

[Communicated to the Assembly,
the Council and the Members
of the League.]

Official No. : A. 6 (a). 1936. Annex II.

Geneva, September 11th, 1936.

LEAGUE OF NATIONS

4

**ANNEX TO THE REPORT ON THE
WORK OF THE LEAGUE 1935/36, PART II**

Note by the Secretary-General

on the

ECONOMIC SITUATION

Series of League of Nations Publications

GENERAL ✓

1936. 7.

NOTE BY THE SECRETARY-GENERAL ON THE ECONOMIC SITUATION

In previous reports to the Assembly it has been the custom to give a brief description of the nature of the publications prepared by the Economic Intelligence Service, and a brief allusion to these publications¹ is made on pages 130-132 of this year's Report, Part I, and in the relevant chapter of Part II. The general nature of these publications is, however, known by the Assembly, and I propose in this note to draw attention rather to certain of the features of the economic development of 1935 and more recent months which are described in them.

All the evidence before us goes to show that the depression which began in the autumn of 1929 reached its lowest point in the summer of 1932. Since then there has been a persistent, indeed an accelerating, if uneven, recovery.

The depression was worldwide and the recovery has spread gradually over an ever-increasing area. The extent of this general recovery and the degree of its acceleration may conveniently be illustrated at once by a few figures relating to world production and world trade :

	1935 as % of				1934 as % of 1933
	1929	1932	1933	1934	
Production of Raw Materials and Foodstuffs :					
Total	97.3	106.0	103.0	102.1	101.0
Of which —					
(a) Foodstuffs	100.5	100.0	97.9	97.6	100.3
(b) Raw materials	91.9	129.4	117.0	108.3	108.0
Industrial Activity :					
World	94.8	137.0	122.0	111.8	109.1
World excl. U.S.S.R.	83.9	132.9	117.9	109.3	107.8
Quantum of World Trade	82.0	110.1	108.6	104.5	104.0

¹ *World Economic Survey, Fifth Year, 1935/36.*

Review of World Trade 1935.

Money and Banking 1935/36 : Vol. I — Monetary Review.
Vol. II — Commercial Banks.

Balances of Payments 1934.

World Production and Prices 1935/36.

Public Finance 1928-1935.

Monthly Bulletin of Statistics.

Statistical Year-book of the League of Nations 1935/36.

International Trade Statistics 1934.

The aggregate production of foodstuffs in the world has varied within very narrow limits throughout the whole course of the depression. The world has not had less to eat, though it may have had slightly less per head of population and, as the growth of stocks proves, may have eaten less. Real income fell on account of the paralysis of industry ; but, in 1935, industrial activity was 37% greater than in 1932, and, as the figures show, the recovery last year was somewhat greater than in 1934, as in 1934 it was somewhat greater than it was in 1933. To the growth in industrial output, however, the Union of Soviet Socialist Republics, whose output at the end of last year was almost twice as great as in 1929, has largely contributed. In the rest of the world, it remains to-day in the aggregate probably some 13% below the level reached in the last boom year. But here also the improvement has been remarkably rapid in recent months (10% in 1935), and persists.

The tide of recovery is thus flowing strongly. Its strength is, however, uneven, and in some areas the first ripples are only just beginning to become apparent. In some countries revival started four years ago ; in others it began belatedly and hesitatingly in the spring of 1936.

To-day it is difficult to find a single country from which signs of recovery are wholly absent. But, while some are just now beginning to be caught in the general flow, others have advanced far.

Thus, on the dates given this year, the index of industrial production in Japan was almost 50% higher than in 1929, the last boom year ; in Greece it was over 40% higher ; in Denmark, Hungary, Chile, Finland and Sweden, about 20-35% higher. These are almost all countries with relatively new industries that were rapidly expanding before the depression started. But, in the United Kingdom, the index during the first quarter of 1936 was 15% higher than in the last boom year, and in Germany it has been about or above the 1929 level since last autumn and is rising.

In many countries, recovery has now gone so far that industrial production is greater than it has ever been in their recorded history. But there are exceptions and these exceptions are important. They include, for instance, the United States of America and Canada, whose industrial activity in June was

between 85% and 90% of the 1929 average; the gold bloc — France, the Netherlands (probably Switzerland¹) — and Belgium and Czechoslovakia, where activity was 20% to 30% below the earlier boom conditions.

Indices of Industrial Production.
(1929 = 100.)

	Average 1932	VI.1935	VI.1936
U.S.S.R.	182.9	266.9	351.9 ^a
Japan	97.8	137.2	149.3 ^b
Greece	100.9	150.4	141.5 ^c
Sweden	90.1	126.9	134.5
Denmark	91.0	120.0	133.0
Hungary	76.9	103.2	127.0 ^d
Finland	83.3	112.5	121.7
Chile	87.0	123.8	121.3
Estonia	78.3	97.9	119.0
Norway	92.7	110.9	117.7
United Kingdom	83.5	104.0	115.1
Germany.	53.3	92.4	107.1
Canada	58.1	78.3	87.6
United States	53.8	72.3	86.6
Belgium	69.1	70.0	79.1 ^e
Austria	64.3	73.0	77.9
Spain	88.4	82.6	76.9 ^c
Czechoslovakia	63.5	68.0	75.7
Poland	53.9	67.5	72.0
France.	68.8	66.7	70.3
Netherlands	62.3	67.3	67.9

^a February. ^b May. ^c March. ^d First quarter. ^e April.

These wide discrepancies inevitably distort and impede the general recovery. An important characteristic of 1935, however, was that recovery was especially rapid in certain of those countries (Germany, the United States, Canada, Austria, Belgium, etc.) which had not shared fully in the general revival. A no less important characteristic of the present year is the fact that the turning-point from industrial depression to recovery would seem to have been reached and passed in all countries for which estimates of production are available.

¹ No calculations available.

*Industrial Production — Percentage Increase
in Each Month of 1936 over Corresponding Month in 1935.*

Month	France	Netherlands	Belgium
January	+ 4.3	— 1.8	+ 20.1
February	+ 6.5	+ 0.9	+ 23.2
March	+ 8.6	+ 3.7	+ 21.0
April	+ 9.7	+ 7.1	+ 10.8
May	+ 10.9	+ 2.7	...
June	+ 5.4	+ 0.9	...

This general and accelerating improvement in economic activity has not only largely increased national incomes, but has also greatly reduced unemployment and the misery of enforced idleness. The International Labour Office has estimated that there was 15 % less unemployment in the world at the end of 1935 than at the end of 1934, and, in the twelve months ending June last, unemployment was reduced by almost a quarter.

The view is sometimes expressed that such recovery as has taken place has been mainly due to expenditure on rearmament and that the supplies of goods available for current consumption have not appreciably increased. Such a belief is based on a misunderstanding of the situation. Recovery started in many countries before there was any augmentation of armament expenditure ; it has not been most marked where such expenditure is greatest. Although it is true that, as always happens, the improvement in industries producing goods for immediate consumption has been less rapid than in the heavy industries, that is largely because the depression quite naturally affects such consumption goods less intensely. Rearmament expenditure has affected the figures quoted above only as one of many factors. The growth in the activity of the textile industries affords an appropriate illustration of the reality of the benefit to the consumer of the generally improved conditions.

Indices of Production in Textile Industries.

Months of 1935 and 1936 compared with the corresponding months of 1932.

Countries	Period	1935 %	1936 %	Countries	Period	1935 %	1936 %
Canada	I-VI	116.7	160.2	Poland	I-VI	122.4	125.1
Finland	I-VI	169.0	157.8	France	I-VI	112.9	124.8
Austria	I-VI	123.7	150.9	Czechoslovakia .	I-VI	94.7	124.5
Greece	I-III	119.3	144.8	Germany	I-V	117.1	122.6
U.S.A.	I-VI	135.6	138.3	Denmark	I-VI	124.0	119.1*
Japan	I-V	141.5	130.4	United Kingdom	I-VI	107.5	114.8
Belgium	I-IV	91.4	129.3	Hungary	I-III	83.7	87.9

* Labour dispute from February 22nd to March 30th, 1936.

As stated above, total agricultural output has been but little affected by the depression. The agriculturist has suffered from the collapse in the prices for his products and from reduced acreage or poor crops in certain areas, not to any appreciable extent from a general curtailment of production. Such recovery as has taken place in agriculture has been due rather to price changes than to a larger production.

	1932	Average 1925-1929 = 100		
		1933	1934	1935
Production of foodstuffs	104	106	106	104
Production of raw materials:				
Of agricultural origin	94	100	95	98
Of non-agricultural origin	75	84	95	104

The world production of foodstuffs in 1932, the worst year of the depression, was slightly higher than in 1929; in 1935, it was the same as in 1932; the world production of raw materials of agricultural origin was in 1932 about 9 % and in 1935 about 6 % less than in 1929. But the production of non-agricultural raw materials had dropped 35 % by 1932 and had recovered 40 % from that point by 1935.

To the agriculturist the price factor is all important. Currency depreciation has helped to maintain or, later, to raise agricultural prices in terms of domestic currencies in nearly all agricultural countries at one time or another in recent years. But, in 1935, there was a slight general improvement. The decline in the gold prices of agricultural goods entering into international trade was almost arrested, while the prices of industrial goods fell by 3 %. The terms of trade of agricultural countries thus

improved last year, and such information as is available points to the conclusion that the trend of domestic prices in agricultural and pastoral countries was generally favourable to the farmer. But if real farm income has increased, as, even in some regions exporting agricultural produce, it certainly has, it has increased by much less than real industrial income.

The failure of agriculture to share fully in the measure of improvement achieved is a normal characteristic of the first stages of recovery. But it has been intensified on this occasion by the protection of agriculture in industrial countries.

As a result of the various measures adopted in restriction of trade, whether with the object of fostering domestic agriculture or industry or of influencing a country's balance of payments, as a result, too, of the maintenance of certain exchange rates at levels eliminating much of the profit on exports, all trade has failed to share fully in the improvement in national economic activity.

Indices of the Quantum of World Trade.

(1929 = 100.)

	1932	1933	1934	1935
(1) Foodstuffs	90.5	84.5	84	86
(2) Raw materials	82	87.5	89.5	93.5
(3) Manufactured articles	58	59.5	65.5	68.5

The slight increase in the trade in foodstuffs which took place in 1935 appears to have been mainly, if not wholly, due to the larger foreign purchases effected by the United States owing to the drought of 1934. The increase in the trade in other classes of goods is a reflection at once of the industrial revival and of the greater purchasing power of the countries exporting primary products. But the gold value of total trade in 1935 was still only slightly over a third of what it had been in 1929, and the quantum of trade only about four-fifths.

The failure of trade to keep pace with the general improvement in business is indeed one of the most significant — perhaps the most significant — characteristic of the recovery displayed by these global indices of the world situation; but, since the summer of 1935, signs of improvement have become visible. Trade is expanding, if but slowly. The most recent figures

available show that, during the first half of 1936, its quantum was 3% greater and its value 8% higher than in the first half of last year. Moreover, the prices of goods entering into international trade would appear now to be definitely rising.

All these facts go to show that a real and general improvement has been taking place in recent years, and especially last year, and that the tendencies visible are favourable. Production is increasing rapidly in industry and mining; in many countries, indeed in most countries, manufacturing activity is greater than ever before; trade, though much reduced, is no longer sinking, but slowly and painfully develops; prices of crude products, even on the overcharged world markets, are rising and are becoming less unfavourable to the agriculturist. Stocks of raw materials are being consumed. Certain countries, laggard in the forward march, are reducing the gap which separates them from their more fortunate neighbours. Some signs of recovery have become apparent in recent months in those areas in which the depression had proved most recalcitrant; and, above all, several million more human beings are gainfully employed to-day than a year ago. Such is the strength of the forces of recovery.

* * *

But the recovery is uneven and perhaps insecure; much has been done towards solving the domestic problems to which the depression gave rise, but little as yet towards dealing with the international problems, a solution of certain of which, at any rate, may well be considered indispensable for a balanced and genuine prosperity.

I do not propose to attempt any detailed analysis of the weaknesses in the present situation; but to some of them reference must be made.

Recovery has come about partly through the play of forces of the exact nature of which we are, I think, still ignorant, partly as the result of deliberate though widely diverse policies. Some Governments have concentrated on securing and maintaining cheap money and budgetary equilibrium; some on the reduction of private long-term indebtedness and the provision of easy credit facilities while increasing public indebtedness; some have attempted to give a fillip to business by large State expenditure,

whether on public works or armaments, or both ; some have placed Government credit or Government funds more directly at the disposal of the public ; some have combined exchange depreciation and private debt reduction with a parallel reduction in other factors of production costs and increased taxation. The principles underlying recovery policy have been manifold and the permutations of their combination innumerable. One characteristic, however, they all have had in common — they have, without exception, afforded scope for credit expansion.

The countries which have been successful in stimulating a considerable degree of domestic activity would seem to fall into two classes, the difference between which is important : namely, those which have kept the external value of their currency at a level which necessitated the direct restriction of imports either by exchange control or by some quota system, and those which have allowed their currencies to fall to a level at which such restrictions on trade were either unnecessary or imposed to a much less serious extent. To these two groups must be added those countries which, long abstaining from an expansionary credit policy, or concentrating their endeavours on reducing costs, remained on the gold standard and failed — or failed until quite recently — to participate in the general revival. In these countries (as in the first group) the level of gold prices has, in spite of deflationary effort, generally tended to rule higher than in the countries which have depreciated their currencies. These countries have not obtained the special price protection which depreciation automatically creates ; they have imposed quantitative restrictions on trade.

No clear dividing line can be drawn either as regards price levels or as regards measures of trade restriction and currency control between the first two groups of countries mentioned. Where currencies have been depreciated, controls have also been imposed ; where the official exchange rate has not been abandoned for all purposes, it has frequently been abandoned for many. The distinction between the two is nevertheless important and the discrepancy between price and cost levels is one of the most important, if not the most important, cause of disequilibrium in the world to-day. That discrepancy has been diminishing year by year since 1932, but the spread still remains wide.

Unfortunately, there is no means of measuring accurately relative price or cost levels; but large differences in gold wholesale-price levels generally reflect, if they do not gauge, a general lack of equilibrium.

Gold Wholesale-price Levels, June 1936.
(1929 = 100.)

Germany . . .	76	Portugal . . .	53	Estonia . . .	47
Latvia	71 ^a	Yugoslavia . .	50	Greece	47
Hungary	70	South Africa. 50 ^f		Denmark . . .	47
Austria	67	United		New Zealand	46
Italy	66 ^b	Kingdom . . .	50	Canada	45
Switzerland . .	65	Norway	50	Egypt	44
Czechoslovakia	64	U.S.A.	49	China	43
Albania	62	Belgium	48	Spain	43 ^a
Netherlands . .	62	Sweden	48	Australia . . .	41
Turkey	61 ^c	Finland	48	British India	39
France	60			Argentine . . .	39 ^g
Danzig	58 ^d				
Bulgaria	56			Chile	36
Poland	56			Japan	31
Roumania	55 ^e				
Peru	55				

^a April. ^b October 1935. ^c March. ^d May 1936. ^e December 1935.
^f July 1936. ^g Calculated on basis of free exchange rates.

