shall be deemed to be one of the risks inherent in banking operations. This provision should be amplified by another. The drawee must be given the right to apply to the drawer for payment when the latter is to blame or when he is responsible for the alteration or forgery. In order to ensure that the effects of this provision should not be nullified by the insertion of contractual clauses on the cheque forms usually sent to customers, which would speedily develop into formal clauses relieving bankers of all liability, the Roumanian Government advocates the insertion in the future regulation of a provision declaring such clauses inoperative.

Question 11.

With a view to relieving endorsers from some, at least, of their liabilities, the Roumanian Government thinks that, where the drawee has not sufficient funds to pay a cheque entirely, he should nevertheless be compelled to make partial payment. This view is, moreover, consonant with that expressed in the replies to Questions 2 and 9. Since the cover in the drawee's hands, even though it be less than the amount of the cheque, does not belong to him, but as a result of the transmissive effect of issue has become the property of the holder, the drawee is obliged to hold it at the latter's disposal.

Question 12.

Roumanian law does not recognise the possibility of paying a bill of exchange by means of a cheque, and the Roumanian Government sees no need for laying down rules for such a special case. This had better be left to the parties concerned and thus brought under the general principles prevailing on this subject.

Question 13.

It is not essential to use the printed forms supplied by banks. Legislation does not require such adherence to formalities as formerly. If all the special requirements of the law are complied with, a cheque may even be typewritten, provided always that it bears the original signature of the drawer. A cheque, therefore, need not be made out entirely by the drawer.

Question 14.

The Roumanian Government believes that the procedure of amortisation in the case of loss or theft of a cheque should be left to the discretion of each State. Such procedure is too intimate a part of the internal organisation of States, both as regards the judicial organs which have to make the amortisation and as regards publicity, to be capable of unification without inconvenience.

The following are, briefly stated, the main features of the regulation advocated by the Roumanian draft law: Amortisation is made by the judiciary—*i.e.*, the President of the court of law of the place of payment. Before applying to the President of the court, the payee will notify the loss or theft to the drawer and drawee, and ask the latter to suspend payment. The President of the court issues a decree containing as exact as possible a description of the instrument, and calling upon the person in whose possession it is to deliver it to the registrar of the court. This decree fixes a fifteen day time-limit of presentation, after the expiry of which, if the holder make no objection, the instrument is cancelled. Under an amortisation decision, the claimant has a right to payment. The draft law provides for the invalidation of a payment made by the debtor after the decree issued by the President of the court at the request of the party concerned has been published. This procedure does not apply in the case of non-transferable cheque, since there is no risk of its being cashed by anyone other than the real payee.

In such case, the payee is entitled to ask the drawer for a duplicate.

Question 15.

The existing Roumanian Commercial Code, as well as the new draft law, provide for the possibility of a cheque being made out to order or to bearer.

Where a cheque is drawn both to the order of a certain person and to bearer, or contains an equivalent stipulation, the Roumanian Government thinks it should be taken as being payable to bearer; and this is the principle adopted in its new draft law.

Question 16.

A cheque may be domiciled in the same way as a bill of exchange; in such case, the provisions applying to the latter instrument should operate. This is a question regarding which existing Roumanian legislation admits of no doubt, and the new draft law also embodies this principle. There is no reason why the future Uniform Regulation should not adopt it also and Article 4 of the Uniform Law adopted at the 1930 Conference could also be extended to cheques.

Question 17.

Although duplicates of cheques are of less practical importance than those of bills of exchange, owing to the shorter validity of the former, the same provisions might nevertheless be inserted in the future Uniform Regulation as in the case of bills of exchange, with the exception of those referring to acceptance, which is inconsistent with the juridical nature of a cheque. The Roumanian Government considers that the provisions of Articles 24 and 25 of the regulation framed by the committee of legal experts might also be embodied in the future Uniform Law.

Question 18.

The Roumanian Government agrees to accept the provisions contained in the experts' draft.

Question 19.

Roumanian legislation recognises the principle of the joint liability of the endorsers and the drawer of a cheque. Should the cheque not be paid, the former become liable as debtors and recourse may be had against them.

The new draft law contains a clause to the same effect, thus adopting the provisions of the regulation of the legal experts. The Commercial Code, as well as the above-mentioned draft law, permits endorsers, however, to disclaim the liability contingent on endorsement by inserting the words "without guarantee" or "without liability".

The Roumanian Government believes, therefore, that the idea embodied in Article 14 of the draft Regulation on Bills of Exchange drawn up by the committee of Experts should be retained in the future Uniform Law; the same wording would also apply to cheques under Article 10 of the Regulation on Cheques.

Question 20.

The date of issue of a cheque is very important, particularly in deciding the period of validity

of the instrument, since the time-limit of presentation begins to run as from the date of issue. Penalties should therefore be provided in the case of post-dated cheques.

In the Roumanian Government's opinion, post-dated cheques should be declared null and void, and all contracting States should be strongly recommended to provide penalties for persons issuing a post-dated instrument.

Question 21.

The inexpediency of acceptance arises from the fact that the cheque is a means of payment and not an instrument of credit, and from the principle that it can only be issued at sight and only when the drawer has funds available with the drawee at the time of issue. Any acceptance endorsed on an instrument should be deemed non-existent.

At the same time, to make cheque circulation more secure and enable the holder to verify whether a cheque has been properly issued, the Roumanian Government believes that the future Uniform Law might well provide that a banker should be entitled to satisfy himself that cover exists. The Roumanian Government believes that such certification should imply a direct obligation on the drawee to pay; this would, moreover, be perfectly consistent with the recommendation made in reply to Question 2.

The objection raised at The Hague that certification would develop into a method of defrauding creditors in event of the drawer's bankruptcy seems to be unfounded, since bankruptcy laws afford creditors sufficient power to cancel payments made to their prejudice.

The visaing of cheques, on the other hand, seems to present greater risks.

19. Japan.

[*Translation.*]

Question 1.

It should be forbidden to draw cheques on persons who do not carry on the profession of banking. The Government recommends that paragraph 1 of Article 5 of the draft should be adopted with the reservation contained in paragraph 2 of the same article. (The Japanese Commercial Code does not lay down any special restriction as to the drawee of a cheque, but cheques drawn on persons other than bankers are little used.)

Question 2.

In the Government's opinion, the drawer should have funds in the hands of the drawee at the time of presentation of a cheque. Where this provision is not complied with, paragraph 2 of Article 3 of the draft should be applied. (Under the Commercial Code, Article 536, a drawer issuing a cheque without having funds or credit is liable to a fine of from 5 to 1,000 yen (civil fine).)

Question 3.

The mention of cover should preferably be prohibited and any such mention considered as unwritten. (The Commercial Code contains provisions to this effect.)

Question 4.

A cheque should always be payable on demand. The Government endorses the provisions of Article 13 of the draft. (Article 532 of the Commercial Code enacts that a cheque should be payable at sight.)

Question 5.

The Government considers that the time-limit for presentation should be fixed at ten days and that the reservation in Article 14, paragraph 3, of the draft should be maintained. (Article 533, paragraph 1, of the Commercial Code fixes a time-limit of ten days.)