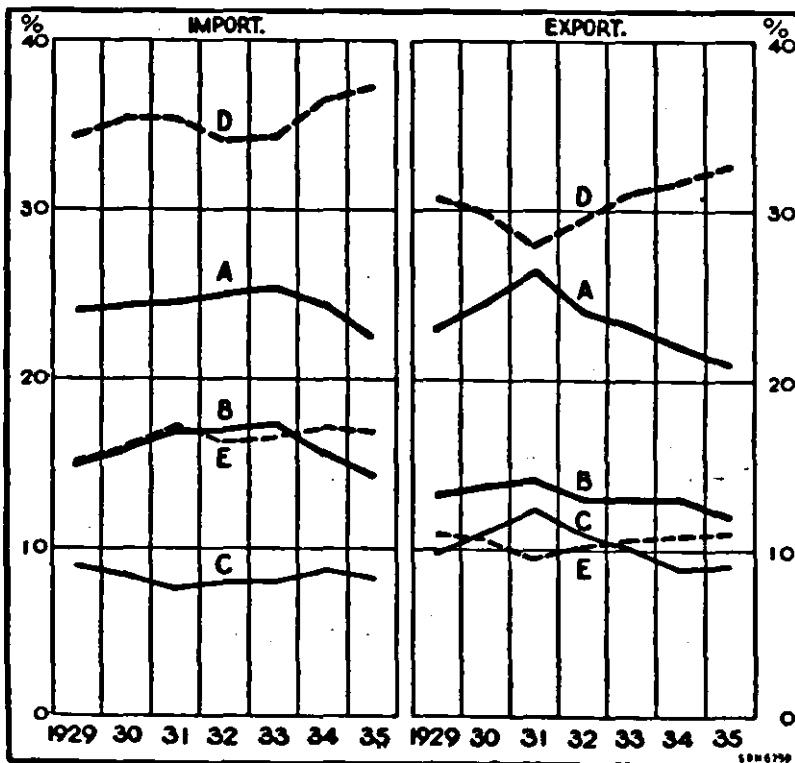
The countries fall into three somewhat uneven groups, into none of which Chile and Japan enter: (i) the countries of the gold *bloc* and the European countries which have imposed exchange control with a price range at the end of the first quarter of this year of from about 55 to a theoretical 76 % of the 1929 average; (ii) an intermediate group of countries whose price levels congregate extraordinarily closely round 50 % of that level; (iii) agricultural countries outside Europe and those within Europe which have attached their currencies to the pound sterling with a price range from approximately 40 to 47 %. How wide the range in the first group is it is impossible to estimate, as the official rates of exchange employed for the conversion of certain controlled currencies in fact only apply to a limited number of transactions. The figure of 76 is therefore only a theoretical upper limit, which is quite certainly too high. It may well be that the effective maximum level is not higher than 67 % (Austria).

In considering the implication of these figures, it is necessary to bear in mind that there is no reason for assuming that perfect price equilibrium existed in 1929, which has been taken, for purposes of comparison, as the basic year. On the contrary, we know that there was some measure of disequilibrium — prices in France were probably unduly low and in the United Kingdom unduly high. If this is the case, then equilibrium to-day would probably necessitate a higher figure for France than for the United Kingdom. But the range from 31 in Japan to over double that figure in certain European countries is so great as to render patent the reality and the significance of the unsolved international problem.

Such a range of price levels must imply reduced chances of profits on export to countries with relatively high costs, rigid restriction on imports, and consequent general loss of trade. This is, in fact, exactly what has happened.

*Imports and Exports of Certain Countries as Percentage of the World Total.**

- A Eight countries with stable currencies (including Germany).
- B Seven countries with stable currencies (excluding Germany).
- C Germany.
- D "Sterling Group".
- E United Kingdom (included in D).



* See footnote on opposite page.

In many countries, revival has been promoted by fortuitous conditions or Government action, which have given a special stimulus to one or two lines of activity : building, road construction, armaments, motor-car manufacture, etc. Will domestic demand spread wide enough or international trade develop rapidly enough to afford a wider basis to a more enduring prosperity ?

Were international trade in manufactured goods to approach the level it reached in 1929, the problem would be largely solved. In spite of the improvement which took place last year, trade in manufactured goods was nearly a third less than it had been in 1929. The loss in value on this class of exports alone was 8,664 million old gold dollars or 1,186 million pounds sterling. The loss in the total value of exports, including foodstuffs and raw materials, was 21,353 million old gold dollars and 2,804 million pounds sterling.

The fact is too often overlooked that the quantum of trade in manufactured goods has fallen off very considerably more than that in foodstuffs (to 68.5 % as compared with 86 %). This is in part due to the almost total absence to-day of long-term lending on foreign account.

Foreign capital issues (net)	1927	1928	1929	1935
New York : \$(000,000's) . . .	1,561	1,319	758	—
London : £(000,000's).	53	63	38	3
Paris : francs (000,000's) (foreign Government's issues (gross)	51	130	562	—
Amsterdam : florins (000,000's).	346	300	138	—

It is unnecessary to emphasise further the importance of the problem of the revival of international trade or the manner in which it is interlinked with monetary and exchange problems in certain countries and dependent on a change of commercial policy.

* *Note on the diagram.* — The eight countries with stable currencies considered are Germany, France, the Netherlands, Netherlands Indies, Italy, Switzerland, Poland and Lithuania.

As trade between France and her overseas territories is largely of the nature of domestic trade, none of these territories has been included, and the French trade with them has been deducted. The only countries included applying exchange control in merchandise transactions during the period are Germany, Italy (since December 1934) and Lithuania (since October 1935). Separate curves are drawn for the group without Germany and for Germany alone. Italy's percentage share has been calculated on the basis of her trade during the first nine months of each year.

The " Sterling Group " is taken to comprise the British Empire and mandated territories, plus Denmark, Sweden, Norway, Egypt, Finland and Portugal. The gold trade of South Africa and other gold-producing countries has been left out of account.

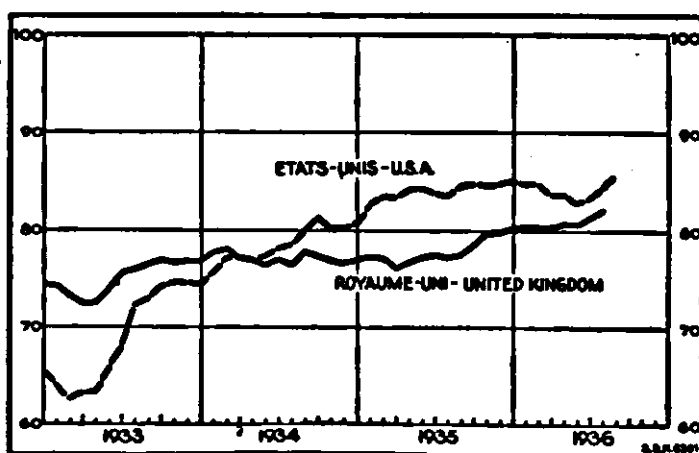
The developments of the last few years and the experience more especially of 1935 should render a solution of those problems appreciably easier than it would have been had it been attempted earlier. But they cannot solve themselves. Trade cannot revive if it is strangled by quantitative restrictions on the international movement of goods.

Adjustments are easier to effect when business is improving than when it is deteriorating, when prices are rising and there are prospects of profits than when with falling prices losses are anticipated.

The monetary conditions throughout the world to-day are such as to facilitate a rise in prices. Banks are generally liquid, money is cheap and, although gold reserves are even more concentrated in a few centres than they were in 1929, they are concentrated largely in the centres most likely to influence world prices; elsewhere devaluation has frequently raised the actual or potential reserve ratios even when the volume of the gold reserves has sunk. It has raised the ratios in certain countries to points which would render a very large rise in prices possible, and — if effective measures of control are not adopted to prevent it — probable.

The fact that prices in world trade have begun to rise has already been noted. Dollar and sterling domestic prices have risen appreciably more.

Indices of Wholesale Prices. (1929 = 100.)



This gradual upward swing of prices has helped to lessen both the international strain and, within each country that has shared in it, the strain imposed by the burden of debt and other fixed charges — a burden which in certain countries in which

recovery programmes have been financed by State loans may well become serious, if national income is not raised by rising prices as well as increased production.

It can, of course, only lessen the international strain if the rise is more rapid in those countries where prices are relatively low than in those in which they are relatively high.

Such a tendency was clearly discernible as between the United States of America and the gold-standard countries until the middle of 1935. But this tendency, more especially in quite recent months, would seem to have been partially reversed ; though, as the latest American figures suggest, this reversal may well prove to be only a passing phenomenon.

Furthermore, the concentration of gold in a few centres is itself a sign of the lack of international equilibrium.

*Central Monetary Gold Reserves ^a
in Terms of Old U.S.A. Gold Dollars (000,000's omitted).*

	Dec. 1929	Dec. 1932	Dec. 1934	Dec. 1935	May 1936	Percentage share of world total		
						Dec. 1929	Dec. 1932	May 1936
World total, excluding U.S.S.R. . . .	10,258	11,640	12,531	12,768	12,498	100.0	100.0	100.0
Of which —								
U.S.A.	3,900	4,045	4,865	5,980	6,143	38.0	34.8	49.2
France	1,631	3,257	3,218	2,598	2,234	15.9	28.0	17.9
United Kingdom	711	587	938	977	1,009	6.9	5.0	8.1
Switzerland and the Netherlands	295	892	706	527	561	2.9	7.7	4.5
Belgium	163	361	348	346	360	1.6	3.1	2.9
Germany	560	209	36	37	34	5.5	1.8	0.3

^a These figures do not include the unrecorded reserves of gold held by exchange funds and certain central banks.

The United States absorbed in 1935 an amount of gold equal to the whole supply of new gold from current production and the East, plus nearly half of the aggregate net gold losses of the Bank of France, the Netherlands Bank and the Swiss National Bank.

The large and spasmodic gold movements that have taken place in recent years reflect at once the repatriation of capital invested abroad, the roving of short-term funds in search of safety rather than of profit, the lack of international price equilibrium and the unevenness of the recovery.

Of these factors — and there have at various dates been others of perhaps almost equal importance — the first almost ceased to operate last year. The aggregate international indebtedness of European countries and the United States was, according to the estimates of the Bank for International Settlements, reduced from an amount of some 70,000 million Swiss francs in 1930 to about 29/30,000 millions at the end of 1934. In 1935, there was on balance but little change in the aggregate volume of short-term debts outstanding in the world.

The great reduction that has thus been effected in short-term international indebtedness constitutes a large and important contribution to the solution of the international difficulties with which the world has had to cope in recent years.

But the unevenness of the recovery has inevitably led to heavy transfers of funds in search of profits from capital appreciation to countries in which revival is at any given moment rapid. Thus the repatriation of American capital after the new gold value of the dollar was fixed in January 1934 was followed by a flow of European funds partly to build up new balances and partly also for employment on Wall Street.

While up to the spring of 1935 the large movements of short-term funds were accompanied by erratic variations of exchange rates and a steady decline in the value of certain of the more important paper currencies which increased the deflationary pressure in the countries remaining on gold, for fifteen months or more exchange rates, with very few exceptions, have been stable. The dollar rate has been fixed since January 1934; the pound sterling and all the currencies attached to it have moved since the late spring of 1935 within narrow limits — rising slightly.

This *de facto* stabilisation of the paper currencies, the liquidation of so large a proportion of foreign short-term debt and the unfreezing and active employment of so much of the remainder, the cessation of the fall in prices, the widespread business revival and the growing confidence in the force of recovery — despite political clouds — all render easier the task of endeavouring to solve those international economic problems, a solution to which still remains to be found and might, if found, help to dispel those clouds.

[Communicated to the Assembly,
the Council and the Members
of the League.]

Official No. : A. 6. 1937.

Geneva, July 28th, 1937.

LEAGUE OF NATIONS

5

**REPORT ON THE
WORK OF THE LEAGUE
1936/37**

Part I.

Series of League of Nations Publications

GENERAL ✓

1937. 3.

NOTE BY THE SECRETARY-GENERAL.

The Annual Report on the Work of the League will, as in previous years, be issued in two parts.

Part I gives an account of the work of the League from the ordinary session of the Assembly held in September 1936 up to the end of June 1937.

Part II, to be issued in September 1937, will contain an account of the work of the League from the end of June 1937 up to the eighteenth session of the Assembly.

CONTENTS.

	Page
NOTE BY THE SECRETARY-GENERAL	3
1. POLITICAL QUESTIONS :	
I. Application of the Principles of the Covenant of the League of Nations	9
II. Dispute between Bolivia and Paraguay	10
III. Treaty of Mutual Guarantee between Germany, Belgium, France, Great Britain and Italy, concluded at Locarno on October 16th, 1925	11
IV. Settlement of the Assyrians of Iraq	14
V. Request of the Iraqi Government under Article 11, Paragraph 2, of the Covenant of the League of Nations	16
VI. Situation in Ethiopia	16
VII. Situation in Spain and Cognate Questions	17
VIII. Free City of Danzig	43
IX. Saar Territory	49
2. THE INTER-AMERICAN CONFERENCE OF BUENOS AIRES FOR THE MAINTENANCE OF PEACE AND THE LEAGUE OF NATIONS	51
3. QUESTION OF ALEXANDRETTA AND ANTIOCH.	54
4. REDUCTION AND LIMITATION OF ARMAMENTS :	
I. Conference for the Reduction and Limitation of Armaments	72
II. Naval Questions	81
III. Publications edited by the Secretariat	83
5. PROTECTION OF MINORITIES :	
I. Protection of Minorities in Roumania	84
II. Examination of Petitions by Minorities Committees	87

6. MANDATES :	Page
I. Composition of the Permanent Mandates Commission	88
II. Frontier between Tanganyika Territory and Mozambique	88
III. Deliberations of the Council concerning the Work of the Permanent Mandates Commission at its Twenty-ninth Session (May-June 1936)	89
IV. Work of the Permanent Mandates Commission at its Thirtieth Session (October-November 1936) and Decision taken by the Council on January 25th, 1937	91
7. SLAVERY	98
8. ECONOMIC AND FINANCIAL QUESTIONS :	
A. Economic Relations Section :	
I. The Problem of Raw Materials	100
II. Present Phase of International Economic Relations	101
III. Most-favoured-nation Clause	106
IV. Clearing Agreements and Exchange Control	108
V. Customs Nomenclature	110
VI. Sugar	111
B. Work of the Financial Organisation :	
I. General	113
II. Work of Committees	113
III. Nutrition	119
IV. Publications of the Economic Intelligence Service	121
V. Business Cycle Research	124
9. COMMUNICATIONS AND TRANSIT :	
I. Unification of Buoyage Rules	126
II. Pollution of the Sea by Oil	126
III. Disputes relating to the Reorganisation of the Railways of the former Austro-Hungarian Monarchy	127
IV. Public Works	127
V. Technical Collaboration with the Hydraulic System Commission of the Danube	128
VI. Reform of the Calendar	128
VII. League Wireless Station	128

10. HEALTH QUESTIONS :	Page
I. Service of Epidemiological Intelligence and Public Health Statistics	131
II. Biological Standardisation	133
III. Malaria	134
IV. Studies of Three Main Problems of Health and Social Improvement : Housing, Nutrition and Physical Fitness.	136
V. Rural Hygiene	140
VI. Intergovernmental Conference of Far-Eastern Countries on Rural Hygiene	142
VII. Conference on Rural Hygiene for American Countries	143
VIII. Health Mission sent at the Request of the Spanish Government	144
11. TECHNICAL COLLABORATION BETWEEN THE LEAGUE OF NATIONS AND CHINA :	
I. Study Tours	146
II. Direct Technical Collaboration	148
12. SOCIAL QUESTIONS :	
I. Introductory	153
II. Protection of Children and Young People in the Family.	155
III. Assistance to Indigent Foreigners	160
IV. Traffic in Women and Children	160
V. Penal and Penitentiary Questions	169
13. TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS :	
A. Work of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs	171
I. Illicit Traffic	172
II. Consideration of the Annual Reports of Governments for 1935	176
III. Clandestine Manufacture of Narcotic Drugs	176
IV. Situation in the Far East	179
V. Preparatory Work for a Conference to consider the Possibility of limiting and controlling the Cultivation of the Opium Poppy and the Production of Raw Opium	184
VI. Application of the Opium Conventions	188
VII. Questions relating to Prepared Opium	192

	Page
13. TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS (<i>cont.</i>):	
A. Work of the Advisory Committee (<i>cont.</i>):	
VIII. Anti-narcotic Education and Propaganda in Medical and Auxiliary Services	193
IX. Manufacture of Morphine direct from the Dry Poppy Plant	194
X. Indian Hemp	194
B. Work of the Supervisory Body	195
C. Work of the Permanent Central Opium Board	197
14. INTERNATIONAL ASSISTANCE TO REFUGEES :	
I. Nansen International Office for Refugees	200
II. Refugees (Jewish and Other) coming from Germany	206
15. INTELLECTUAL CO-OPERATION	208
16. INTERNATIONAL BUREAUX :	
I. Relations with International Bureaux	209
II. Relations with International Organisations	210
III. Publications	211
17. BUDGETARY AND ADMINISTRATIVE QUESTIONS :	
I. Accounts for the Year 1936	212
II. General Financial Results of the Year 1936	212
III. Financial Position of the League of Nations on June 1st, 1937	213
IV. Budget for the Year 1938	214
V. Contributions in Arrear	215
18. LEGAL AND CONSTITUTIONAL QUESTIONS :	
I. Membership of the League of Nations and of the Council : Changes during the Year 1936/37	216
II. Question of the Number of the Members of the Council	218
III. Constitution, Procedure and Practice of League Committees.	219
IV. International Repression of Terrorism.	221
V. Work of the International Institute at Rome for the Unification of Private Law (September 16th, 1936, to June 30th, 1937).	222
19. PRESENT SITUATION WITH REGARD TO INTERNATIONAL ENGAGEMENTS REGISTERED WITH THE SECRETARIAT OF THE LEAGUE OF NATIONS	228
20. LIBRARY OF THE LEAGUE OF NATIONS	239

1.