Question 6.

The right to object to payment of a cheque should only be allowed after the expiry of the time-limit for presenting it. (Article 533, paragraph 1, *ad* II, of the Commercial Code contains such provisions.)

Question 7.

As regards the effects of a crossing, the Government thinks that Article 18 of the draft should be maintained. (This corresponds with the provisions of Article 535 of the Commercial Code.)

As regards the second part of the question, it holds that cheques *nur zur Verrechnung* should not be allowed.

Question 8.

It would be better to enact that the holder loses his rights of recourse against the drawer if he does not present the cheque within the fixed period of time, but that he is entitled to exercise his right of recourse for the amount of the inequitable gain. (Provisions to this effect are contained in Article 533, paragraph 2, and Article 444 of the Commercial Code.)

Question 9.

The Government thinks it advisable that "transfer of cover" should not be allowed.

Question 10.

The Government considers that the points raised in this question should be stipulated in the cheque contract or regulated by the general provisions of private law, and consequently prefers that the Uniform Regulation should not enact special provisions on these questions. (It is customary in Japan to settle these points in the contract between the bank and its customers.)

Question 11.

The Government thinks that, under the provisions of the Regulation on Cheques, the drawee is not obliged to pay the amount of the cheque.

It believes that the question as to whether the drawee is under an obligation to the drawer to pay the amount, does not come within the scope of cheque regulations.

Question 12.

The Government thinks that no rules should be prescribed for the case referred to in this question.

Question 13.

A typewritten cheque should be considered valid when it complies with all the necessary conditions. The Government considers, however, that it would not be expedient to lay down special rules in the Uniform Regulation.

Question 14.

It would be better not to make any provision in the Uniform Regulation for the procedure in case of loss or theft of a cheque, but, in settling conflicts of law on this point, to adopt provisions similar to those on Article 9 of the Convention for the Settlement of Certain Conflicts of Laws in connection with Bills of Exchange. (Under Article 57 of the Law regarding the execution of the Civil Code, an instrument may be cancelled by the procedure of a public order of the Court. Chapter 7 of the Code of Civil Procedure contains provisions regarding such procedure.)

Question 15.

Conflicts between transmission clauses might be settled on the basis of the following principles:

(a) A cheque which specifies the payee's name and contains the words "to bearer" is deemed to be payable to bearer. (See Article 4, paragraph 3, of the draft. Such provisions are found in Articles 537 and 449, *ad* II, of the Commercial Code.)

(b) A cheque which does not specify the payee is deemed to be payable to bearer. (See Article 4, paragraph 4, of the draft.)

(c) A cheque specifying the payee only is deemed to be payable to order. (See Article 8, paragraph 1, of the draft. The Commercial Code, Articles 537 and 455, makes similar enactments.)

(d) An endorsement on a bearer cheque is not valid as such, but is deemed to be a guarantee (by "aval") in favour of the drawer. (See Article 9, paragraph 4, of the draft.)

(e) When an endorser prohibits endorsement he gives no guarantee to persons to whom the cheque is subsequently endorsed. (See Article 10 of the draft. Articles 537 and 460 contain similar provisions.)

(f) An endorsement to bearer on a cheque which is transferable by endorsement is equivalent to an endorsement in blank. (See Article 12, paragraph 3, of the Uniform Law on Bills of Exchange.)

Question 16.

In the Government's opinion, the provisions of Article 4 of the Uniform Law on Bills of Exchange should not apply to the Uniform Regulation on Cheques.

Question 17.

The Government considers that duplicates should be allowed in the case of cheques drawn

in one country and payable in another or in an oversea dominion of the same country, except in the case of bearer cheques. (Japanese law does not allow duplicates of cheques.)

Question 18.

As regards prescription, Articles 27 and 28 of the draft might be adopted with the modification that the term of six months in paragraph 1 of Article 27 should be changed to one year. (Under Article 443 of the Commercial Code, the right of recourse against prior endorsers accorded to the bearer of a cheque or an endorser who has paid a cheque lapses after one year.)

Question 19.

The Government believes it might be well to enact that the endorser should be released from all liability when the cheque is not presented within the time-limit for presentation. (These are the provisions of Article 533, paragraph 2, and Article 444 of the Commercial Code.)

Question 20.

The provisions of Article 3, paragraph 2, of the draft might be adopted regarding the consequences ensuring from post-dated cheques. Post-dating, however, should not affect the validity of the cheque. (In Japan there is no law regarding post-dated cheques.)

Question 21.

As regards acceptance, certification and visa of cheques, the Government recommends that the reservation made in Article 11, paragraph 2, of the draft should be adopted.

20. Switzerland.

[*Translation.*]

Question 1.

Yes. The draft law revising the Code of Obligations, which is at present before the Swiss Parliament, gives an affirmative reply in Article 1077, laying down that cheques may only be drawn on firms which, as proved by the entry made in the Commercial Register, carry on the profession of banking. It should be pointed out that, under Article 5 of the League experts' draft, the contracting States are left free to determine what persons shall be deemed to be bankers or may in this respect be assimilated to bankers.

Question 2.

The distinction between time of presentation and time of payment would only be important if a cheque could be paid otherwise than at sight. But, as is clear from the reply to Question 4, the latter alternative is rejected. As a cheque must, therefore, always be payable on demand, the date of presentation and that of payment are the same as far as the existence of funds in the hands of the drawee is concerned. In other words, such funds must in any case be in the drawee's hands at the time of presentation of the cheque.

Question 3.

No.

Question 4.

Yes.

Question 5.

These time-limits should be twenty days in the case of cheques payable in the country of issue, forty days for cheques payable in another Continental country, and sixty days for cheques payable overseas.

Question 6.

In Article 16 of the experts' draft, mention should be made of the bankruptcy as well as of the death or incapacity of the drawer. Only in case of the cheque being lost should the drawer be authorised to countermand it during the time-limit for presentation.

Question 7.

Both types should be introduced. As regards their juridical consequences, we would refer to Articles 1086 to 1090 of the draft Law revising the Code of Obligations, worded as follows:

“ 1086. — The drawer, as well as any holder of a cheque, may, by drawing two transverse parallel lines from top to bottom, between which may be written the words ‘ bank ’ or ‘ and Company ’, or any abbreviation of the latter, prohibit the payment of the cheque otherwise than to a bank which is entered in the Commercial Register (ordinary crossing).

“ When the name of a bank is written between these lines, payment may only be made to the bank so specified (special crossing).

“ A crossing of this kind may neither be cancelled nor altered, but the holder of a cheque with an ordinary crossing may cross it with the name of a special bank.

“ Payment made contrary to such a crossing is effected at the risk and liability of the drawee.

“ The drawee is not bound to examine whether the crossing was made by a person duly authorised thereto.

“ 1087. — The drawer as well as any holder of a cheque, may, by writing transversely across the face of the cheque the words ‘ payable in account ’ or a similar expression, prohibit payment of the cheque in cash.

“ In such case the drawee may only meet the cheque by means of a book transfer.

“ Payment by means of a book transfer shall be deemed to be a valid payment for the purposes of the law.