POLITICAL QUESTIONS.

I. APPLICATION OF THE PRINCIPLES OF THE COVENANT
OF THE LEAGUE OF NATIONS.

By its resolution of October 10th, 1936,¹ the Assembly set up a Committee of twenty-eight members to study the proposals made by the Governments concerning the application of the principles of the Covenant and the problems connected therewith.

This Committee met from December 14th to 16th, 1936, under the chairmanship of M. Bourquin (Belgium).

At this session, the Committee drew up a list of the principal questions raised in the communications and statements made by the Governments. On the basis of the documentation which the Secretariat has been instructed to collect, a certain number of Rapporteurs are to undertake, before the next session, an impartial survey of the problems to be examined.

These problems are as follows: question of universality (participation of all States in the League; co-operation with non-member States; co-ordination of the Covenant of the League of Nations with the Pact of Paris and the Saavedra Lamas Pact; regional or continental organisation of the League); question of the methods to be employed in applying the principles of the Covenant (amendment of the Covenant, supplementary agreements, interpretative resolutions, etc.); questions relating to the internal organisation of the League (Articles 1, 3, 4 and 7 of the Covenant); Article 10; Article 11; questions relating to the pacific settlement of disputes (Articles 12, 13, 14 and 15

¹ See *Official Journal*, Special Supplement No. 155, page 141.

of the Covenant); Article 16 (general obligations; regional pacts of mutual assistance); Article 19; problem of the separation of the League Covenant from the Peace Treaties.

At an informal meeting held on May 31st, the Rapporteurs, under the chairmanship of M. Bourquin, considered the position both as regards the documentation furnished by the Secretariat and the progress made with the preparation of their reports. As a result of this discussion, the President is contemplating convening a second session of the Committee for September 10th, 1937, with a view to its taking cognisance of the work that had been done and continuing its task after the Assembly. By that date, most if not all of the reports will probably be ready for the Committee.

II. DISPUTE BETWEEN BOLIVIA AND PARAGUAY.¹

In a communication dated January 28th, 1937,² the representative of Bolivia, M. Costa du Rels, pointed out that, on the occasion of his election as President of the last ordinary session of the Assembly, the President of the Chaco Conference at Buenos Aires had stated in his speech of September 21st, 1936, that "the Chaco dispute lay within the jurisdiction of the League, as both the belligerent States were signatories of the Covenant. Taking a practical view of the situation, however, you suspended your own direct action in the matter and delegated your functions to a group of neighbouring nations whose action was supported by the United States of America."

The delegate of Bolivia added that, "in pursuance of this delegation of powers, the League of Nations has been kept informed of the progress of the negotiations through the Advisory Committee appointed by the Assembly".

For some time, the mediating nations at Buenos Aires had attempted to work out a settlement of the substance of the dispute, and "new grounds for hope" were discovered in recent speeches by the Minister for Foreign Affairs of Paraguay.

¹ See *Report on the Work of the League, 1935/36, Part I, page 9.*

² See *Official Journal, March-April 1937, page 261.*

The representative of Bolivia thought this fact worthy of particular note, as the two-year period at the end of which Paraguay's withdrawal from the League would become effective would expire shortly. "As the circumstances which led to the notification of this withdrawal", he added, "have since changed, it may be hoped that Paraguay will take this opportunity of giving renewed proof of the firm will to peace so eloquently expressed by her Minister for Foreign Affairs by remaining a Member of the League of Nations. Being actuated by the same spirit, Bolivia sincerely hopes that such will be the case, knowing as she does that, in this, as in the contrary event, the last paragraph of Article 1 of the Covenant, to which she wishes to take this opportunity of drawing attention, will retain its full force."

The representative of Bolivia asked that this note should be brought to the attention of the Chaco Advisory Committee and the Members of the League of Nations.¹

III. TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY, CONCLUDED AT LOCARNO ON OCTOBER 16TH, 1925.

At the end of its special session in London, on March 24th, 1936, the Council suspended the examination of this question.² It was again postponed at each of the ensuing ordinary sessions, but appeared again on the agenda of the session beginning on May 24th, 1937.

In letters dated May 8th and 11th, 1937, respectively, the Governments of France and the United Kingdom communicated for registration under Article 18 of the Covenant copies of the joint note which they had sent on April 24th to the Belgian Government. In this note, the two signatory Governments declared that they considered Belgium released from all obligations towards them resulting from the Treaty of Locarno and the London Arrangements of March 19th, 1936, and that they had

¹ See *Official Journal*, March-April 1937, page 261.

² See *Report on the Work of the League, 1935/36*, Part I, page 82.

taken note of certain views expressed by the Belgian Government relating to its fidelity to the Covenant of the League of Nations and its determination efficiently to organise the defence of Belgium against any aggression or invasion.

In a note dated May 20th, the Belgian Government also sent in for registration copy of the letter in which, on the same date, April 24th, it "noted with great satisfaction" the Franco-British declaration.

On May 26th, in a further communication to the Secretary-General, the United Kingdom and French Governments stated that the preparatory exchange of views which had recently been taking place between the signatories of the Treaty of Locarno, with a view to the negotiation of a new Western European Security Pact to replace that instrument, had shown, on the one hand, that in any new treaty Belgium would wish to give no guarantees to other States and, on the other hand, that the other four Governments concerned in the negotiations would be prepared to agree that Belgium should not undertake to guarantee other States in the new treaty. In view of the delay experienced in negotiating the new treaty, it had been decided to give effect to the Belgian Government's wish immediately.

The Franco-British communication added that the exchange of notes of April 24th in no way affected the obligations of any other country but Belgium, and that it was, indeed, expressly stated therein that neither the undertakings of France and the United Kingdom towards Belgium nor the existing undertakings between the United Kingdom and France were affected.

The United Kingdom and French Governments regarded the arrangement thus concluded as a means of facilitating, with the collaboration of the other interested Powers, the settlement of those problems the solution of which was essential to the peace of Europe.

On May 27th in the Council, the French representative, M. Delbos, said that, in laying the Franco-British declaration of April 24th officially before it, the French Government's purpose had been partly to inform the Council of the new character henceforth attaching to the legal relations between France and Belgium, there having been no change in the friendship between the two countries. Its purpose had

been further to make before the Council two affirmations of its intent: whatever the obstacles which for the last fifteen months had stood in the way of the negotiation of the Western Pact to replace the Treaty of Locarno, the French Government's determination to succeed had been in no wise affected and it did not by any means despair of reaching a satisfactory solution. But in so doing the French Government never forgot the connection between security in Western Europe and the security of Europe as a whole. The former could not be secured at the cost of the latter, and the French Government conceived the proposed settlement as a contribution to the consolidation of peace as a whole.

The United Kingdom representative, Mr. Eden, expressed the hope that the negotiations with the Belgian Government, which had been so happily concluded, might prove to be a step towards negotiations of a wider scope, and might make possible the establishment of a closer co-operation between all the interested countries. His Majesty's Government in the United Kingdom would continue to persevere in its efforts to bring about a settlement which it earnestly desired to see realised, and which it was convinced would be a good augury for the future of Europe.

The representative of Belgium, M. Spaak, expressed his entire agreement with the declarations made by M. Delbos and Mr. Eden in interpretation of the Franco-British note of April 24th. That note had relieved Belgium of the obligations contracted at Locarno and in London. The Franco-British guarantee of Belgium was, on the contrary, maintained. That guarantee was based on a definition of Belgian foreign policy which embodied two fundamental assertions: (1) the determination of Belgium to defend her frontiers with all her forces against any aggression or invasion, to prevent her territory being used for aggression against another State, for the passage of armed forces, or as the base of operations by land, by sea or in the air, and to organise effectively her defence to that end; (2) the assurance of Belgium's loyalty to the Covenant of the League of Nations and to the obligations which the Covenant entailed.

The Belgian Government believed, in common with the Governments of France and of the United Kingdom, that the declaration of April 24th should be regarded as a step towards

the elaboration of a new Western Pact, the conclusion of which could not fail to facilitate a solution of other problems arising in the world.

The Council noted the communication from the French and United Kingdom Governments and the observations which had been made before it, and decided to adjourn the question until its next ordinary session. ¹

IV. SETTLEMENT OF THE ASSYRIANS OF IRAQ.²

On September 25th, 1936, the Council took note of its Committee's report describing the transitional state of the question of the settlement of the Assyrians of Iraq as a result of the abandonment of the Ghab plan. It expressed the hope that the United Kingdom and Iraqi Governments would give a favourable reception to the suggestions made in the report with regard to their contributions towards a new scheme to be adopted by the Council for the settlement of the Assyrians. It decided at the same time to transmit the Committee's report to the Assembly, in order that the competent Committee of the Assembly might consider it when examining the annual budget of the League of Nations, which provided for a grant from the League for the settlement plan.

In the discussion preceding the adoption of the Committee's report, the representative of Turkey drew the attention of the Committee and the Council to the importance of providing for the settlement of the Assyrians provisionally installed in the frontier zone in Syria.

The representative of the United Kingdom stated that, when a new permanent scheme was approved by the Council, his Government would be prepared to recommend Parliament to agree that the balance of the contribution offered by the United Kingdom Government in September 1935 should be made available for the new scheme under the same conditions as had been originally attached to its offer.

¹ See Minutes of the Ninety-seventh Session of the Council, fourth meeting, *Official Journal*, May-June 1937, pages 310 and 311.

² See *Report on the Work of the League, 1935/36*, Part I, pages 14 *et seq.*, and Part II, pages 8 *et seq.*

The representative of France assured the Council that the French Government would study the problem of the settlement of the Assyrians very closely.

The representative of Iraq informed the Council that, while he was unable to bind his Government, he would recommend it to make funds available *pari passu* with the United Kingdom Government for the continuance of the Committee's work, and also for the execution of any plan that might be agreed upon as a final solution of the problem.

The Assembly took note of the Committee's report which the Council had transmitted to it. It decided to regard the League grant as allotted in principle to the new settlement plan which the Council Committee had been asked by the Council to prepare. The 1935 Assembly fixed this grant at 1,300,000 francs, and it was on no account to be increased. The League's share in the reduced expenditure at present being incurred in connection with the work of settlement was to be restricted to 14.78 %, that is to say, the same percentage as the grant promised by the 1935 Ordinary Assembly bore to the total contributions promised in 1935 for the settlement of the Assyrians.

The Council Committee is continuing its investigations and studies in the hope of arriving at a final solution of the problem of the settlement of the Assyrians. It is also dealing with several questions arising out of the abandonment of the Ghab plan and the effects of the Council's decision on the present provisional settlement on the Khabur. In particular, the Committee has taken suitable steps for disposing of the material acquired for the settlement in the Ghab plain. It has also had to deal with certain financial questions arising out of the stoppage of the preparatory work in the plain.

At its session in September 1936, the Committee approved a smaller budget for 1937, in accordance with the situation created by the abandonment of the Ghab plan. This budget had to be modified in January 1937 owing to the devaluation of the Lebanese-Syrian currency following upon that of the French franc.

Other aspects of the Committee's work which should be mentioned include the preparation and entry into force as from April 1st, 1937, of the new financial regulations for the control

of the funds for the settlement of the Assyrians of Iraq in the Levant States under French mandate. The Committee devoted considerable attention to measures of retrenchment in connection with the administration of the work of settlement, the administration having to be on a more limited scale in future. It instructed a sub-committee of two to make such proposals for economy and adaptation as might appear feasible. The sub-committee went to Syria towards the end of May to study the position on the spot, and will place administrative and other proposals before the Committee on its return.

The Committee has also devoted special attention to the question of supplies for the Assyrians, in view of the increase in the price of wheat in Iraq and Syria.

The number of Assyrians settled in sixteen villages on the Khabur amounted at the end of 1936 to 8,819. They have at present 11,080 head of livestock.

V. REQUEST OF THE IRAQI GOVERNMENT UNDER ARTICLE 11, PARAGRAPH 2, OF THE COVENANT OF THE LEAGUE OF NATIONS.¹

On the proposal of the Iraqi Government, supported by the Iranian Government, the Iraqi Government's request was withdrawn from the agenda of the Council's ordinary sessions of September 1936 and January and May 1937, and was postponed to the following ordinary session of the Council.

VI. SITUATION IN ETHIOPIA.

Since the Assembly's last ordinary session, a certain number of communications have been received from H.M. Haile Selassie I.

These communications were in each case circulated to all the Members of the League of Nations.*

¹ See *Report on the Work of the League, 1935/36*, Part I, page 19.

² See *Official Journal*, December 1936, page 1409; March-April 1937, pages 265 and 268.

VII. SITUATION IN SPAIN AND COGNATE QUESTIONS.

1. *Appeal by the Spanish Government and Extraordinary Session of the Council (December 1936).*

On November 27th, 1936, the Spanish Government, in a telegram addressed from Valencia to the Secretary-General, recalled that it had denounced, particularly in the speech made by its representative at the last session of the Assembly,¹ "the armed intervention of Germany and Italy in favour of the rebels in the Spanish civil war". The Spanish Government drew attention to certain facts which, "through their very simultaneity", constituted in its eyes, and in accordance with Article 11 of the Covenant, a "circumstance affecting international relations which threatens to disturb international peace and good understanding between nations upon which peace depends". It also referred to "the declared intention of the rebels of forcibly preventing free commerce with the ports controlled by the Government" and to the fact "that the rebels had been recognised by Germany and Italy, which — and particularly one of them, as is proved by information in the possession of the Government of the Republic — were preparing to co-operate with them, in the naval sphere as they had done in the air and on land".

The Spanish Government, "in the supreme interests of peace and in virtue of Article 11 of the Covenant", requested the Council to proceed at the earliest possible moment to an examination of the situation.

After consulting his colleagues, the President of the Council, M. Edwards, representative of Chile, fixed December 10th as the opening date of the extraordinary session of the Council. He had previously intimated that his Government was "of opinion that the meeting of the Council at the present moment would not be favourable to the objects which Article 11 of the Covenant has in view . . . , that such a meeting would be liable to diminish the prestige of the League of Nations, and would not have a pacifying effect without the attendance and support of all the parties concerned".

¹ See *Official Journal*, January 1937, page 35.

On December 10th, after the Council had adopted its agenda, the President, speaking as the representative of Chile, “expressed the hope that the Spanish Government’s request would enable him in the course of the discussion, as occasion might arise, to raise certain cognate questions of a humanitarian character”.¹

On December 11th, the Council first of all listened to the speech made by the representative of Spain, M. Alvarez del Vayo, who referred to the various circumstances which led his Government to fear that, as “an international war existed in fact” on Spanish territory, this war might, “if it was still ignored, when least expected, produce a situation which could no longer be controlled”. Moreover, two days previously the United Kingdom and French Governments had drawn attention to the gravity of the present state of affairs in a *communiqué* relating to their most recent *démarches* and mentioning “the situation created by the prolongation of the civil war in Spain and the resulting dangers for the peace of Europe”. Referring to “the non-intervention policy and its executive organ, the London Committee”, the representative of Spain stated that “no one could have any doubts as to the complete ineffectiveness of the system, as it had been conceived and applied hitherto”. The Non-intervention Agreement “did not prevent a cynical intervention on behalf of the rebels — an intervention which was responsible for the prolongation of the civil war”.