“ The prohibition to pay cash may not be countermanded.

“ Failure to comply with this prohibition renders the drawee liable for the damages ensuing.

“ 1088. — The holder of a cheque payable in account is entitled to demand cash payment from the drawee and, should the latter not comply, to exercise his right of recourse, if the drawee is bankrupt, has suspended payment or has been distrained upon without result.

“ 1089. — The holder of a cheque payable in account may further exercise his right of recourse, if he finds that the drawee refuses to transfer the amount unconditionally, or if the clearing house of the place of payment declares that the cheque is not a valid discharge of the holder’s debts.

“ 1090. — The provisions regarding bills of exchange shall apply to cheques in so far as they are not inconsistent with the provisions of the present chapter.”

Question 8.

No. The right to take an action for inequitable gain against the drawer is reserved.

Question 9.

Article 1032 of the draft Law revising the Code of Obligations, dealing with bills of exchange, and under Article 1090 applicable also to cheques, contains a provision enacting that, in case of the drawer’s bankruptcy, the latter’s right to take civil action against the drawee for recovery of the funds is transferred to the holder of the bill of exchange. Strictly speaking, however, this question does not come within the sphere of cheque law and would therefore be better left outside international regulation.

Question 10.

The rule embodied in Article 1083 of the draft Law revising the Code of Obligations might well be adopted. This article reads as follows:

“ 1083. — The loss resulting from a false or counterfeit cheque shall be borne by the drawee unless the party mentioned in the instrument as drawer can be shown to be at fault; such fault on the part of the drawer shall consist, more particularly, in not having taken sufficient precautions to safeguard the cheque forms sent to him.”

Question 11.

No.

Question 12.

No. These rules seem to be unnecessary.

Question 13.

Should be permitted.

Question 14.

As in the case of bills of exchange, amortisation procedure should be regulated by the law of the country. The law of the place of payment will apply.

Question 15.

This no doubt refers chiefly to the meaning of an endorsement on a bearer cheque. Article 1079, paragraph 4, of the draft Law revising the Code of Obligations enacts that an endorsement on a bearer cheque makes the endorser liable under the terms of the provisions governing recourse in the case of bills of exchange and does not change the instrument into a cheque to order. Article 8, paragraph 1, of the experts' draft does not seem to settle this problem, so that a solution on the lines of the above-mentioned Article 1079, paragraph 4, of the Swiss draft might be adopted.

Question 16.

The domiciled cheque should be permitted and Article 7, paragraph 2, of the experts' draft sanctioned. It should be permissible to mention several places of payment.

Question 17.

We accept the provision contained in Article 24 of the experts' draft.

Question 18.

Article 27 of the experts' draft regulates periods of prescription on the same basis as the draft Law revising the Code of Obligations (Articles 1049 and 1090 combined). In the Swiss draft, however, the period of prescription for actions of recourse by the holder against the endorsers and drawer are taken to run from the date of protest, and this seems preferable.

Question 19.

We recommend that the international regulation should give this option, which has, moreover, been introduced into Swiss legislation. It seems doubtful, however, whether the experts' draft looks at the matter from the same standpoint, and its wording should be improved in this respect.

Question 20.

A post-dated cheque is nowadays considered valid, but is only operative as from the date shown as the date of issue. Failing an express provision, it may be assumed that the experts' draft shares this view.

Question 21.

A cheque should neither be presented for acceptance nor be accepted.
As regards certification and visa, no provisions need be enacted.

21. Netherlands.

[*Translation.*]

Question 1.

In the Netherlands it is customary to draw cheques not only on bankers, in the strict sense of the word, but also on:

1. Cashiers ("Associatie Kassa").
2. The Netherlands Post Office (postal cheque).
3. Various communes.
4. Certain stockbrokers.

Cheques may also be drawn on any other person. The Netherlands Government considers that the special character of the cheque is thus less a matter of who is the drawee than of the point regulated in Article 3 of the draft Regulation on Cheques.

If it should prove impossible to agree on abolishing the requirement that cheques may only be drawn on a banker, it would be necessary to retain the provision of Article 5 (a) of the draft Regulation on Cheques reserving the power to national legislation to determine what persons shall be deemed to be bankers or may in this respect be assimilated to bankers (*cf.* also Article 18, last paragraph).

Question 2.

The Netherlands Government considers that the reply to the first part of the question should be in the affirmative—*i.e.*, it agrees, in principle, to the regulation proposed in Article 3, paragraph 1. The wording of this article, however, is open to criticism, in so far as the "agreement" there

referred to might be thought to mean agreement regarding the drawing of a specific cheque and not to disposal of covering funds by means of cheques generally. For this reason, the Netherlands Government ventures to suggest the following wording for Article 3, paragraph 1, of the draft Regulation on Cheques:

“ A cheque must only be drawn on a person holding funds at the disposition of the drawer and in conformity with an agreement, express or implied, *according to which the drawer is entitled to dispose of the funds by cheque.*”

or, even better:

“ A cheque must only be drawn on a person holding funds which the drawer is entitled to dispose of by cheque.”

The Netherlands Government thinks that in any case, paragraph 2 of Article 3 should be retained.

In reply to the second part of the question, it thinks that funds should be in existence at the time of presentation for payment.

Question 3.

No. The presence of the word “ cheque ” on a cheque form is sufficient; any special clause would be superfluous.

Moreover, it excludes the drawing of a cheque for account of a third party.

Question 4.

Yes. A cheque has always been considered as a sight instrument and this is entirely consistent with its economic function. The Netherlands Government therefore considers that Article 13 should, in principle, be retained.

Question 5.

The Netherlands Government can, in principle, accede to the solution contained in Article 14 of the draft Regulation on Cheques; it ventures, however, to point out that paragraph 3 of the article is, in view of paragraph 1, superfluous. In its opinion, paragraph 5 should be inserted in a special annex, as in the case of the Uniform Law on Bills of Exchange.

Question 6.

The Netherlands Government is of opinion that national legislation should be left to deal with the whole question of withdrawal and not merely with the points referred to in (3) of the recommendation which follows Article 16 and in Article 20, paragraph 3 (b) of the draft Regulation on Cheques. Article 19 of the draft Regulation also leaves to national legislation the regulation of the holder's rights over the covering funds, a question which is connected with that of withdrawal. Clearly, therefore, both questions should be settled in the same way.

Question 7.

Primarily considered, crossing should be allowed. The Netherlands Government thinks that the consequences attaching to crossing should be the following: a general crossing merely gives the right to be credited on account, a special crossing denies the right to payment of any person other than the person mentioned. In view of the reply given to the first question, it should not be stipulated, either in the case of general or special crossing, that the person named must be a banker.

The reply to the first part of the question contains, by implication, the reply to the second part.

Question 8.

The Netherlands Government believes that there is no reason why cheques should in this instance be treated differently to bills of exchange. Article 15 of the reservations to the Uniform Law on Bills of Exchange grants each of the contracting parties freedom to decide that in the event of extinctive prescriptions (*déchéance*) or limitation of actions (*prescription*), proceedings may be taken in its territory against a drawer who has not provided cover (*provision*) for the bill or against a drawer or an endorser who has made inequitable gain. This is very like the Netherlands Law which, in Articles 108, 223 and 229 of the Commercial Code allows a similar right of action against the drawer of the instrument.