Now that it was proposed to set up a system of control to render the Non-Intervention Agreement effective, the Spanish Government, “after its bitter experience hitherto and because it believed that it had not the right to expose its people to fresh abuses and to fresh disappointments, was concerned, above all, with making certain that the system of control would be such as to give all the necessary guarantees of effectiveness”. “Spain” M. Alvarez del Vayo observed, “had done everything that could be required of her as a Member of the League in order to serve the cause of peace. But peace could not be attained at the instance of only one nation; it must be the result of the collective endeavour of all who felt equally bound by the obligations of the Covenant.”

Lord Cranborne, the United Kingdom representative, referred to the measures taken by the members of the International

¹ See *Official Journal*, January 1937, page 6.

Non-Intervention Committee. This Committee had, he said, examined the evidence submitted to it, tending to show that arms were being supplied from abroad to both parties to the conflict in Spain. The United Kingdom Government believed that the maintenance in being of the Committee had acted as a deterrent to the indiscriminate supply of arms. The Committee had also had under consideration the possibility of preventing the despatch of aircraft by air to Spain. It had further studied the question of various forms of indirect intervention, such as the recruitment of persons for military service in Spain.

Contrary to the opinion expressed by the representative of Spain, the United Kingdom Government thought that the Non-Intervention Agreement had been of inestimable value in preventing the struggle from extending beyond the frontiers of Spain. As the French Premier had stated in the French Chamber on December 5th, "the policy of non-intervention, in spite of the disappointments, the surprises, the deceptions and the dislocations to which it has given rise, has nevertheless diminished the risks and lessened the dangers".

It had of late, unfortunately, become clear that the Agreement was not being scrupulously observed. To all appearance, it was being violated in favour of both parties to the struggle. Arms were being imported. Moreover, the forces of both parties were now being augmented from foreign sources to a degree which had assumed alarming proportions.

As regarded imports of arms, the London Committee had approved a scheme of supervision which might, if it were accepted by the two parties, help to prevent the entry of arms into Spain by land or sea. The members of the Committee had also agreed to consult their Governments as to the best method of putting a stop to the entry of foreign combatants into Spain. Lord Cranborne expressed the hope that, in any resolution which it might decide to adopt, the Council would show itself favourable to the strict enforcement of the Non-Intervention Agreement.

The United Kingdom representative also hoped that the Council would extend its sympathy to the intention underlying the recent Franco-British project to put a stop to the conflict by an offer of mediation. The proposal was to negotiate an armistice as a first stage. The United Kingdom and French

Governments had approached the Governments of Germany, Italy, the Union of Soviet Socialist Republics and Portugal and had asked them to take part in this initiative. Answers had not yet been received from all these Governments.

Moreover, the League could not and should not remain blind to the humanitarian aspect of the situation. Many of the problems were of great urgency: there was the problem of the evacuation of the civilian population of Madrid, the problem of feeding the population in areas where the sources of supply were being rapidly used up, the problem of medical supplies for the wounded and sick, the problem of the exchange of prisoners. Much had already been done by the International Red Cross, the Save the Children Fund and other organisations, but the need for co-ordinated international effort was becoming greater. Lord Cranborne suggested to the Council that this work might properly be undertaken by the International Relief Union or the International Red Cross, or some other international body strictly humanitarian in character. The Council might consider whether the Secretary-General should not be empowered to afford the technical assistance of the League to whatever organisation undertook this work of pity.

“If”, Lord Cranborne added, “the Council can express its approval of the strict maintenance of non-intervention in the conflict while that conflict endures; if it can throw the weight of its prestige in the scales on the side of bringing the conflict to an end; if it can indicate that it is ready to lend its technical services to encourage a humanitarian effort to mitigate the sufferings endured by the civilian population; if, finally, it can show itself willing to afford its advice and assistance in the ultimate work of reconstruction, this meeting of the Council will not have been held in vain.”

M. Viénot, representative of France, pointed out that the principle of non-intervention, “which was in consonance with the whole liberal tradition of the nineteenth century, found its fullest embodiment in the Covenant, Article 10 of which imposed on Members of the League an undertaking to respect the political independence of States, and denied each one of them the right to assert that it would only tolerate on the territory of its neighbours the system of which it approved”. The French Government, which at the beginning of August 1936 had proposed to

all European States that they should assume a joint undertaking of non-intervention, was still convinced, in spite of the incidents which had occurred, that this initiative had been a powerful contribution to the cause of peace. Nevertheless, the time had come to go farther. As to the organisation of supervision, which should make it possible to detect any arrival of war material in Spanish territory in any quantity, "the plan evolved by the London Committee had been communicated by the United Kingdom Government to the regularly established Government of Spain, and to the authorities which were at present in *de facto* control of certain portions of Spanish territory". Their replies were awaited.

But that was not all. The arrivals of volunteers were no longer "individual and intermittent". "Large formations — and, it might be, even organised foreign units — were now appearing in the war area; and there was reason to fear that the territory of Spain might shortly become a meeting-place for soldiers from all over Europe". The French Government accordingly "welcomed the recent proposal of the Government of the Union of Soviet Socialist Republics that the London Committee should take up the question of volunteers, which had already been raised by other Governments, and should press for the acceptance of the same undertakings in this connection as in the case of war material, and their enforcement by means of effective supervision". As the French Government saw the position, the way to prevent an aggravation of the international crisis to which developments in Spain had given rise was to implement the full effects of the principle of non-intervention, and to ensure its enforcement by strict supervision. By adopting these principles, the Council would be supporting very materially the efforts made in London.

Similarly, as regarded the latest Franco-British proposal of mediation as a means of putting a stop to the civil war in Spain, the Council "would not", he thought, "be failing to show that discretion which was still necessary in the present position of the exchanges of views that were proceeding between States, if it were to express its sympathy with the efforts that were being made".

Mr. Jordan, representative of New Zealand, said that the Covenant required the Council to consider the situation to

which the Spanish Government had drawn attention. If there was another standpoint than that of the Spanish Government, if there was some justification for the revolt and for foreign intervention, the Council should be informed of them. The Council, the public and the whole world would listen attentively to those who had caused the revolt; the Council would then do its best to bring about a settlement of the question in the interests of humanity, of constitutional Government, and in accordance with the obligations of the Covenant.

M. Potemkine, representative of the Union of Soviet Socialist Republics, observed that certain foreign Powers had openly intervened in the interests of the rebels. "Those who intervened", he said, "have become their accomplices while still maintaining official diplomatic relations with the Government of the Spanish Republic. Only when the rebels, thanks to foreign support, were in a position to extend their military operations were those relations broken off and the leader of the revolt hastily recognised as head of the State. While, hitherto, the rebels have been supplied with war material, aeroplanes and experts, they will now be assisted by whole formations from abroad". Since the matter had been referred to the Council, the latter should, in the opinion of the representative of the Union of Soviet Socialist Republics, leave no stone unturned "to put an end to the aggression and to preserve the commonwealth of nations from a terrible catastrophe".

Referring to the work of the London Committee, M. Potemkine stated that, on December 4th, the delegate of the Union of Soviet Socialist Republics had been instructed to propose to that Committee that non-intervention should be extended to the despatch of volunteers to Spain. It was of course understood "that the Government of the Union of Soviet Socialist Republics would only agree to measures of this kind provided they were strictly executed by all parties who had assumed the same undertakings". That was why it was thought necessary to introduce strict and effective supervision, which might bring nearer the end of the rising in Spain. "When the Spanish Government", M. Potemkine added, "has restored order, it will no longer be possible for foreign Powers to intervene in the internal affairs of Spain and the danger of international complications will be averted. If this hope were disappointed, it

would be for the Council to seek other and more effective means of preventing a general conflagration ”.

As to the recent Anglo-French initiative with a view to terminating the hostilities in Spain, the Government of the Union of Soviet Socialist Republics was prepared to agree in principle to such action, and the Council should do its utmost to support this initiative with the full force of its moral authority.

M. Komarnicki, representative of Poland, after referring to the Polish Government's doubts as to the advisability of convening the Council, pointed out that no precise request was before the Council and that the prolongation of the discussion could not but be prejudicial, not only from the point of view of the internal position in Spain, but also from the point of view of the general international situation. He added that his Government intended to co-operate, as far as it was able, in any steps calculated to circumscribe the conflict and diminish its intensity, if not to put an end to it at the earliest possible moment. Consequently, the Polish Government would give a most favourable reception to any humanitarian proposal, as well as to the proposal for the participation of the technical organs of the League in the attempts to alleviate the unfortunate situation of the civilian population.

As the outcome of this discussion, the Members of the Council drew up on December 12th the following draft resolution :

“ The Council,

“ After hearing the observations made before it ;

“ I.

“ Noting that it has been requested to examine a situation which, in the terms of Article 11 of the Covenant, is such as to affect international relations and to threaten to disturb international peace or the good understanding between nations upon which peace depends ;

“ Considering that that good understanding ought to be maintained irrespective of the internal régimes of States ;

“ Bearing in mind that it is the duty of every State to respect the territorial integrity and political independence of other States — a duty which, for Members of the League of Nations, has been recognised in the Covenant :

“ Affirms that every State is under an obligation to refrain from intervening in the internal affairs of another State ;

“ II.

“ Considering that the setting-up of a Committee of non-intervention and the undertakings entered into in that connection arise out of the principles stated above ;

“ Having been informed that new attempts are being made in the Committee to make its action more effective, in particular by instituting measures of supervision, the necessity for which is becoming increasingly urgent :

“ Recommends the Members of the League represented on the London Committee to spare no pains to render the non-intervention undertakings as stringent as possible, and to take appropriate measures to ensure forthwith that the fulfilment of the said undertakings is effectively supervised ;

“ III.

“ Views with sympathy the action which has just been taken on the international plane by the United Kingdom and France with a view to avoiding the dangers which the prolongation of the present state of affairs in Spain is causing to peace and to good understanding between nations ;

“ IV.

“ Notes that there are problems of a humanitarian character in connection with the present situation, in regard to which co-ordinated action of an international and humanitarian character is desirable as soon as possible ;

“ Recognises, further, that for the reconstruction which Spain may have to undertake international assistance may also be desirable ;

“ And authorises the Secretary-General to make available the assistance of the technical services of the League of Nations should a suitable opportunity occur. ”

This text was subsequently examined at a public meeting of the Council.

The representative of Spain made the following statement :

“ This morning I agreed to the present wording of the last paragraph of the resolution. I was the more ready to do so in that the exchange of views between the Members of the Council showed clearly that, in accordance with the Council's invariable practice in the matter of technical co-operation, international action on Spanish territory could only be undertaken at the request of the Spanish Government.

“ In conclusion, I should like to add that, as the step taken by the Council does not exhaust the question that has been raised, the Spanish Government reserves the right, should circumstances render it necessary, to ask the Council to proceed with the examination of the question. ”

The President, M. Edwards, speaking as the representative of Chile, said that his country was following with the utmost sympathy the Franco-British initiative with a view to mediation, and the policy of non-intervention. He then drew the Council's attention to the situation of the large number of refugees who had found asylum in the various embassies and legations at Madrid. The Chilian Government considered that they should be evacuated from Madrid at the earliest possible moment, and that no organisation seemed to it better qualified to undertake this humanitarian work than the International Red Cross Committee, whose moral authority would be immensely strengthened if it could command for the purpose the technical assistance of the League of Nations.

The very cordial exchange of views he had had at Geneva with the Spanish Minister for Foreign Affairs had given him the assurance that the problem would find a solution satisfactory to all concerned. In his view, the situation could be dealt with under the resolution at present before the Council.

M. Costa du Rels, representative of Bolivia, associated himself with the Chilian representative's statement, and felt sure that the representative of Spain would be willing to consider means of solving this problem.

M. Alvarez del Vayo stated that his Government had defined its position in regard to the problem which had just been raised in a note which it had addressed to the members of the diplomatic corps in Madrid. In accordance with the attitude adopted in this note, it was prepared to examine the problem direct with each of the Governments concerned, bearing in mind all its aspects.

The draft resolution was then approved by all the Members of the Council.

On December 15th, the representative of Spain, referring to paragraph 4 of the resolution adopted by the Council, proposed that “ a competent delegation from the Health Organisation be urgently sent to Spain to study the possibilities of rapid

action, in consultation with the Spanish Minister of Public Health", with a view to the prevention of epidemics among the civilian population. A mission was constituted and left for Spain.¹

2. Ordinary Session of the Council, January 1937.²

Before the ordinary session of the Council, which was to open on January 21st, 1937, the Chilian Government, recalling the observations made by its representative at the meeting on December 12th, 1936 concerning the question of persons who had taken refuge in the embassies and legations at Madrid, and referring to a communication from its ambassador in that city, sent in conformity with a decision of the diplomatic corps of which he was the *doyen*, requested that the following item should be placed on the Council agenda: "Situation of Persons who have taken Asylum in the Embassies and Legations at Madrid".

The Cuban Government associated itself with the Chilian Government's request.

At the opening of the session, the Council decided, at the request of the Spanish representative, to place on its agenda the examination of the Health Mission's report. The Spanish representative made reservations concerning the placing on the agenda of the question proposed by the Chilian Government. After an exchange of views, the Council decided to place the following item on its agenda: "Resolution of the Council of December 12th, 1936: Examination of the Report of the Health Mission sent at the Request of the Spanish Government, and Humanitarian Questions connected therewith (Evacuation of Persons who have taken Asylum in the Embassies and Legations at Madrid, etc.)".³

At the Council meeting on January 25th, M. Alvarez del Vayo, after expressing his Government's views on the report

¹ For the work of this Mission, see the chapter dealing with the work of the Health Organisation, page 144.

² See *Official Journal*, February 1937.

³ By a communication dated January 22nd, the Netherlands Government was gratified to note that "... cognate humanitarian questions such as those mentioned in the Chilian Government's communication would also be considered." (See *Official Journal*, February 1937, page 136.)

of the Health Mission sent to Spain, put "a few general considerations" before the Council.

After stressing the very special value of the impartial findings reached by the members of the Mission in the course of their examination of the health situation, M. Alvarez del Vayo protested "against the legend of an extremist Spain where no sort of control existed", and added that it was for a democratic and parliamentary Republic that loyalist Spain was fighting. Referring to the carrying-out of the non-intervention obligations and renewing the acceptance he had given in December of the effective supervision recommended by the Council, he said that "the States which were making war on the Spanish Government" had postponed its entry into force for weeks and weeks "in order to be able to continue without hindrance to send the rebels the divisions which they needed to carry on the war".

M. Edwards, representative of Chile, dealing with the question of persons who had taken refuge in the embassies, said that fourteen embassies or legations in Madrid had given asylum to a large number of persons whose rapid evacuation was essential. In December 1936, at the extraordinary session of the Council, the representative of Spain had stated that the question would be settled by direct negotiations with the various Powers concerned. But, in point of fact, the negotiations between the Spanish Government and the Heads of Missions in Madrid had made no progress. As, in his view, all possible international safeguards should be provided for the evacuation of those who had been given asylum, he had suggested that the Council should appoint an international committee to organise this evacuation in agreement with the Spanish Government, the military authorities and the diplomatic corps at Madrid.

M. Komarnicki, representative of Poland, stated that his Government associated itself with the Chilean proposal.

M. Alvarez del Vayo explained that his Government was still prepared to examine the problem of the evacuation of those who had been given asylum direct with each of the Governments concerned. The negotiations instituted in December with the Argentine Republic and Mexico had led to satisfactory results. But he could not agree to an international decision binding the Spanish Government to do more than it had done, and more than it could do, for those in asylum.

The President, M. Wellington Koo, representative of China, who was appointed Rapporteur, had several conversations with the representatives of Spain and Chile, after which he submitted his report on January 27th.

In this document, after paying a tribute to the work done by the Health Mission and suggesting that the chapters dealing with anti-epidemic measures should be transmitted to the Health Committee, M. Wellington Koo summarised the views of the representatives of Chile and Spain on the question of the evacuation of the refugees in the embassies. He concluded his report as follows :

“ Both representatives are actuated by the same humanitarian motives, and I believe that direct negotiations, which I hope will be begun at the earliest possible moment, should make it possible to settle the problem of the evacuation of refugees in the Chilean Embassy to the satisfaction of both Governments. ”

It appeared from an exchange of views at a private meeting that the representatives of the two countries agreed with the Rapporteur and that M. Alvarez del Vayo, as soon as he returned to Valencia, would give instructions for negotiations to be opened in London between the Chilean representative and the Spanish Ambassador, in accordance with the desire expressed by the former.

* * *

During the discussion of this question, several speakers stressed the fact that the Council would deal only with its humanitarian aspect, leaving out of account the legal problem of the existence or non-existence of a “ right of asylum ” possessed by embassies and legations. Nevertheless, several references to this problem were made.

In his speech before the Council on December 12th, 1937, M. Edwards said that the Chilean Ambassador at Madrid had exercised powers “ which had always been recognised in international law and international practice ”. At the same meeting, the Bolivian representative, M. Costa du Rels, said that “ there existed a right, an American right ” perpetuated among the Spanish-American nations by age-long tradition and confirmed by the Conventions of Montevideo and Havana. The right

of asylum in case of civil war proceeded, he said, "from the concept of honour handed on to the Latin-American nations, with so many other virtues, by Spain".

At the meeting of January 25th, 1937, the Chilean representative mentioned that "arguments had been put forward in the Council and outside the League disputing the existence and practice of the right of asylum and contending that it was confined to Latin America". M. Edwards maintained, on the contrary, that "the right of asylum had been exercised by European, American and Asiatic States in Europe, in America and in Asia until the present day". He mentioned "a few striking cases in the nineteenth and twentieth centuries, since it was not disputed that in the eighteenth century the right of asylum was freely exercised in Europe".

In reply to this legal portion of the Chilean representative's speech, the Spanish representative, after recalling that it had been agreed that the problem should be examined solely from the humanitarian standpoint, said that his country had no legal obligations in the matter, but had only extended some tolerance to the practice of the right of asylum at Madrid. He added that, in his opinion, the Chilean representative was confusing the extra-territoriality of a vessel, which was a part of the national territory, with the extra-territoriality of embassies and diplomatic missions.

At the meeting on January 27th, the representative of the Union of Soviet Socialist Republics, M. Litvinoff, referring to the Chilean representative's previous speech, said that there was no recognition in international law or practice of the right of diplomatic missions to grant asylum to persons seeking refuge from the police or from the judiciary. "There had been", he said, "in the remote past, cases of such a practice in Europe but they did not constitute a right, all the more because they had always aroused protests on the part of the interested State and had even led to calamitous international conflicts". M. Litvinoff could "quote many instances from international experience in the sixteenth, seventeenth and eighteenth centuries", but "would refer those interested in the question" to certain cases going back to the eighteenth century which experts in international law mentioned as having laid the foundation of the European practice of non-recognition of the right of asylum.

He also referred to the doctrine and practice of the right of asylum in America and Asia, and concluded that it was "quite obvious that to raise in the League of Nations the question of recognising a right of asylum would not, under any circumstances, be justified either by international law or by international practice, and that therefore such a practice could be tolerated only by the goodwill and free consent of the interested Government".

The Chilian representative observed that he had not raised in the League the question of the recognition by the League of the right of asylum. He quite agreed with the representative of the Union of Soviet Socialist Republics on that point, since the question was one to be decided by each Government individually. But the right was being exercised. As regards one of the cases which M. Litvinoff had quoted — the exercise of the right of asylum in Chile in 1891 — the Soviet representative seemed to have been misinformed. There might also be other cases in which the Soviet representative had been misinformed, and, although M. Litvinoff had quoted a great number of authors who considered that the right of asylum did not exist, it was well known that authors of international law usually disagreed among themselves.

M. Litvinoff observed that the Chilian representative had quoted examples of the practice of the right of asylum, but "not everything which was being done was legal".

Moreover, the Chilian representative having alluded in his speech of January 25th to the practice of the right of asylum in Iran, the delegation of that country stated in a communication "that the right of asylum had not for a long time past existed in Iran".

3. *Communication from the Mexican Government.*¹

On March 29th, the Mexican Government, in a letter to the Secretary-General, defined its attitude towards the international problem raised by the Spanish conflict.

The Non-Intervention Sub-Committee in London had issued a *communiqué* to the Press stating that at its last meeting it had

¹ See *Official Journal*, March-April 1937, page 264.

considered "the possibility of extending the Non-Intervention Agreement in such a way as to secure the co-operation of non-European countries". The Mexican Government expressed its surprise at the attitude of certain European Governments, and stated that it considered it its duty to employ "all the means in its power to promote world peace and more especially to bring to an end the armed conflict" in Spain. In its view, owing to the form they had taken and the time at which they were made, the sole effect of the attempts "to apply the so-called non-intervention policy had been to deprive Spain of assistance which, under international law, the legitimate Government of that country was logically entitled to expect from States with which it had normal diplomatic relations". In the eyes of the Mexican Government, "this lack of co-operation with the constitutional authorities of Spain is cruelly prolonging a fratricidal struggle and, owing to the participation of foreign elements, the possibility that the conflict may lead to serious international complications is growing more imminent every day. Mexico cannot admit that, while she is being asked to lend her assistance in solving world problems, an attempt should be made to reduce the scope of her peacemaking action". Mexico considered that the distinction made by the Covenant between "a Government victim of aggression, to whom every material and moral assistance should be afforded, and aggressor groups, who should certainly not be granted facilities enabling them to continue the struggle, should be extended to cases of military rebellion such as that which has occurred in Spain".

4. *The Spanish Government's Request to the Council to proceed with the Examination of the Question which was begun in December : Ordinary Session of the Council, May 1937.*¹

On March 13th, 1937, a further communication was received from the Spanish Government on the question of foreign intervention in Spain.²

¹ See *Official Journal*, May-June 1937.

² *Ibid.*, March-April 1937, page 263. This communication refers to "the statements of the Italian officers and men taken prisoner in the Guadalajara sector" which "confirm the presence of regular military units of the Italian army sent to fight on Spanish soil".

In a telegram dated May 19th, the Spanish Government referred to the extension of this intervention and pointed out that, prior to the adoption of the resolution of December 12th, 1936, the Spanish representative had stated that this resolution did not exhaust the question raised and that his Government reserved the right, should circumstances render it necessary, to ask the Council to proceed with the examination of the question. He therefore requested that it should be placed on the agenda of the next ordinary session of the Council.

On May 28th, before the Council, M. Alvarez del Vayo, representative of Spain, remarked that, since December, the evolution of the situation had gone through four main phases, during which periods of aggravation of the conflict had alternated with attempts to mitigate its evils. During the first phase, which "culminated in the open aggression of Italy and in the battle of Guadalajara", Italo-German intervention had been intensified. The second phase was represented by the bringing into effect of the system of control of the non-intervention obligations which was worked out so painfully and with much delay by the London Committee. The third phase consisted in the ruthless application of the theory of a "totalitarian war", which was exemplified notably in the destruction of Guernica. The attempts of the London Committee to bring about the withdrawal of foreign combatants from Spanish territory constituted the last phase.

The representative of Spain, after estimating at from 70,000 to 80,000 the number of Italians who had entered Spain to fight against the Republican forces, laid on the Council table a "White Book" containing documents taken by these forces in the Guadalajara battle.¹ Those texts, he went on to say, "proved irrefutably": "(1) the presence on Spanish territory of complete units of the Italian army; (2) the fact that these units were behaving in the sectors assigned to them as a veritable army of occupation; (3) the existence of services organised for them by the Italian Government as if Spain was a conquered country; (4) the fact that the most eminent personalities in the Italian Government had addressed messages of encouragement to those troops."

¹ See *Official Journal*, Special Supplement No. 165.

The Spanish representative considered that this invasion of a State Member of the League by another State also bound by the obligations of the Covenant had hitherto had only one reply : that was the reply given by the soldiers of the Republican army. He could not help asking whether the Council had not also a reply to make.

M. Alvarez del Vayo added that at Guernica, "razed to the ground by German aeroplanes", the tactics of frightfulness and destruction and of the extermination of the civilian population had reached their culminating-point. Malaga had represented "a foreshadowing of Guernica". Madrid, which was being daily bombarded by artillery, was a "continuation of Guernica". The uprising of world opinion over "the crime of Guernica" was, he thought, a warning which the Council could not ignore.

Turning to the question of control, M. Alvarez del Vayo observed that, after rejecting the non-intervention policy as unjust, his Government, as soon as that policy existed, had accepted in principle the international control system which was to give effect to it. The original control scheme could not be carried out ; it had been replaced by another plan to which effect could be given without the assent of the Spanish Government. After weeks of delay "during which the rebels received supplies on a vast scale", control had come into force. In the opinion of the Spanish representative, the control system had so far proved no more successful than the non-intervention policy.

With reference to the proposal that foreign combatants in Spain should be withdrawn — a proposal which came "closer than any other to a strict interpretation of non-intervention" — his Government had "declared its agreement with this idea".

Rejecting the "chimera of mediation", M. Alvarez del Vayo said that the only possible solution of the Spanish problem was by "the full restoration of the national sovereignty of the power that expressed the will of the people, as manifested in the elections of February 1936". The best means of humanising the war, he added, was to end it, and "the war in Spain would end as soon as the rest of the world ceased to allow the totalitarian States to continue to intervene as they had done hitherto".

As a loyal Member of the League, the Spanish Government believed that the Council would commit a grave error if it refused to take the measures required by the situation.

For some time, the League had taken a road that might become fatal to it. Often it had been more concerned with its enemies than with its friends. Those who were present should never be sacrificed to those who were absent. No doubt everything should be done to enlist the co-operation, in the collective work of peace, of the maximum number of States, but always on condition that the Covenant was not sacrificed. In bringing the problem of Spain once more before the Council, the Spanish Government had no intention of making more difficult the parallel efforts of another international organ, but, for it, the League continued to be the supreme international institution. If the League was to have a future, the struggle in Spain could not end without the Council adopting a clear and firm position. Spaniards had shown that they knew how to do their duty "as men who were fighting, not only for their independence, but also for the independence of the peoples who do not wish to become victims of a totalitarian mysticism". Their Government "awaited serenely the decisions of the Council".

M. Delbos, representative of France, felt sure that everyone would understand the legitimate grounds on which the Spanish Government had been led to raise this issue in the Council. Little by little the civil war had assumed an international character. The Spanish people were no longer the sole masters of their own destiny, and foreign intervention constituted a grave danger to the general peace. From the first moment, the French Government had urged the Powers to enter into engagements not to intervene. While the efforts made had not been as effective as had been hoped, they had nevertheless had results which it would be unfair not to recognise. Moreover, the work of the London Committee admitted of improvement and ought to be completed. There were two immediate duties to be performed : the first was to prevent the atrocity of war reaching innocent victims ; the second was to recall the foreign combatants whose presence served to feed the flames of civil war and threatened to extend the conflict.

The London Committee had issued a solemn appeal that cruel and inexcusable methods of war should cease. It was the

duty of the Council to point to the elementary rules of humanity and international law, which prohibited all acts — for example, the bombardment of open towns — which inflicted the horrors of war on non-combatant populations. The Council would, he was sure, desire to exert its authority to the full in support of the rapid execution of the plan for the withdrawal of non-Spanish combatants drawn up by the London Committee. The French Government knew how anxious the Spanish Government was to preserve the peace of Europe. That was a difficult task which called for the collaboration of all countries. By a unanimous expression of opinion the Council would hasten the success of the efforts that were being made by the London Committee. The Spanish people would then become once more the sole masters of their own destiny and the hour would be hastened when, with reconquered liberty, bloodshed would finally cease.

M. Litvinoff, representative of the Union of Soviet Socialist Republics, stressed the fact that the Council had before it a perfectly clear case of the violent entry of foreign armed forces into the territory of a Member of the League of Nations.

If the events in Spain had been confined to internal troubles, to a struggle between the Government and the rebels, the affair would not have assumed an international character which concerned the League, and not only would order have long ago been restored in Spain by the defeat of the rebels, but international public order would not have been disturbed. The documents which had been published proved that the rebellion itself had been prepared with foreign incitement and foreign aid. From the very first day, the rebels began to be supplied with war material, instructors and pilots from abroad. Tens of thousands of well armed and trained foreigners subsequently came to their assistance. Under the command of their own generals, large units consisting entirely of these foreigners had waged important battles with the Republican army. Spanish cities had been destroyed by foreign aeroplanes. For the first time since the League came into existence, foreign armed forces had intervened in the internal affairs of a European State for the purpose of imposing upon it a régime and a political orientation which were foreign to it. If that attempt were to succeed and to be tolerated, there was no guarantee that it might not be repeated elsewhere in the immediate future.

The Government of the Union of Soviet Socialist Republics also had its own ideology, but it had never attempted and would never attempt by any means whatsoever, least of all by violent means, to impose its ideology upon other peoples. When the rebellion broke out, it had not even diplomatic or consular relations with Spain and no Soviet citizens were living there. All that the Union of Soviet Socialist Republics wanted was that after the present events, just as it had before the rebellion, Spain should have the Government which it desired itself and which it voluntarily elected in accordance with the Constitution it had itself established.

The Soviet Government had accordingly declared from the very outset that it would support any action with a view to the withdrawal of non-Spanish combatants.

The Spanish Government rightly considered that the League would be doomed to a moral, if not a physical, death if it stood aside when events were taking place like those in the Iberian Peninsula. Spain had always loyally performed its obligations as a Member of the League. Its Government had shown great moderation in not addressing appeal after appeal to the League, as it had every right, both formal and moral, to do. It had appealed to the League that day with the same moderation, "knowing the limited nature of the help which the League could give it and without referring to any articles of the League Covenant appropriate to the occasion". M. Litvinoff was confident that the Council, not only in the interests of Spain, but also in the interests of international justice and of the League itself, would afford the maximum assistance possible to the Spanish people.

Dealing first of all with the humanitarian aspect of the question, Mr. Eden, United Kingdom representative, said that, since the outbreak of the civil war, British warships had transported more than 20,000 Spaniards or foreigners who had been evacuated. Recently the action taken in facilitating the evacuation of women and children from Bilbao had resulted in the United Kingdom Government being charged with partiality. He desired to make it quite clear that the United Kingdom Government was just as ready to take action of this kind on behalf of the civilian population in whatever part of Spain they might be found. Similarly, when rumours reached it of

the possible use of poison gas, the United Kingdom Government had approached the Spanish Government and the insurgent authorities and had received assurances that the use of gas was not contemplated.

Mr. Eden next referred to the progress made since December 1936 in applying the non-intervention policy. At the beginning of 1937, the proposal was made that each of the European Governments should by agreement prohibit the departure from and transit through its territory of non-Spanish nationals for the purpose of taking part in the war. In February, the Non-Intervention Committee passed a resolution in favour of this step with effect as from February 20th. For some weeks past, a system of observation around the land and sea frontiers of Spain was enabling the London Committee to ascertain whether or not the obligations assumed were being observed, and the Committee had reported that this system was working satisfactorily.

The United Kingdom Government, which was only one of the twenty-seven European Governments represented on the London Committee, had no special responsibility for the work done by that Committee. While they were entitled to register the measure of progress which had been made, the objectives of the Non-Intervention Committee would not, in his view, be realised until the last foreigner had been withdrawn from Spain and until that country had been allowed to settle her own destinies in her own way. Foreigners engaged in hostilities, whether on one side or the other, had no business on Spanish soil. Moreover, it was impossible to believe that intervention in Spain would benefit any nation. When the conflict was over, the Spanish people would not readily forget the part foreign nations had played — actively in some instances — in the destruction of Spanish life and property.

The London Committee had recently referred to European Governments, for their consideration, a report drawn up by its Technical Sub-Committee embodying a scheme for the withdrawal of foreign nationals. Some ten days ago, the United Kingdom Government, on the assumption that this scheme would be approved by the Non-Intervention Committee and because it felt that only with the greatest difficulty could the scheme be carried out in the midst of active hostilities, had

made confidential enquiries of the other principal Governments concerned to ascertain whether those Governments would join with it in asking the contending parties to agree to a temporary cessation of hostilities on all Spanish fronts for a period sufficient to enable the withdrawal of foreigners to be arranged.