Question 9.

In view of the various views adopted in the different countries and of the close connection between Question 9 and Question 6, the Netherlands Government feels bound to reply to this Question in the same way as to Question 6—namely, that this is a matter for national legislation, as is also stated in Article 19 of the draft Regulation on Cheques.

Question 10.

The Netherlands Government thinks that, in this case also, it would be preferable to apply the regulation provided for bills of exchange in Articles 16 and 40, paragraph 3, of the Uniform Law. The risk would then fall on the drawer if the drawee has acted with all due care.

Question 11.

This question deals solely with the relation between the drawer and the drawee. The Netherlands Government thinks it impossible to lay down a rule which would cover all cases, seeing that the solution depends on the relations existing between the drawer and the drawee.

The relations between the drawee and the person presenting the cheque are regulated by Article 17, paragraph 2, of the draft Regulation on Cheques.

Question 12.

Yes. It would be well, therefore, to recognise the validity of a bill of exchange which stipulates that it is payable not in money, but by cheque. It is not easy, however, to discern a suitable place for such regulation. In the nature of things, it should be inserted in the Uniform Law for Bills of Exchange. It might be well to see whether this point could not be dealt with in an annex to the Convention on Bills of Exchange and Promissory Notes.

Question 13.

Typewritten cheques should be considered valid, but it is not clear why it should be necessary to make a regulation on this point when it does not occur in the Convention on Bills of Exchange and Promissory Notes.

Question 14.

The various bodies of law differ so widely on this point that a uniform regulation will not be readily attained. The Netherlands Government, therefore, would prefer a rule similar to that laid down in the Convention for the Settlement of Certain Conflicts of Laws in connection with Bills of Exchange and Promissory Notes.

Question 15.

According to Article 4, paragraph 3 of the draft Regulation on Cheques, a cheque which reads: "Pay to Mr. X. or to bearer" has the same legal affect as a cheque to bearer.

The draft Regulation on Cheques says nothing regarding the case of a cheque which reads: "Pay to Mr. X. or to his *order* or to bearer". This is another case in which the Uniform Law on Cheques should specify which clause is to be the decisive one. Up to the present, the best solution would seem to be the following:

"A cheque payable to a specified person or to his order, with the words: 'or to bearer', or any equivalent of the same is deemed to be payable to a specified person or his order."

Question 16.

In the opinion of the Netherlands Government domiciled cheques should be allowed, since they are a practical requirement. Subject to the remarks made under Question 1, the Government would suggest deleting paragraph 2 of Article 7. If this does not suit the majority, the provision of Article 5 (a) could, at any rate, be adopted here also, following the example of Article 18, last paragraph.

Question 17.

The Netherlands Government endorses the solution adopted in Article 24 of the draft Regulation on Cheques. It should be stipulated that the number of copies issued must be stated.

Question 18.

The Netherlands Government can endorse the rule laid down in Article 17 of the draft Regulation on Cheques taken along with Article 71 of the Uniform Law on Bills of Exchange. A provision corresponding to that in Article 17, Annex II, of the Convention on Bills of Exchange, should also be adopted in the Convention on the Uniform Legislation on Cheques.

Question 19.

The Netherlands Government agrees with the rule laid down in Article 10 of the draft Regulation on Cheques, taken along with Article 15 of the Convention on Bills of Exchange, but does not see why one regulation should be made for cheques and another for bills of exchange.

Question 20.

Post-dated cheques are in current use, and the Netherlands Government is therefore of opinion that a provision should be adopted on the subject in the Uniform Law on Cheques. The

Government approves the ruling given on this point in Article 3, paragraph 2, of the draft Regulation.

If Article 34, paragraph 2, of the Uniform Law on Bills of Exchange is declared applicable to cheques, post-dated cheques will be less frequently employed in future.

Question 21.

The Netherlands Government thinks that this point should be settled by the law of the country, and agrees with the provision in Article 11, paragraph 2, of the draft Regulation on Cheques.

OBSERVATIONS ON THE DRAFT REGULATION ON CHEQUES.

General Observations.

I. It may be thought unnecessary to take the following articles from the Uniform Law on Bills of Exchange and adopt them in the Regulation on Cheques. The Netherlands Government believes, however, that their adoption is desirable, as their omission might supply an argument *a contrario*.

The following are the articles referred to: Articles 3 (paragraph 3), 10, 19, 20, 34 (paragraph 2), 40 (paragraph 3), 41, 53 and 54.

II. The references in the draft Regulation on Cheques should be adapted to the numbering in the Uniform Law on Bills of Exchange.

The draft Regulation on Cheques should accordingly refer, in Article 7, to Articles 4, 6, 7, 8 of the Uniform Law on Cheques and Bills of Exchange; in Article 10, to Articles 13 to 18; in Article 12, to Articles 31 to 32; in Article 23, to Articles 45 to 47 and 49 and 50; in Article 26, to Article 7 to 69; in Article 28, to Article 71, and in Article 29, to Articles 72, 73, 74.

Special Observations.

Article 2, Paragraph 3.

In the corresponding Article 2 of the Uniform Law on Bills of Exchange, there is no provision containing the same idea as Article 2, paragraph 3. The Netherlands Government considers that the regulation made in the Uniform Law on Bills of Exchange is incomplete in this respect, and would therefore in principle be prepared to amplify the regulation. It thinks, however, that the method by which the draft Regulation on Cheques aims at solving the point in question is rather impracticable. The parties who fail to mention expressly the place of *payment* (when there is no place mentioned beside the name of the drawer) in the cheque probably do not intend the *place of issue* (*i.e.*, the place mentioned beside the name of the drawer) to become the *place of payment*. The parties' intention is better interpreted if, in the given case, the *domicile* of the drawee is deemed to be the place of payment. Paragraph 3 should then read as follows:

“A cheque which does not mention the place of payment is deemed to be payable at the domicile of the drawee.”

Article 3, Paragraph 1 (see reply to Question 2).

Article 3, Paragraph 2 (see reply to Question 20).

Article 4, Last Paragraph.

Article 3, paragraph 2, of the Uniform Law on Bills of Exchange provides that a bill of exchange may be drawn on the drawer himself.

From Article 4, last paragraph, of the draft Regulation on Cheques, the Netherlands Government infers that this is also possible in the case of cheques. It holds the view, however, that the drawer's capacity for drawing a cheque on himself should be expressly stipulated in Article 4 of the draft Regulation on Cheques.

Article 7, Paragraph 2 (see reply to Question 16).

Article 8.

The Netherlands Government cannot imagine that the provisions of Article 11, paragraph 3, of the Uniform Law on Bills of Exchange—except where the article refers to the drawee—can apply to cheques.

Article 9, Paragraph 3.