The premature disclosure of the United Kingdom Government's *démarche* had given rise to misunderstandings which complicated the question still further. Up to the present, the United Kingdom Government had received a number of replies, which, though they varied in temper and in the cordiality of the co-operation which they offered, in his opinion by no means precluded the possibility of agreement.

The United Kingdom representative added in conclusion that, ever since the conflict began, his Government had had before it two main objectives from which it had not departed and would not depart. First, to do the utmost that lay in its power to ensure that the Spanish conflict should not spread and involve all Europe in its consequences ; secondly, to ensure that, whatever the final outcome of the civil war, the territorial integrity of Spain should be preserved. In so far as the first objective was concerned, the danger of the conflict spreading was less than it was in the late summer of 1936, but it had not yet finally disappeared. Could not the Governments of Europe yet strive to make of the Spanish tragedy an occasion for peaceful co-operation rather than conflict ? Could not the first steps to secure the European settlement desired by all be taken in connection with the Spanish conflict ? The preservation of the territorial integrity of Spain was, he repeated, a matter of great moment to his Government. The Council, whose duty it was to serve the cause of peace, would, he thought, be carrying out its mission by supporting the work of the Non-Intervention Committee, especially in regard to the withdrawal of foreign volunteers.

Mr. Jordan, representative of New Zealand, said that one of the functions of the League was to maintain peace and to uphold lawful and constitutional Governments against invasion and the violence of outside Powers. In spite of the progress that had been made since December 1936, thousands of persons, not only combatants, but also civilians — men, women and children — had lost their lives. The Spanish Government's " White Book " contained one hundred documents alleging

that at least one outside Power had a fully equipped army in Spain committing acts of aggression, not only against the people of Spain, but also against the political independence of the country. Other independent reports showed that what was going on in Spain to-day was a flagrant challenge to the authority of the League.

The opponents of the Spanish Government established as the outcome of the last election had charged it with being the supporter of anarchy and crime. Whatever the political views of that Government might be, was there any justification for the invasion of Spain by an outside Power?

The Council should, of course, do all in its power to facilitate the success of the Non-Intervention Committee in the tasks it had undertaken, and particularly in the matter of the withdrawal of foreign combatants. But could not the Council also ask that Committee to endeavour to restore peace and good order by means of a democratic expression of opinion by the Spanish people, once the cessation of hostilities had been achieved?

M. Sandler, representative of Sweden, recalling the terms of the Council resolution of December 12th, 1936, felt it necessary "to emphasise, in the presence of internal disturbances with complications of an international character, that the fact that civil war is raging in a particular country cannot diminish the effect of Article 10 of the Covenant".

In the present case, the Swedish Government was of opinion that now, as in December 1936, the appropriate means of effectively safeguarding the peace of nations was "not to embark on action parallel to that of the Non-Intervention Committee set up in London, but rather to assist the work of that Committee by lending it the support of the League's authority".

The Swedish Government was also prepared to vote in the Council for any humanitarian effort which the circumstances might be found to indicate.

On May 29th, the Council unanimously adopted the following resolution :

" The Council,

" After hearing the observations made before it ;

" I.

" Confirming the principles and recommendations set forth in its resolution of December 12th, 1936, and, in particular, the

duty of every State to respect the territorial integrity and political independence of other States — a duty which, for Members of the League of Nations, has been recognised in the Covenant :

“ 1. Observes with regret that the development of the situation in Spain does not seem to suggest that the steps taken by Governments on the recommendations of the Council have as yet had the full effect desired ;

“ 2. Notes that an international scheme of supervision of the non-intervention undertakings assumed by the European Governments is now in force ;

“ 3. Notes with very great satisfaction the action taken by the London Non-Intervention Committee with a view to the withdrawal of all non-Spanish combatants taking part in the struggle in Spain ;

“ 4. Expresses the firm hope that such action will be taken in consequence of this initiative as may ensure with the utmost speed the withdrawal from the struggle of all the non-Spanish combatants participating therein. This measure is at present, in the Council's opinion, the most effective remedy for a situation the great gravity of which, from the standpoint of the general peace, it feels bound to emphasise and the most certain means of ensuring the full application of the policy of non-intervention.

“ 5. Urges Members of the League, represented on that Committee, to spare no effort in this direction ;

“ 6. Expresses the hope that the early success of these efforts will lead without delay to the cessation of the struggle and give the Spanish people the possibility of deciding its own destiny ;

“ II.

“ 1. Profoundly moved by the horrors resulting from the use of certain methods of warfare, condemns the employment, in the Spanish struggle, of methods contrary to international law and the bombing of open towns ;

“ 2. Desires to emphasise its high appreciation of the efforts of unofficial institutions and certain Governments to save civilians, especially women and children, from these terrible dangers. ”

M. Alvarez del Vayo, representative of Spain, after thanking the Council for the consideration given to the appeal of the Spanish Government, particularly in the matter of the withdrawal of non-Spanish combatants, pointed out that reference had been made, during the discussion, to the progress of the non-intervention policy since December 1936, but that this progress had not prevented Italian and German intervention from

becoming a veritable aggression. Referring to the term "two parties" used in connection with the Spanish conflict, he added that his Government had instructed him to state that "in no circumstances could it agree to the official use of this expression to describe, on the one hand, the legitimate Government of Spain and, on the other, those directly and immediately responsible for the military rebellion, aided by foreign support, which had plunged Spain into her present situation".

The Council's session was then declared closed.

5. *Communication from the Spanish Government concerning the "Deutschland" Incident and the Bombardment of Almeria.*¹

Two days later, the representative of Spain sent a further communication to the Secretary-General.

He stated that in the early hours of Saturday, May 29th, the commander of the German squadron in the Mediterranean sent a telegram to the Spanish Military Command at Valencia informing it that, if Spanish aircraft flew, as had already occurred, over German vessels carrying out their duty in the zone of supervision, he had given orders for adequate measures to be taken.

With reference to this communication, the Spanish representative pointed out that, according to the control system adopted by the London Committee, it was the duty of German vessels to observe at a distance of at least ten miles from the coast certain zones under the Spanish Government's authority, but that those vessels "did not consider it incompatible with the international mission entrusted to them to visit ports occupied by the rebels in zones where the duty of observation belonged to the vessels of other nations".

The Ministry of National Defence of the Spanish Government, in reply to the telegram from the German Admiral, stated that, if supervision were exercised at the distance of ten miles laid down by the London Committee, the warships would be in no danger, but, he added, "this guarantee could not be given if those ships incautiously and without justification entered

¹ See document C.270.M.175.1937.VII.

roadsteads or ports which were centres of insurgent activity. In that case, the Spanish Government could not stop its action”.

The note from the Spanish representative went on to say that, on the afternoon of May 29th, two Republican aeroplanes sent on reconnaissance above the rebel centre of Ibiza, in the Balearic Islands, were fired on by a German warship anchored in the port. The Spanish aeroplanes had retaliated by bombarding the aggressor vessel. The Spanish Government had immediately announced these facts in a *communiqué* to the Press. The German Government had waited twenty-four hours to announce that the battleship *Deutschland* in the roadstead of Ibiza had been suddenly bombarded between 6 and 7 p.m. on May 29th by two Spanish Government aircraft.¹

On the basis of its version of the incident, the German Government had caused the port of Almeria to be bombarded on the morning of May 31st. The note from the Spanish Government stated that a cruiser and four destroyers had fired two hundred shells at the town. “Thirty-five buildings had been destroyed and up to the present nineteen dead, including five women and one child, had been found among the ruins”.

The Spanish Government considered that “this fresh act of aggression on the part of the naval forces of the Reich constituted the greatest outrage against an independent and sovereign State of all the acts of aggression committed by the German fleet since the Reich, contrary to all the rules of international law and to the obligations arising out of the Declaration of Non-Intervention, had been guilty of warlike intervention in the conflict in Spain”.

In view of the gravity of this act and the official announcement of the despatch of further German warships to the Mediterranean the Spanish Government felt it to be its duty to draw the attention, of the Members of the League of Nations to this situation.

¹ According to the *communiqué* issued by the German Government on May 30th, the bombardment of the *Deutschland* had caused the death of 23 sailors ; 83 had been wounded, 19 seriously.

VIII. FREE CITY OF DANZIG.

Situation in the Free City.

It will be recalled¹ that, by its resolution of July 4th, 1936, the Council appointed a Committee composed of three of its members (United Kingdom, Rapporteur, France and Portugal — the last-named being succeeded by Sweden when its term of office came to an end last September) to keep in touch with the situation in Danzig.

The Committee submitted a report on its work to the Council at the latter's meeting on October 5th, 1936.

In that report it drew the Council's special attention to the High Commissioner's general report dated September 12th, 1936,² which summarised the main features of the position in the Free City, and to certain other relevant documents. Among the latter were several decrees issued by the Senate of the Free City the compatibility of which with the terms of the Constitution appeared to be at least open to grave doubt. The Committee observed that it might have suggested that the Council should take legal advice in regard to this matter. It had not done so, however, because it was of opinion that the situation required to be considered as a whole and therefore called for a fuller and more general examination. The Committee thought that it was only in the light of such an examination that the Council would be able to decide on the course which it should follow.

The Committee observed that the gravity of the question might be judged from the fact that vexatious treatment — such as the watch kept on the High Commissioner's residence — should have been meted out by the authorities of the Free City to a representative of the League of Nations, whose actions had been strictly limited to the carrying-out of instructions given to him by the Council with the full agreement of the Danzig Government.

The Committee was of opinion that the Polish Government was particularly well placed to undertake the examination.

¹ See *Report on the Work of the League, 1935/36*, Part II, page 25.

² See *Official Journal*, November 1936, page 1359.

which, the Committee considered, should be made so as to enable the Council to determine its future course with a full knowledge of the situation. Consequently, following the suggestion of the Committee of Three — which was at the same time requested to continue to follow the question — the Council invited the Polish Government “ to seek, on behalf of the Council, the means of putting an end to the situation described in the general report of the High Commissioner and thus of rendering fully effective the guarantee of the League of Nations, and to make a report on this subject at its next session ”. In accepting the Council’s draft resolution, the Polish representative declared, on behalf of the Polish Government, that the latter regarded the proposal as a serious effort, inspired by a legitimate concern for the maintenance of the dignity of the League of Nations and the interests of Danzig, to overcome the difficulties that had arisen within the territory of the Free City.¹

In accordance with the Council’s request, the Polish representative submitted his report in January 1937 to the Committee of Three. In this report,² the Polish Government stressed the fact that, in the negotiations with the Danzig Senate, it had emphasised the necessity for respecting the Statute of the Free City and the competence of the High Commissioner. It noted, in this connection, that the Senate was resolved to observe the Statute and to fulfil the resultant obligations. Consequently, the Polish Government was in a position to lay before the Council the following declaration made by the Senate of the Free City regarding the Senate’s attitude towards the High Commissioner as the representative of the League of Nations, which was the guarantor of the Statute of Danzig :

“ After the conversations which it has had with the Polish Government concerning the mandate entrusted to the latter by the League Council on October 5th, 1936, the Senate of the Free City of Danzig declares that the Free City bases its relations with the High Commissioner on the legal Statute in force.”

¹ *Official Journal*, November 1936, pages 1190 *et seq.*

² *Ibid.*, February 1937, pages 241 and 242.

According to the Polish Government, this declaration by the Danzig Senate and the assurances which the Danzig representatives had, in the course of the conversations, given to the Polish negotiators, gave grounds for hoping that the difficulties experienced by the High Commissioner in the exercise of his functions would not arise again in the future.

If — the Polish Government goes on to say in its report — the Senate in future afforded the High Commissioner and the Council all the assistance required to enable the League to carry out its task, it would appear that, from a practical standpoint, the High Commissioner, in the performance of the duties laid down in the Statute, should take care to see that the internal administration of the Free City of Danzig was not hampered. That should be the less difficult for him if it were borne in mind that discrimination between the sources of information on which the High Commissioner based his actions was not only possible, but even desirable. In this connection, the information furnished by the Senate should be given the place corresponding to the latter's authority as the Government of the Free City of Danzig.

The Polish Government considered that it had carried out its difficult mission in submitting a solution which seemed to it, in the circumstances, to be reasonable and which in its opinion would prove effective, provided that the Senate acted in accordance with its own declaration mentioned above.

It was obvious, continued the Polish Government in its report, that on the Council, as guarantor of the Statute of the Free City, devolved the duty of following the development of the situation ; this would allow the Council to see whether the proposed solution put an end to the difficulties that had arisen in the relations between the League of Nations and the Senate.

Having concluded its discussions, the Committee of Three submitted its report¹ to the Council at the latter's meeting on January 27th, 1937, in the presence of Mr. Lester, High Commissioner of the League of Nations, and of M. Greiser, President of the Senate of the Free City.

The Committee requested the Council to take note of the report of the Polish representative and to express its appreciation

¹ See *Official Journal*, February 1937, page 112.

of the zeal that had been shown by M. Beck and of the help he had given to the Committee both in the course of the negotiations which had led to the drawing-up of its report and during the Committee's own discussions.

In its report, the Committee of Three observed that the Statute of the Free City comprised three elements: the maintenance of the international position of the Free City, provision for the adjustment of difficulties between Danzig and Poland, and the guarantee of the Constitution. As had been made clear in the report presented to the Council on November 17th, 1920, the Constitution was intended to provide the essential guarantees for a stable and peaceful political situation and to ensure that the Government would function in conformity with the principles according to which the Free City was created and with the obligations arising out of the Treaty of Versailles.

Until a few years ago the Council, acting in discharge of the principal duty laid upon it by the Treaty of Versailles, had frequently been concerned with differences between Poland and Danzig; but happily the two parties had been able to adjust their differences, and the Council had not recently been called upon to deal with matters affecting Polish-Danzig relations. Since then, a new political situation had arisen, and the constitutional liberties had on several occasions been appealed to in circumstances which, at the time when the Statute was drafted, might have been regarded as very unlikely to occur. According to the Committee's report, the guarantees which were thus given had no essential connection with the normal functions of the League, but, having given those guarantees, the League was bound to do its best to fulfil them.

It was in these circumstances that the Council was called upon to consider the report which the Committee laid before it.

The Committee stated that it considered that the principles laid down in the Polish Government's report were to be understood in the sense that the High Commissioner's right to ask for information from the Senate and the Senate's duty to furnish the information asked for remained unquestioned. It was for the High Commissioner to decide, on the basis of whatever information might be available to him, as to the questions, if any, in regard to which he would ask for explanations from the Senate, and thereafter to decide himself whether or not it was advisable

for him to make a report to the Council. Moreover, the High Commissioner would not fail to take account of the terms of the Polish representative's report and of the report of the Committee.

The report points out that, under the procedure hitherto in force, it was left to the High Commissioner, when he thought such action necessary, to ask the Council to place on its agenda questions relating to the constitutional life of the Free City, in regard to which he had made reports to the Council. This responsibility had made his task more difficult, and Mr. Lester had suggested — and the Committee recommended that his suggestion be accepted — that, if the Council agreed, it should devolve in the future on the Committee of Three and not on the High Commissioner. The Committee said that, in any case, it was clear that the discharge of the League's functions in regard to the Constitution depended very largely on the manner in which the Senate of the Free City co-operated with the representative of the League, and, in this connection, the Rapporteur drew the particular attention of the Council to the paragraph in the Polish Government's report relating to this co-operation.

Before leaving the question of the relations between the Senate and the High Commissioner, the Rapporteur desired to express once more his appreciation of the conduct of the High Commissioner, Mr. Lester, who had, throughout the tenure of his office, carried out his duties in a manner deserving of the highest praise.

The Committee considered that the information which it had received from the Polish representative, and the assurances that had been given to it on behalf of the Senate, offered fresh grounds for expecting that political tension in the Free City would be lessened and that conditions would be established in which a High Commissioner would be better able to discharge his functions.

The Committee stated that it was not without some misgivings regarding its recommendation to the Council to adopt its report and to appoint a new High Commissioner; but in submitting its recommendation, it had been influenced by the consideration mentioned above, and by the fact that the guarantee by the League of the Constitution of the Free City was part of a complex political structure, to the disturbance of which the Council

would certainly wish to avoid contributing so long as possible. In any case, the new High Commissioner would see on the spot what the situation was and, as soon as he had been able to form a definite opinion, he would certainly wish to let the Council know under what practical conditions he thought he could carry out his functions, taking the present report into account.

The Rapporteur went on to say that, as regarded the substance of the Polish representative's report, it was clear that much depended on the spirit in which it was put into effect. The Council could only judge finally of the efficacy of the agreement when the first reports of the new High Commissioner were received. As the Polish representative had observed, the co-operation of the Danzig Senate was essential for the proper discharge of the High Commissioner's functions in their entirety. Meanwhile, the Council could note with pleasure the co-operation between Poland and the Free City which had enabled M. Beck to discharge his task.

After a few words from Mr. Lester, who, before resigning his post, wished to thank all concerned, and especially the Rapporteur, for the confidence and loyal support which they had given him, and to express his very sincere wishes for the future of the Free City and for the continuance of intimate friendly relations between its Government and that of Poland, M. Greiser expressed the hope that, with the adoption of the present report, tension would be finally brought to an end. The satisfactory principles on which the report was based would, he said, undoubtedly enable him to co-operate whole-heartedly with the new High Commissioner to be appointed by the League.

On the proposal of the Rapporteur, the Council then took note of the report submitted to it by the representative of Poland and adopted the report of the Committee of Three. It also requested that Committee to continue to follow the situation in Danzig.¹

* * *

On January 27th, 1937, the Rapporteur for Danzig matters proposed to the Council that, if Admiral de Graaff (former Naval Chief of Staff of the Netherlands), whom the Committee

¹ See *Official Journal*, February 1937, pages 111 *et seq.*

of Three had approached with a view to his acceptance of the post of High Commissioner in Danzig, should be unable to accept, the appointment should be left in the hands of the President of the Council in consultation with the Committee of Three and with the representative of Poland. That proposal was accepted.

In conformity with that decision, and after the consultations provided for therein, the President of the Council appointed as High Commissioner for the League of Nations in Danzig M. Carl J. Burckhardt — Professor at the University of Zurich and at the Graduate Institute of International Studies at Geneva, and Member of the International Red Cross Committee — for a period of three years as from February 18th, 1937.

IX. SAAR TERRITORY.

Complaint from Certain Former Officials of the Governing Commission.

In June 1936, the Secretary-General communicated to Members of the Council a note concerning the case of five officials of the Saar Governing Commission, who made certain financial claims on the League of Nations in respect of posts which they had held and the fact that they had not received the benefit of the agreements relating to former officials of the Saar Territory.

On the proposal of its President, this question was placed on the agenda of the Council at its ninety-second session (July 1936). At its meeting on July 4th, 1936,¹ the Council decided to refer the question to a Committee of Jurists, composed of three members, to investigate the various aspects of the question and, should it conclude that the League had incurred obligations, to include in its report a proposal which would be examined by the Council at its next ordinary session with a view to finding an equitable solution. The Committee, whose appointment was entrusted by the Council to its President, consisted of M. de Ruelle, Legal Adviser to the Belgian Ministry

¹ See *Official Journal*, July 1936, page 757.

for Foreign Affairs, member of the Permanent Court of Arbitration ; M. Donner, member of the Netherlands Supreme Court ; and M. Im Hof, member of the Council of State of the Canton of Basel Stadt, in charge of the Department of Justice and Police.

In its report of September 12th, 1936, which was submitted to the Council at its meeting on September 25th, the Committee stated its conclusion that the League had not incurred any juridical obligations in the case.

The representative of France, M. Paul-Boncour, said that, without wishing to enter into a legal discussion, he desired, on grounds of equity, to put two points to the Council. In the first place, the officials in question had, during a period of eighteen months, served very loyally — under circumstances which had often been difficult — the Governing Commission, an organ of the League ; secondly, when, at the Council session in May 1933, the question of the guarantees for the integrity of the plebiscite had been raised, the opinion had been expressed from various sides that that integrity would be the more fully respected if the Saar officials knew that they were assured of their independence and of their future. M. Paul-Boncour urged the League, solely from the standpoint of equity, to take, in the case of these officials, the line which was clearly indicated. As to making a definite suggestion in this connection, there could clearly be no question of any payment other than that of a lump sum as a final settlement. He thought that the sum of 5,000 Swiss francs each would be a suitable compensation, giving the officials in question a minimum of security while looking for other employment.

Having adopted the Committee's report, the Council, at its meeting on September 26th, accepted the suggestion of the French representative and decided to authorise the Secretary-General to pay to the five persons concerned compensation totalling 25,000 Swiss francs, chargeable to Item 2(c), Chapter I (Unforeseen Expenditure) of the Budget.¹

¹ See *Official Journal*, November 1936, pages 1154 *et seq.*

2.

THE INTER-AMERICAN CONFERENCE
OF BUENOS AIRES FOR THE MAINTENANCE
OF PEACE AND THE LEAGUE OF NATIONS.

On December 1st, 1936, on the proposal of the President of the United States of America, an Inter-American Conference for the Maintenance of Peace was held at Buenos Aires, in which the delegates of the twenty-one American Republics took part. The Minister for Foreign Affairs of the Argentine Republic was chosen to preside over this Conference. In congratulating M. Saavedra Lamas on his election, the Secretary-General expressed the hope that the efforts of the Conference to promote co-operation between the nations and ensure peace and security would lead to positive results.

The Conference completed its work on December 23rd. Before separating, it unanimously decided formally to communicate to the League of Nations the resolutions it had adopted. The Secretary-General, who was informed of this decision by a telegram¹ from the President of the Conference, will transmit these texts to the Members of the League as soon as they are communicated to him.

As regards the relation between the Conference and the League, it should be noted in the first place that, in the replies of their Presidents to President Roosevelt's initial proposal and during the actual discussions of the Conference, several Latin-American countries Members of the League stressed the ties which bind them to that institution and the part it plays in furthering world peace.

¹ Document C.557.M.358.1936 (see *Official Journal*, March-April 1937, page 278).

A number of the Conventions and resolutions adopted have some bearing on relations between the League and its American Members.

Proposals for the creation of an American League of Nations and an Inter-American Court of International Justice were submitted to the Conference. The latter deferred the examination of these two questions to the eighth International Conference of American States to be held in 1938.

The Conference recommended — the delegation of the United States of America abstaining from voting — that the American States Members of the League and signatories of the Pact of Paris, the Saavedra Lamas Treaty and any other similar agreements signed in the future, should request the States which are not members of the League and which are parties to the other treaties referred to above, to co-operate with the League in the study of the projects for the co-ordination of those various instruments with the League Covenant ; it also recommended that the American States which are not members of the League and are parties to the other above-mentioned treaties should co-operate with the League in the measures it may adopt to prevent war or to settle international conflicts by pacific means, whenever the respective legal systems of the said States permit. The Conference decided to bring this resolution in due course to the knowledge of the special Committee assembled in Geneva to study the co-ordination of the League Covenant with other peace instruments.

Several resolutions of the Conference refer to the international intellectual co-operation organised by the League. They include the resolution recommending the constitution of National Committees of Intellectual Co-operation ; the recommendation¹ to accede to the International Convention on the Use of Broadcasting in the Cause of Peace, signed at Geneva on September 23rd, 1936 ; the recommendation to subscribe to the declaration on the revision of school text-books, drawn up by the International Committee on Intellectual Co-operation ; the recommendation to support the plan for an American ethnological and historical collection, approved by the Intellectual Co-operation Committee ;

¹ The delegation of the United States of America abstained from voting on the resolution containing this recommendation.

the recommendation to prepare memoranda and other reports on the immigration problem and the distribution of raw materials for the Conference on Higher Learning organised for 1937 by the International Institute of Intellectual Co-operation.

In the economic and financial sphere, the resolution relating to barriers to international trade refers, *inter alia*, to the recommendations approved by the International Economic Conference held under the auspices of the League of Nations in 1927 and the conclusions of the subsequent Conferences of that organisation, especially with respect to the effects of clearing agreements as established by the Economic Committee of Geneva in 1935.

Lastly, the first clause of the Preamble of the Convention for the Maintenance, Preservation and Re-establishment of Peace, adopted by the Conference, reads as follows :

“ Considering that, according to the statement of Franklin D. Roosevelt, the President of the United States, to whose lofty ideals the meeting of this Conference is due, the measures to be adopted by it would advance the cause of world peace, inasmuch as the agreements which might be reached would supplement and reinforce the efforts of the League of Nations and of all other existing or future agencies in seeking to prevent war ”

3.

QUESTION OF ALEXANDRETTA AND ANTIOCH.

The Sanjak of Alexandretta, inhabited mainly by Turks, Alawites, Sunnite and Christian Arabs and Armenians (a total of about 240,000 inhabitants) is situated in the north-western corner of Syria. It is bounded on the north by Turkey and on the west by the Mediterranean.

The Franco-Turkish Treaty signed at Ankara on October 20th, 1921 provided for the institution of a special regime for the district of Alexandretta and contained certain provisions in favour of the Turkish element of the population.

By a decree of the High Commissioner of May 14th, 1930, France, the mandatory Power, promulgated the "organic regulation" of the Sanjak, endowing this province with a special regime in administrative and financial matters within the Syrian State.

At the meeting of the Council on September 26th, 1936, and then during the discussion in the Sixth Committee of the seventeenth ordinary session of the Assembly, the French delegate gave information regarding the state of the negotiations with Syria with a view to the early abrogation of the mandatory regime. On this occasion, the French delegate, in replying to the Turkish delegate, gave certain details regarding the future position of the population of Turkish language and culture of the district of Alexandretta.¹

On December 8th, 1936, the Turkish Government, in a telegram to the Secretary-General, requested, in accordance

¹ See *Official Journal*, November 1936, pages 1180 and 1181, and Special Supplement No. 161, pages 36 and 37.

with Article 11 of the Covenant, that a dispute which had arisen between Turkey and France concerning the future of the Sanjak of Alexandretta should be placed on the agenda of the extraordinary session of the Council. At the same time, it requested the adoption of interim measures of protection to ensure the safety of the Turkish people of the Sanjak.

On December 10th, the French Government, while agreeing that this matter should be placed on the agenda, expressed the opinion that the question did not constitute a Franco-Turkish dispute. It was merely a case of a divergence between a request submitted by the Turkish Government and the doctrine of the mandate as hitherto applied by France in the Levant in accordance with the guiding principles laid down by the Council and the Mandates Commission. After making express reservations as to the Turkish Government's views regarding the security of the inhabitants of the Sanjak, the French Government stated that it agreed to the adoption of measures of conservation on both sides of the Turco-Syrian frontier.

On December 10th, the Turkish Government transmitted to the Secretary-General a number of diplomatic documents relating to previous negotiations which had taken place between France and Turkey with regard to the district of Alexandretta and Antioch. ¹

Action of the Council at its Ninety-fifth (Extraordinary) Session.

At the meeting held by the Council on December 14th, the Turkish representative said that, being desirous that the Council should deal in the first place with the question of conservatory measures, he would not enter into discussion of the substance of the dispute. He pointed out, however, that, in his opinion, when in 1920 the Supreme Council of the Allies, in application of the Covenant, conferred upon France the mandate for Syria, that mandate did not comprise all the territories of the Levant at that time under French occupation. For instance, in 1921 France had been able to restore Cilicia to Turkey. When in 1921 Turkey, in conjunction with France, traced a line of

¹ Document C.538.M.348.1936.

demarcation—a line which was unconditional over the greater part of its length, but conditional as to the part touching the Sanjak — and when in 1923 these two countries made this line a political frontier — there was no French mandate over the Sanjak and it was not as a mandatory Power that France assumed obligations towards Turkey. As Turkey saw it, the Turkish populations of the Sanjak were destined to enjoy an autonomous regime under the authority of France, and Turkey had at no time any thought of admitting the existence of a Syrian political entity on behalf of which France might one day place a Turkish community definitely under the yoke of a non-Turkish community. The mandate, which came into force in 1923, could not extend to the Sanjak, which, after as before that date, remained distinctly and conditionally under the sole authority of France. The Turkish population of the Sanjak would always constitute a national element of the greatest importance for Turkey, and the Syrians would themselves realise the advantages they might derive from the independence of this territory, which was demilitarised and engaged only in economic activities which were of value to France, Turkey and Syria and all the other countries served by the port of Alexandretta.

It was said that calm reigned in the Sanjak, but it was a calm imposed by force. In order to enable the Council to make an impartial study and to find an equitable solution, it was necessary that the League of Nations should provisionally take the destiny of the Sanjak into its hands and that French and Syrian troops should be withdrawn.

Lastly, the Turkish representative declared that the profound friendship existing between his country and France was the guarantee of a solution by conciliation.

On December 15th, the French representative, after stating that his country was bound to Turkey by ties of sincere friendship, contested the justice of the view that the Sanjak of Alexandretta had been ceded to France herself and not as mandatory Power. The legal position of France in the Levant had been defined by Article 22 of the Covenant and by the instrument of San Remo, of April 25th, 1920. According to these instruments, the territories entrusted to France were not subject to French sovereignty. France had to endow these territories with a political organisation and to fix their frontiers, neither that

organisation nor those frontiers being defined by the international decisions from which she derived her powers. The evacuation of Cilicia was not equivalent to the handing back of territory, but was merely the end of a *de facto* situation — namely, military occupation. The Sanjak of Alexandretta had formed part of the State of Syria since its creation in 1922. The application of the Ankara Agreement had never in fifteen years given rise to any complaint either from the population or from the Turkish Government. Nor had that Government protested against the participation of the Sanjak in the national life of Syria.

On September 9th, 1936, the French Government had, together with representatives of the Syrian Government, initialled a treaty according to which the mandate in Syria would come to an end in three years ; but this treaty required to be ratified both by the French and Syrian Parliaments and it would only come into force when the mandate came to an end. If the Turkish Government had any objections to submit, it would have a number of opportunities of doing so, since the treaty must be examined by the Mandates Commission and by the Council, while, lastly, the Assembly would take a decision as to Syria's request for admission. All the rights provided for in the Ankara Agreement in favour of the Turkish populations in the Sanjak had moreover been confirmed once more in the Franco-Syrian Treaty. The French Government had offered to discuss with the Turkish Government the conditions under which the maintenance of the special regime of the Sanjak might be ensured. Turkey had not accepted this offer and had insisted on the conversion of the Sanjak into an independent State. France could not consider a measure of this kind, which was incompatible with Article 1 of the mandate. That article provided for the accession to independence of only two States which were subsequently mentioned — namely, Lebanon and Syria ; it was also contrary to Article 4 of the mandate, under which the mandatory Power had to guarantee Syria against any loss of territory. The Council was, of course, master of its decisions and could comply with the request of the Turkish Government, but it was the mandatory Power's duty to draw the Council's attention to the serious consequences which the separation of the Sanjak from Syria might have on public opinion in Syria and on Arab opinion in general.

As regards measures of conservation, after having contested the allegations of the Turkish representative regarding the situation in the Sanjak and pointed out that the mandatory Power had only sent very small military reinforcements to the territory, the French representative announced that he would give his consent to any provisions designed to prevent incidents on the frontier and in the Sanjak itself, for instance to the despatch to the spot of neutral observers on both sides of the frontier. But the French Government could not favour measures which would be tantamount to a partial suspension of the mandate.

On December 16th, the Swedish representative, Rapporteur, submitted his report to the Council. While noting the assurances given by the representatives of France and Turkey with regard to the spirit of sincere friendship and goodwill existing between the two Governments, he observed that the parties were agreed in asking the Council to postpone an examination of the substance of the question until the ordinary session in January 1937. Meanwhile, in order to create an atmosphere of calm and confidence, he proposed certain measures of conservation. A complete agreement had, however, not been reached in this respect. The French representative had been unable to accept the Turkish request for the despatch to the spot of a detachment of neutral gendarmerie which would be placed under the actual control of a Commissioner of the League of Nations. On the other hand, he had not insisted that an enquiry should be undertaken on both sides of the frontier, but had proposed that the Council should send observers to the Sanjak. France had further undertaken to postpone the ratification of the Franco-Syrian Treaty pending a decision by the Council on the substance of the question and, after the arrival of the observers on the spot, to withdraw the reinforcements recently sent to the Sanjak. The Turkish representative, after stating that there was no question of any military steps being taken on the Turkish side of the frontier, had said that he could not associate himself with the French representative's request regarding the despatch of observers to the Sanjak in the form in which it had been put forward.