As regards an endorsement to bearer, Article 9, paragraph 3, of the draft Regulation on Cheques should be made to correspond with Article 12, paragraph 3, of the Uniform Law on Bills of Exchange. Consequently, paragraph 3 should be drafted as follows:

“An endorsement by the drawee is equally null and void.”

and immediately below, a new fourth paragraph should be inserted as follows:

“An endorsement to the bearer is equivalent to an endorsement in blank.”

Article 14, Paragraph 3 (see reply to Question 5).

Article 14, Paragraph 5 (see reply to Question 5).

Article 16.

The Netherlands Government thinks that Article 16 of the draft Regulation on Cheques should be deleted. It is incomprehensible that a provision which does not appear in the Uniform Law on Bills of Exchange should occur in the draft Regulation on Cheques. We should reflect on the conclusions which might be drawn from an argument *a contrario*.

Article 17.

Article 17 might be deleted and substituted by reference pure and simple to Article 39 of the Uniform Law on Bills of Exchange, as has been done in the case of Articles 28 and 29 of the draft Regulation on Cheques.

Article 18 (see reply to Question 7).

Article 21.

Practically considered, the rule embodied in Article 21 of the draft Regulation on Cheques does not differ much from that on bills of exchange at sight contained in the Uniform Law on Bills of Exchange (Article 44). For reasons of uniformity, however, it would be better to adopt, in the case of the cheque also, the regulation laid down in the Uniform Law on Bills of Exchange.

22. Turkey.

1. Article 610 of our Commercial Code, which is in accordance with the corresponding provisions of the Hague Regulations, lays down that cheques drawn on persons other than a banker are valid.

It is, however, suggested in the new draft that such cheques should be deprived of the characteristics and qualities inherent in cheques proper. In our opinion, it would be preferable to maintain the Turkish legislation in question.

2. In order to ensure payment of cheques, we recommend that the provisions in our Commercial Code regarding cover should remain in force, and that cover should in all cases be ready in the hands of the drawee at the time when the cheque is drawn, as the Turkish Code does not allow of cheques payable at a specified date.

3. Under Article 606 of our Commercial Code, it is not necessary to state explicitly on the cheque that the sum to be paid will be in all cases secured by cover in the hands of the drawee. Moreover, such an obligation would tend to increase the formalities to be fulfilled in order to ensure payment of the cheque.

We do not, therefore, think it desirable to adopt this proposal.

4. If cheques payable at a specified date were introduced, they might be more widely used in place of bills, which are subject to a higher tax than cheques in Turkey.

As that would reduce the State revenues, we should prefer to retain intact the provisions of Article 618 of our Code, which deal with this point.

5. The time-limit of one month provided in Article 621 of the Code for cheques payable in a place other than that in which they were drawn is barely sufficient for our needs, in view of climatic conditions and difficulties of communication in our country, and we could not, therefore, agree to its reduction.

6. In our view, if the drawer could, in certain cases, object to payment of the cheque, it would be difficult to bring cheques into general use, and we prefer, therefore, not to take up the suggestions to this effect.

23. International Chamber of Commerce.

[*Translation.*]

The International Chamber of Commerce made a number of reservations in regard to the experts' draft on cheques. These reservations have lost none of their force and will have to be examined and discussed when the Conference meets. They are, moreover, based on the International Chamber of Commerce's Regulation, and the volume of Preparatory Documents (Geneva, 1929) gives references for each question which has been thought important. The International Chamber of Commerce is now asked to study a questionnaire on twenty-one main points, in regard to which various countries and organisations have sent the International Chamber of Commerce information and observations. It appeared essential, accordingly, to reply, however briefly,

to the questions asked, taking, of course, the discussions held at, and the instructions previously given to, the International Chamber of Commerce as a basis.

Question 1.

It seems to be generally admitted that a cheque can, in principle, only be drawn on a banker. But how can this obligation be realised in practice? Owing to the possibility of international difficulties, Norway would prefer that no such rule should be laid down, unless it is very clearly developed. There is a general desire to limit and define at the same time those parties on whom cheques can be drawn. If it is asserted that a cheque can only be drawn on a banker, should we not then define the term "banker"—not an easy thing to define, as there is no uniform conception in all countries of the profession of banking. Can a definition be found for "banker" that will be universally applicable? It would seem rather difficult.

Furthermore, will there not be a tendency almost everywhere to assimilate—as France, for instance, does—certain officials to bankers (treasury officials, stock-brokers, perhaps even notaries, valuers and certain ministerial officials)?

In a uniform law it would be advisable to state that, in principle, a cheque can only be drawn on bankers—*i.e.*, on persons actually engaged in the banking profession—and on certain specific officials also. Each country would thus have to draw up a list of those on whom cheques may be drawn, but it would seem dangerous to say forthwith who such parties are.

A request has been made that the word "cheque" should be compulsorily inserted in the body of the instrument in the language of the country where it is issued. The International Chamber of Commerce does not consider this essential.

Question 2.

There seems to be general agreement as to the necessity for the existence of funds *when the cheque is issued*. There is, however, some slight uncertainty as to the nature of such funds. Should they be liquid or payable on demand? It is not quite the same thing. "Payable on demand" would seem preferable, as it would promote the wider use of cheques, by recognising that the opening of credit would constitute cover for a cheque.

Although it may not at first sight be evident, the distinction is nevertheless important. It may happen that a banker gives a drawer credit, in which circumstances liability for payment is no longer the same as liquid funds.

Question 3.

In principle, the various answers received agree that compulsory mention of cover on a cheque is unnecessary.

Question 4.

It is generally agreed that a cheque should be payable on demand only. It should, however, not be forgotten that this question is closely connected with that of post-dating. If the latter is recognised, it will, perhaps, logically follow that a cheque may not be payable on demand, although in practice the cheque may be post-dated. It might perhaps be well to state that a cheque should always be payable on demand and to rule that, before the date of issue, it can neither be negotiated nor produce any effect.

Question 5.

The general sentiment, as expressed more particularly by Czechoslovakia, is that the regular time-limits for presentation of cheques should be unified. In some communications received, reference is made to the Polish Law. Norway, again, desires that the domicile of the holder should be taken into account, which does not seem practicable, for, unless a cheque is made out in favour of a specific individual, the holder is unknown. One case referred to by Norway is where the holder would be specified. This would seem to come under the ordinary case of the person specified.

It would obviously be useful to fix time-limits for the normal presentation of a cheque for payment, regard being had, however, to transport difficulties in the various countries and an average period being adopted.

Question 6.

On this point there are three tendencies:

- (a) Absolutely restrictive, which seems to be the proper one and was that advocated by the International Chamber of Commerce;
- (b) The much more tolerant tendency—as manifested, for example, by Czechoslovakia and Italy—based on the fear of forgery, which might always be invoked;
- (c) The quite unrestricted tendency (Norway), which, however, admits the principle that, during the usual time-limit for cashing the cheque, no objection to payment can be made.

We have received a suggestion raising, and rightly so, we think, the question of *theft*, but making no reference to the case of a bankrupt holder (French Commercial Code, Article 149).

The drawer should, it seems, not be entitled to countermand a cheque except in the case of loss or theft. The International Chamber of Commerce has always believed that payment by cheque should be assimilated as far as possible to payment by cash.

Question 7.

The replies on this point are conflicting. The Italian view, which is very clearly defined, resembles most closely the International Chamber of Commerce's proposal.

In principle, the International Chamber of Commerce believes that the crossed cheque should be recognised, and it might here be observed that the crossed cheque, which works very satisfactorily in France, is subject, in principle, to the same rules as the crossed cheque used in England and the United States—that is, in the Anglo-Saxon countries. Seeing, therefore, that crossed cheques give general satisfaction and correspond to the customs prevalent in Anglo-Saxon countries, would a departure from the unification which already exists among so many cheque-users be advisable?

On the other hand, there would seem to be no objection to allowing the stipulation "only for collection" to be inserted between the two lines thus combining very advantageously the two systems.

Question 8.

The International Chamber of Commerce thinks that the Czechoslovak and Norwegian replies are very important. In its opinion, Italy goes rather too far in adding "until the expiry of the period of prescription". After the authorised time-limit for presentation, a drawer is liable for his debt, but not in the form of a cheque.

One suggestion refers to the Chinese Code, which might be consulted.

Question 9.

Italy has devoted special attention to this question and is going into the subject of covering funds divided among the various holders of cheques.

Norway supplies observations as to the connection between the claim and the cheque.

On the basis of a suggestion received, the International Chamber of Commerce believes that difficulties may arise if it is admitted that the cover becomes property in case of bankruptcy. It is of opinion that, in the case of bankruptcy, there is no ownership, but a kind of lien on the sum or sums constituting the cover.

During the time-limit of presentation (eight or ten days), who loses the cover? Is it the drawer or the holder? If there has been no transfer of ownership, the drawer bears the loss. The holder, who has never had the ownership of the cover, has, strictly speaking, no title to claim on the basis of the right of ownership; but it would seem that he should, as Belgium suggests, have a lien on the specific amounts making up the cover as it existed during the time-limit of presentation.

Question 10.

This is a question of fact, and the person at fault should be held liable.

The question of the risks of forgery and alteration cannot be settled on hard and fast lines, as it is the question of fact which predominates:

- (a) The carelessness of the holder of a cheque-book;
- (b) A forgery so clumsy that the bank cannot fail to detect it;
- (c) An obvious alteration.

If no fault can be attributed to the drawee who paid the cheque, the loss should be borne by the drawer. On the basis of the various replies received, the courts should deal with each case on its merits and consider how to apportion the risks. The matter reduces itself to the decision of specific cases.

Question 11.

It is essential to provide that the drawee may not refuse partial payment of a cheque. The rule that no one should be compelled to accept partial payment cannot be applied here, since there may be parties interested in having partial payment accepted: endorser, surety, etc.

This question is connected with that of novation, which has not been raised. The International Chamber of Commerce maintains that third parties are interested in the maximum payment being made and the drawee should be held liable to pay up to the amount of the covering funds.

Question 12.

French law provides for such a case (Law of August 28th, 1924, in connection with Article 162 of the Civil Code) and it might be useful to take the rules there laid down as a basis for discussion. It is, however, certain that they should vary in accordance with the rules of the different countries regarding protests.

Question 13.

At the present day, objection can scarcely be taken to the typewritten cheque. Certain replies recommend the use of perforating type machines specially made for the purpose. Such details might in practice be modified with scientific progress. When cheques are typewritten, every precaution should be taken to safeguard cheque-users.

Question 14.

Amortisation is exhaustively provided for in Italian law, and the International Chamber of Commerce believes that Italian legislation, on the one hand, and the French law on the loss of bearer instruments, on the other hand, should be taken as the basis of amortisation procedure.

Question 15.

This is a question which cannot be treated elsewhere than at the Conference.

A suggestion has, however, been made to the effect that, if in the wording of a cheque there is a contradiction as regards mode of transmission—if it is stipulated, for example, “ Pay to bearer or to the order of M. . . . ”, the holder of the cheque should have the right to choose between the two modes of transmission that which suits him best. The International Chamber of Commerce considers that the choice should not be left to the holder of the cheque. In such a case as the above, the rule should be to adopt the most liberal interpretation and, accordingly, payment should be made to the bearer, as the stipulation “ to bearer ” is more comprehensive than the stipulation to a given person.

Question 16.

The principle of the domiciled cheque, as it exists in French law, should be maintained.

It has been suggested that it should be possible for a cheque to contain a stipulation regarding domicile, because, otherwise, cheques drawn on private persons could not be passed through the clearing houses. This remark is taken from M. Bouteron's book *The Cheque*. The International Chamber of Commerce would observe that Point No. 1 very properly provides that the drawee should be a person with special qualifications—banker, etc. In such case, the above argument hardly applies. The International Chamber of Commerce, nevertheless, considers that any cheque may be domiciled, and, in practice, the domiciliation of cheques is a very frequent occurrence.

Question 17.

This seems to be inconsistent with the nature of the cheque, which is *merely an instrument for the withdrawal of funds*.

If it were decided to maintain the practice, bills of exchange rules could not be applied, as there is no acceptance.

Multiple copies, moreover, facilitate fraud and make it possible to discount cheques, which is inconsistent with the general wish. If duplicates were to be sanctioned, the inevitable result would be to transform the cheque into a bill of exchange and to furnish it with all the guarantees of bills of exchange, which is precisely the thing we desire to avoid.

Question 18.

It seems essential to deal by legislation with the question whether limitation of actions under ordinary law outlasts the special limitation enacted for the cheque. Similarly, the various national law should have uniform regulations as to the period of limitation. This has always been advocated by the International Chamber of Commerce. Should there be a different rule for cheques in a civil case and a commercial case? The International Chamber of Commerce, in support of unification, considers that limitation of actions should be the same in civil as in commercial cases.

Various suggestions are made as to the form in which limitation should be indicated—for example:

“ The holders right of action against the drawer or against an endorser should be barred six months from the date of the issue of the cheque.”

A cheque in regard to which action was barred under the above conditions would be valueless as an instrument and could only serve as evidence or as an indication of obligation, the value of which would have to be decided by the Court.

The opinion of the International Chamber of Commerce does not seem favourable to an oath being taken in respect of this question. There was also a suggestion “ that actions should be barred five years after the date of issue of the cheque, more particularly actions against guarantors ”. The International Chamber of Commerce points out that in such case the only person remaining bound would be the drawee.

Question 19.

In principle, it would seem difficult not to agree to an endorser specially stipulating for release from liability, but from a practical standpoint the International Chamber of Commerce thinks that this would be inadvisable.

Question 20.

This question has been discussed at great length by members of the International Chamber of Commerce, and the replies are not all unanimous. In practice, post-dating of cheques has a certain importance, provided, of course, as we have said above, that the instrument is only valid on the date of issue. Is it possible, however, to prevent the issuer of a cheque negotiating the instrument before the date of issue? It is quite certain that he could, in practice, discount his cheque before the date of issue if he makes out post-dated cheques. We have thus to deal with a real instrument of credit, which is what we want to avoid. The International Chamber of Commerce has always taken the view that a cheque should not be negotiable before the date of issue—*i.e.*, if it is post-dated and handed to a holder before issue, no use whatever may be made of such a cheque, which is only valid as from the day of issue.

Question 21.

It would be an anomaly for a cheque to be accepted. It would also be very dangerous to agree to certification. Take the case of a cheque certified by an important credit institution of the highest standing. Such a cheque would become a banknote, there being no question of the drawer's credit, seeing that it is guaranteed by the banking institution.

Again, would it not be dangerous to accept the visa—*i.e.*, a statement to the effect that the cheque has been presented? Would this not be interfering with protest? Visas cost nothing and the protest would be replaced by a simple visa, a risky procedure, seeing that certain rights of recourse would be lost in view of the time-limits of protest not having been observed.

It has been suggested that the words "cheque to be visaed", or an equivalent expression, should be inserted in the body of the cheque. This is tantamount to saying that the cheque would only be payable after a certain minimum period necessary for receipt of advice by the drawee. The International Chamber of Commerce feels obliged to point out that covering funds should be available on issue and not at a date of payment, and that cheques should be kept separate from bills of exchange.

Geneva, January 10th, 1931.

LEAGUE OF NATIONS

**INTERNATIONAL CONFERENCE FOR THE UNIFICATION
OF LAWS ON BILLS OF EXCHANGE, PROMISSORY
NOTES AND CHEQUES**

Second Session, February 23rd, 1931.

Note by the Secretariat.

The replies of the *Brazilian* and *French* Governments, reproduced hereunder, which should have figured respectively under Nos. 23 and 24 of document C.628.M.249.1930.II, reached the Secretariat too late to be printed with the other Governments' replies.

The present document should be regarded as forming an integral part of the above-mentioned document.

Further, the **Netherlands** Government *has requested that the following amendments be inserted in the reply* which it has already forwarded to the Secretariat:

A. Page 82 of the document, question 18, line 1, instead of: ". . . . in Article 17 of the draft Regulation" read: ". . . . in Article 27"
In line 2, instead of: ". . . . with Article 71" read: ". . . . with Article 70"

B. Page 83, under figure II of "General Observations", delete the reference to Article 28 in the second paragraph.

Brazil.

[*Translation.*]

I desire to inform you that the competent authority expressed the view that Brazil was prepared to accept the unification of laws on cheques within the framework of the provisions drawn up at Geneva.

The competent authority suggests, however, that Article 4 of the Uniform Regulations published by the League of Nations on February 17th, 1930 (pages 112 *et seq.*)¹, would gain, perhaps, in clearness and preciseness if, as in the Brazilian law, available funds were deemed to cover; sums in current accounts in banks, the balance payable under contractual current accounts, and sums arising out of the opening of credits.

France.

[*Translation.*]

I have the honour to forward herewith, in conformity with the Final Act of the Convention signed on June 7th last, the French Government's observations concerning the texts relating to cheques which were submitted to the International Conference held at Geneva from May 13th to June 7th, 1930.

These texts, which include the draft Regulations framed by the legal experts (document C.234.M.83.1929.II) and the questionnaire drawn up by the Governments representatives at the aforesaid Conference (document C.360.M.151.1929.II) formed the subject of a very extensive enquiry in which the Ministerial departments concerned, the "Banque de France", the "Chambre syndicale des banquiers de Paris et de la Province", the economic groups, the Chambers of Commerce and the Commercial Courts took part. The results of this enquiry have been embodied in the observations attached hereto.

¹ *Note by the Secretariat.* — The text to be found on the above-mentioned pages of document C.234.M.83.1929.II (Preparatory Documents) is that of the "Draft Uniform Regulations governing Cheques", adopted by the Congress of the International Chamber of Commerce at Stockholm in 1927, and communicated, for purposes of information, to the Conference which was held in May and June 1930.

[Translation.]

UNIFICATION OF THE LAWS ON CHEQUES.

Observations of the French Government.

Ad Article 1.

The compulsory insertion of the term "cheque" in the instrument is approved, subject to the reservation that the French law sanctioning this innovation will not come into force until six months after its promulgation. The date of the cheque need not be written out in full. The cheque may be typewritten, but the signature must be written by hand.

Ad Article 2.

Question 20, relating to the consequences ensuing from post-dated cheques, is connected with this article, which governs the effects of a cheque in which certain compulsory indications are omitted. The Committee is of opinion that this question need not be settled under the international law; the courts of each country should be left full discretion in the matter.

Ad Article 3.

This article provides that for cheques to be drawn: (1) the drawee must hold funds at the disposal of the drawer; (2) there must be an agreement authorising the drawer to issue a cheque on the drawee. The Committee adopted this double condition.

Questions 2 and 3 of the questionnaire are connected with this Article. In reply to question 2, the Committee considers that the drawer should have liquid funds in the hands of the drawee as from the time of issuing the cheque. In reply to question 3, the Committee considers that the compulsory mention of cover constitutes an unnecessary formality and should not be adopted.

Ad Article 4.

This article provides for the solutions to be adopted when the cheque is payable to a specified person with the words "or to bearer" or any equivalent words, and when the cheque does not specify the payee. The Committee does not consider it possible to contemplate in the uniform law all the difficulties of this nature that might arise. It would be preferable accordingly to adopt more general and far-reaching formulas. It might be decided, for example, that the method of transmission of a cheque shall be determined by the drawer and cannot be modified by subsequent holders; and, secondly, that a cheque whereon the drawer has mentioned various transmission clauses shall be deemed to be transmissible under the terms of the most far-reaching clause.

Ad Article 5.

Question 1 relates to this article: "Is it desirable to prohibit the drawing of cheques on persons who do not carry on the profession of banking?"

Under the existing French law, a cheque may be drawn on a person who does not carry on the profession of banking. In this case the receipt given in acknowledgment of payment of the cheque does not enjoy the fiscal advantages allowed when the drawee is a banker. The Commercial Legislation Committee had been of opinion hitherto that the rule admitted under French law should be maintained; but it should be noted that an evolution has taken place in the views of the circles concerned, most of the economic groups being of opinion that the validity of a cheque should be allowed only when it is drawn on a person who carries on the profession of banking, or on a person assimilated from this standpoint to banker, as the function of the cheque clearly implies, that it shall be drawn on a person whose profession it is to hold funds at the disposal of third parties.

The Committee accordingly supports the opinion expressed by the majority of the bodies consulted, on the understanding that it will be for each State to define in its legislation what is meant by the term "banker" and to determine what persons can be assimilated to bankers (public administration cashiers, stock brokers, notaries, etc.).

The Committee is of opinion, further, that, while the French delegation need not ask for a reservation with a view to enabling signatory States to continue to sanction under their laws the right to draw cheques on persons who do not carry on the profession of banking, it should not oppose the acceptance of such a reservation.

Ad Article 7.

This article declares certain provisions of the Uniform Law on Bills of Exchange applicable to cheques. Those provisions should be reproduced, in order that the law on cheques may be complete in itself.

Question 16, relating to domicile, is connected with Article 7. Domicile ceases to be of any great importance if only cheques on bankers are to be allowed.

Ad Article 9.

Question 19, relating to the insertion by the endorser of the stipulation "without liability" is connected with this article. The Committee is of opinion that this stipulation, which is already sanctioned in France by usage and legal doctrine, should be recognised as valid.

Ad Article 10.

The observation with reference to Article 7 concerning the insertion in the Uniform Law on Cheques of the provisions applicable to bills of exchange applies also to this article.

Ad Article 11.

Question 21, "Acceptation, Certification and Visa", relates to this article.

Acceptation, certification and visa cannot be recognised. They may be of use in times of emergency, but in normal circumstances they can scarcely be regarded as consistent with the character of the cheque.

Further, there must be complete agreement as to the meaning of the term "visa", which, in its general sense, implies an obligation on the part of the banker to tie up the funds for the benefit of the bearer: an indirect cheque of the "Banque de France" bearing the visa of the branch where the client has his account, with a view to payment into another branch, does not represent the real meaning of the word "visa", but simply indicates something in the nature of domicile.

Reservations may be accepted as regards the possibility of admitting certification or visa, provided that these are not used in France, unless perhaps the visa, and on condition that the effects are clearly defined.

Ad Article 13.

Payment at sight. Question 4, "Must a cheque always be payable on demand?" is connected with this article.

The reply to this question was unanimously in the affirmative. Accordingly, Article 13 should be kept without reservation.

Ad Article 14.

Question 5, "How must the time-limits for presentation be fixed?" is connected with this article.

The time-limits of five and eight days in force in France are definitely inadequate and should be extended.

There is no need, however, to settle in an international Convention the time-limits to be observed within any one country; this should be left to the national law.

The time-limits governing the presentation of cheques drawn by one country on another should be settled by international agreement, with a special recommendation concerning the adoption of fixed time-limits which may be easily determined without any need for complicated calculations, for example, classifying the different countries according to zones.

Ad Article 16.

Question 6, concerning the right of withdrawal, is connected with this article.

In accordance with the views of the majority of the bodies consulted, Article 12 of the law of June 14th, 1865, should be retained in French law: this article limits the right of objection ("opposition") in the case of the loss or theft of the instrument or the bankruptcy of the holder. This right, as thus limited, should however apply, not only to the drawer, but also to the holder in case of loss or theft of the cheque. In the case of the bankruptcy of the holder, the right of objection should devolve upon the assignee. A reservation to this effect should be inserted in the Convention.

Ad Article 17.

Partial payment. — There is no reason to adopt a solution differing from that adopted for bills of exchange, so that Article 17, which prohibits the holder, in the interest of the guarantors, from refusing partial payment, should be approved.

Question 11, "Can the drawee refuse partial payment of a cheque when there are not sufficient funds to meet it?" is connected with this article. The same solution should be adopted as for the holder: the drawee should not have the right to refuse partial payment.

As regards the order of the payment of a number of cheques of the same date presented simultaneously to the drawee and totalling an amount in excess of the funds available, the solution would appear to be for the drawee to tie up the funds for the person entitled thereto; this delicate question, however, should not be settled by international means and each State should retain its right to legislate in the matter.

Ad Article 18.

Crossed cheque. — This article should be accepted.

Question 7, "Would it not be possible to combine in a single type the crossed cheque and the cheque only for collection (*nur zur Verrechnung*)?" is connected with this article.

It would be preferable to adopt the solution laid down in Article 18, which provides only for the crossed cheque, and not to admit the cheque *nur zur Verrechnung*. Moreover, the Germans themselves appear to be prepared to give up the cheque *nur zur Verrechnung* and to adopt the crossed cheque.

Ad Article 19.

This article should be kept as it stands.

Question 9, "What are the effects of the transfer of cover to the holder?—Action for inequitable gain", is connected with this article, which relates to the holder on the fund against which the cheque is drawn. All the groups consulted are of opinion that the principles of French law should be maintained in the matter, the transfer of cover having the effect of removing the cover from the ownership of the drawer into that of the holder.

Ad Article 20.

Protest. — The protest or act drawn up by a legal officer noting non-payment ensures the

accuracy of the statement of non-payment and cannot be given up in France; a reservation on the subject should be inserted under Article 20 of the Uniform Regulation.

Question 8, "Is the drawer liable even if the cheque has not been presented within the fixed period of time?" concerns this question. Under French law, the drawer is not liable if he has provided cover and if the latter has disappeared, after the expiry of the time-limits for presentation owing to the drawee's action.

The French solution in the matter should be retained.

Ad Article 21.

This article provides that the protest must be made before the expiration of the time for presentment and on the actual day of presentment if it is made on the last day of the time for presentment. This last stipulation seems excessive, as it may be materially impossible to make the protest under such conditions. In the case of presentment on the last day of the time allowed for such purpose, the making of the protest should be deferred until the first business day following.

Ad Article 23.

No observation, except that the texts referred to in the Regulation concerning Bills of Exchange should be reproduced, in order that the law on cheques may form an independent whole.

Ad Articles 24 and 25.

Parts of a set. — It would probably be well to mention in the instrument the number of copies made, but as this obligation was not allowed in the case of bills of exchange, since circumstances might necessitate the making of a new copy, there is no need to adopt any different solution for cheques.

Ad Article 26.

Forgeries and alterations. — The same observation applies as to Articles 7 and 23 — namely, that it would be desirable to reproduce the texts of the Uniform Law on Bills of Exchange.

Question No. 10, "Upon whom do the risks of forgery and alteration fall?" is connected with this article. This is a point to be settled, when it arises, by the judges who decide on the substance of the case; it would be very difficult to deal with it under any internal law and *a fortiori* under an international Convention.

Ad Article 27.

Prescription. — There is no objection to the time-limit of six months.

QUESTIONS IN THE QUESTIONNAIRE WHICH ARE NOT CONNECTED WITH THE ARTICLES OF THE DRAFT UNIFORM REGULATION.

Question 12.

Is it not desirable to prescribe special rules to meet the case in which an instrument which otherwise satisfies all the conditions required for the validity of a bill of exchange stipulates that it is payable not in money but by a cheque, especially by a cheque drawn on a bank abroad?

The Committee is of opinion that this question appears to concern bills of exchange rather than cheques, and that it should not in any case be settled in an international Convention.

Question 14.

Loss or theft of a cheque (amortisation procedure). — It is for the different national laws to determine the procedure that the parties concerned must follow to obtain payment of a cheque that has been stolen or lost. The question of the law to be applied comes under conflicts of laws, to be settled by the Convention, and it would seem that the law applicable should be that of the place of payment.

FISCAL QUESTIONS.

Article 1 of the draft Convention drawn up by the experts provides that if their laws do not already make provision to this effect the contracting parties undertake to alter their laws so that the validity of obligations arising out of a cheque or the exercise of the rights that flow therefrom shall not be subordinated to the observance of the provisions concerning the stamp.

This rule, which was admitted in the Convention of June 7th, 1930, on the stamp laws in connection with bills of exchange and promissory notes, should be admitted also for cheques, subject to an addition, as in the case of bills of exchange, in the second paragraph of Article 1, stipulating that the exercise of the said rights may be suspended until payment, not only of the stamp duties, but also of the fines incurred.