The Rapporteur added that the Council must trust the two Governments to do their utmost to bring about the necessary pacification. In view of the French Government's express request,

he proposed that a mission consisting of three observers should be sent to the Sanjak as soon as possible. Their task would be neither to study the substance of the question nor to enquire into the events which had occurred recently in the district of Alexandretta and Antioch; nor would they have to take any direct action with a view to the maintenance of order or the restoration of a more pacific temper among the population; their duty would simply be to observe in order to be able to report to the Council if necessary. The local authorities would have to grant the observers every facility in the performance of their task.

The Rapporteur, therefore, submitted the following resolution to the Council :

“ The Council,

“ (1) Noting that the Governments of France and Turkey have agreed to postpone to the Council's ordinary session in January the examination of the substance of the question which has arisen regarding the district of Alexandretta and Antioch, recommends the two Governments to continue their conversations meanwhile in close contact with the Rapporteur :

“ (2) Notes the assurances given by the representatives of France and Turkey that they will spare no effort to contribute to a satisfactory solution of the question ;

“ (3) In response to the request formally made by the French Government, decides to send as soon as possible to the Sanjak of Alexandretta three observers, with the task defined in the present report ;

“ (4) Requests the President of the Council to appoint the said observers on the Rapporteur's proposal ;

“ (5) Fixes the end of January 1937 as the maximum time-limit for the observers' mission ;

“ (6) Requests the Secretary-General to provide the observers with the necessary secretarial staff ;

“ (7) Authorises the Secretary-General, under Rule 33 of the Financial Regulations, to draw if necessary on the working capital fund, up to a maximum of 75,000 Swiss francs, for the sums necessary to cover the expenditure involved by the execution of the present resolution, it being understood that France shall defray this expenditure ;

“ (8) Stipulates that the adoption of the present resolution shall not be regarded as in any way prejudging the substance of the question, which remains entirely open.”

The Turkish representative then pointed out that his Government had suggested the complete neutralisation of the disputed

zone to enable a serious enquiry to be made on the spot and that Turkey would have been prepared to agree to a similar enquiry on its own territory. Since France had not accepted this suggestion, he had agreed to the despatch of a mission of observers to the Sanjak, on the understanding that a French delegate and a Turkish delegate were added to the three neutral members. France did not feel able to accept that proposal either, and he had therefore considered that the measures proposed as a whole were insufficient, and, under these circumstances, he had not felt able to associate himself with the solution proposed.

The French representative pointed out that a request by a mandatory Power for the despatch of a League of Nations mission to mandated territory was an unprecedented step. The reason why France had not been able to accept the Turkish Government's proposal that a Turkish and a French delegate be added to the mission was that the presence of a Turkish delegate would compel his Government to ask, by way of reciprocity, for the extension of the field of the observers' activities to both sides of the frontier, and this solution had been rejected. The French Government was anxious that the Council should have at its disposal reliable information supplied by impartial observers, in whose acumen every confidence could be placed.

The representative of Roumania said that his country, which was a friend and ally of both France and Turkey, keenly desired a conciliatory solution and he expressed the hope that the measures of conservation would be such as to create the necessary psychological conditions for such a solution.

The representative of the United Kingdom, recalling the warm friendship which his country entertained for both the Governments concerned, also expressed the conviction that it would be possible before long to reach an amicable solution. He accepted the proposals to cover the temporary situation. In order to avoid any misunderstanding in the future, he pointed out, however, that it was a fundamental principle of the mandatory system that the mandatory Power was alone responsible for the maintenance of order in the territories placed under this system. In the present case, the mandatory Power had itself expressly requested the despatch of a mission of observers. In these circumstances, his Government agreed to that proposal. He pointed out that the present case related to a difference of opinion in the

interpretation of a treaty between the mandatory Power and another State. The procedure adopted could not, therefore, be considered as forming any precedent as regards internal events within a mandated territory.

The resolution was then adopted, the representative of Turkey abstaining.

The President of the Council, who was requested to nominate the three observers, appointed some days later the following persons, who accepted : M. Hans Holstad, Norwegian, former President of the Commission for the Exchange of Greek and Turkish Populations ; M. L. J. Caron, Netherlands, former Governor of Celebes ; M. Charles de Watteville, Swiss, Brigadier-Colonel. This mission left Geneva on December 27th and arrived at Antioch on the 31st.

Conversations between the Two Governments.

In accordance with the recommendation contained in the Council resolution of December 16th, the French and Turkish Governments carried on conversations in Paris, in the presence of a representative of the Rapporteur, with a view to arriving at a settlement. The Turkish Government presented a proposal for the conversion of the Sanjak into an independent State and the formation of a confederation consisting of Syria, Lebanon and the Sanjak with jurisdiction primarily over the following affairs they had in common : (1) foreign affairs, (2) Customs Union, (3) monetary union.

The French Government, however, considered that as mandatory Power it was unable to accept this proposal as a basis of discussion. It suggested that the respective legal positions should be provisionally left on one side and that the various factors of the settlement to be adopted should be studied from the practical aspect. The Turkish delegation not having accepted this method, the Paris conversations met with no success, but the two Governments continued their negotiations through diplomatic channels.

Action of the Council at its Ninety-sixth Session.

The Franco-Turkish conversations were resumed at Geneva in the presence of the Rapporteur on January 20th, 1937.

The discussion concerned chiefly a French document which, while expressly disputing the correctness of the legal contentions put forward by Turkey, sought a basis for conciliation and made a distinction between the final status of the Sanjak and the transitional regime to be instituted pending the emancipation of Syria.

According to this scheme, in order to secure the execution of the Franco-Turkish Agreement of 1921, the final status was to involve for the Sanjak a kind of survival of the mandate, including, in particular, a League High Commissioner of French nationality. The transitional regime was to prepare the way for the final regime and make the Sanjak appear as a separate entity while giving satisfaction to the Turkish demands concerning administrative and cultural questions, the demilitarisation of the territory and the use of the port of Alexandretta.

During these exchanges of views, the French Government stated that it was prepared to acquiesce in whatever decision the Council should think fit to take. The legal cases advanced by the two Governments were subjected to a preliminary examination. The legal aspect was, however, reserved in view of the prospects of a positive solution.

After a week of negotiations, an agreement was reached and, on January 27th, the Swedish representative, Rapporteur, submitted a report to the Council. In this document, he enumerated the fundamental principles on which the agreement had been reached and which were to govern the future status of the Alexandretta district. The principles are as follows :

1. The Sanjak shall constitute a separate entity. It shall enjoy full independence in its internal affairs. The State of Syria shall be responsible for the conduct of its foreign affairs, subject to the provisions contained in No. 3 below.

The Sanjak and Syria shall have the same Customs and monetary administration.

2. In the Sanjak, Turkish shall be an official language, and the Council shall determine, in accordance with the procedure laid down in paragraph 10, the character and conditions of the use of another language.

3. No international agreement concluded by the State of Syria, which is likely to affect in any way whatever the independence and sovereignty of that State, and no international decision having the

same effects may be applied to the Sanjak without the express consent in advance of the Council of the League of Nations.

4. Special officials shall ensure the necessary liaison between the two executive authorities in matters for which responsibility will rest with Syria.

As regards such matters, the legislative assemblies of Syria and the Sanjak shall be entitled to establish interparliamentary liaison and to determine the details of such liaison.

5. Supervision by the Council of the League of Nations to ensure respect for the Statute and Fundamental Law of the Sanjak, such supervision to be exercised in the following conditions ;

(a) Presence on the spot of a delegate of French nationality appointed by the Council of the League of Nations.

(b) Power of the delegate to suspend for a maximum period of four months any legislative or governmental act contrary to the provisions of the Statute or of the Fundamental Law. In such case, the delegate shall be bound immediately to refer the matter to the Council of the League of Nations, with whom the final decision shall rest.

(c) The French Government and the Turkish Government declare their willingness to give effect to the recommendations which the Council of the League of Nations may make to them to ensure respect for the decisions taken by the Council.

If, in virtue of the Council's decision, the two Governments have to take joint action, they will previously consult one another regarding the details of such action.

The Council's powers and rights as regards demilitarisation shall be determined subsequently.

6. The Sanjak shall have no army. No compulsory military service may be introduced and no military works may be constructed in the Sanjak. Only local police forces not exceeding . . . men may be organised in the Sanjak, and no armaments other than those required for the said police force may be introduced or maintained in the Sanjak. The technical details shall be determined in a subsequent agreement.

7. A Franco-Turkish Treaty shall be concluded. This treaty shall contain stipulations determining the manner in which Turkey and France shall guarantee the territorial integrity of the Sanjak. This guarantee shall operate after consultation between the two parties.

An agreement shall be concluded between France, Turkey and Syria for the purpose of guaranteeing the inviolability of the Turco-Syrian frontier and of prohibiting in Turkish and Syrian territory any organisations or activities directed against the regime in force in the other country and that country's security.

8. The Statute of the Sanjak shall contain a clause specifying the rights and facilities to be enjoyed by Turkey in the port of Alexandretta,

in order to enable her to make use to the fullest possible extent of that port for her transit trade.

9. The Statute and the Fundamental Law shall enter into force as soon as the Council has so decided.

10. The Council's decisions and recommendations shall be taken by a two-thirds majority without reckoning the votes of the parties concerned.

The Rapporteur added that in his opinion, which was shared by the representatives of France and Turkey, these principles provided the basis for an equitable settlement and one in conformity with the Covenant.

Certain points, however, required further elucidation, additional provisions or, in certain cases, technical study.

As regards the *Statute*, it was necessary to give a definition of the Sanjak and its boundaries, to insert the fundamental principles in the Statute, making clear the rights of the Council and its delegate, to ensure the protection of minorities, to provide for economic clauses relating in particular to the port of Alexandria and postal agreements, and, lastly, to fix the date of entry into force and certain transitional provisions.

With regard to the *Fundamental Law*, it was necessary to determine the legislative, executive and judicial organs competent within the Sanjak, to establish the electoral system, to define the character and conditions of the use in the Sanjak of another language than Turkish, to lay down procedure for the amendment of the *Fundamental Law* and measures for putting that law and the transitional provisions into force.

The Rapporteur proposed that the Council should appoint a committee of specialists to study these various questions, and in particular to draft the *Statute* and *Fundamental Law* of the Sanjak. This Committee, on which the Rapporteur would be entitled to be represented, would consist of not more than six persons, selected for their special qualifications by the President of the Council in agreement with the Rapporteur. It would have power to consult the appropriate branches of the Secretariat and, if necessary, the Permanent Mandates Commission.

At the same time, the Rapporteur proposed that the Council should confer upon the observers a new mission for a period ending not later than March 15th, 1937. Their duty would be to furnish the Rapporteur with any information that might be

of assistance in the performance of the tasks that still remained, and it should be possible to convene them in Geneva so that the Committee of Experts could have the advantage of their direct collaboration. The geographical range of their activities would be extended so far as might be necessary in order to study the question of the three communes detached from the Sanjak by the Order of September 12th, 1921.

Lastly, the Rapporteur proposed that the Council should request the French and Turkish Governments to put into writing the agreements they had reached ; those agreements would then be communicated to the Council before it came to its final decision. The *Statute* and *Fundamental Law* would be put into effect as speedily as possible. Until the termination of the mandate, it would rest with France to bring the new regime into operation as far as was compatible with the exercise of her mandate.

The Turkish representative, after stating that he accepted the Rapporteur's proposals, stressed the importance and scope of the agreement that had been reached, and paid a tribute to the efforts of the Rapporteur and of the common friends of France and Turkey. He pointed out that the result obtained would only be of value if it were loyally applied by the two parties. It would strengthen Franco-Turkish friendship and create an atmosphere of confidence between Turkey and Syria.

The French representative in turn paid a tribute to the Rapporteur and to the representatives of the countries which had helped to bring about this agreement. He pointed out that the agreement reached had the effect of sealing Franco-Turkish friendship and of stabilising the position in the eastern Mediterranean, since the political *status quo* was confirmed. Moreover, the agreement would restore calm and confidence in the new Syrian State, which was a valuable guarantee for its future. Lastly, the French representative stressed that it was under the ægis of the League of Nations that a difficulty had been settled, which the old diplomatic procedures had shown themselves incapable of solving; the League had once again proved that it offered the most favourable atmosphere and the most effective methods for the settlement of international disputes.

The representatives of Roumania, the United Kingdom, the Union of Soviet Socialist Republics and the President of

the Council, representative of China, in turn congratulated the two parties and the Rapporteur, and drew attention to the effectiveness of the methods of the League of Nations and the success which the settlement of this dispute constituted for the League.

Lastly, the Rapporteur paid a tribute to the spirit of conciliation and co-operation shown by the two parties and thanked all those who had contributed to the result obtained.

The Council adopted the Rapporteur's report.¹

Work of the Committee of Experts appointed to draft the Statute and the Fundamental Law of the Sanjak.

In accordance with the authorisation conferred upon him by the Council, the President of the Council appointed the Committee of Experts as follows : M. Maurice Bourquin (Belgian), M. Robert de Caix (French), Sir James Dunnett (British), Dr. Kollewyn (Netherlands), M. Numan Menemencioglu (Turkish). M. Westman (Swedish) represented the Rapporteur to the Council. The Committee elected M. Bourquin Chairman. It sat at Geneva from February 25th to March 17th and from April 22nd to May 15th, 1937. Within the limits and in the light of the principles laid down in the Council's resolution of January 27th, it proceeded to examine a number of documents laid before it by its members. In accordance with the procedure laid down, the Committee obtained information from the mission of observers.

In its report, dated May 15th, 1937,² the Committee gives an account of the method it adopted for its work. It submits to the Council a draft Statute and a draft Fundamental Law of the Sanjak, together with certain comments and a number of recommendations.

The draft Statute relates to the following subjects : general provisions, delimitation of the Sanjak, supervision by the Council of the League of Nations, decisions and recommendations of

¹ At the same time, the Council authorised the Secretary-General to charge the expenses of the Committee of Experts to the item of the budget for 1937 relating to unforeseen political expenditure, up to a maximum of 25,000 Swiss francs. It also decided that the expenditure involved by the new mission of observers to the Sanjak would be shared as from February 1st by the French and Turkish Governments.

² Document C.233.1937.

the Council, co-operation between France and Turkey, citizenship, liaison between the Government of Syria and the Government of the Sanjak, foreign affairs, demilitarisation of the Sanjak, minorities, Customs and monetary administrations, Port of Alexandretta, posts and telecommunications, entry into force.

The draft Fundamental Law contains general provisions and provisions relating to legislative, executive and judiciary powers and the fundamental rights of citizens.

On some points, divergent opinions were expressed in the Committee of Experts. This was the case as regards the question of the delimitation of the Sanjak and that of languages.

The Council resolution of January 27th requested the Committee to study the delimitation of the Sanjak, including the question of the three Nahiés of Bassit, Bahir and El Akrad which had been separated from the Sanjak by the Order of September 12th, 1921. The Committee gave a brief description of the present boundaries of the Sanjak in an annex to its report. As regards the three Nahiés, the Committee did not succeed in reaching a unanimous decision. The Turkish expert, taking into consideration the ethnical composition of the population and the motives by which the mandatory Power was actuated when, at one time, it attached them to the Sanjak, suggested that the Nahié of Bahir should be incorporated in the Sanjak, that the Nahié of El Akrad should not be included and that the future of the Nahié of Bassit should be decided later on the basis of a new census. The other members of the Committee saw no adequate justification for the abnormal and defective boundary line that would result from the incorporation of the whole or part of the three Nahiés in the territory of the Sanjak.

With regard to the question of languages, the Council had decided on January 27th that Turkish should be an official language and had reserved the right to determine later the character and conditions of the use of another language.

The Turkish expert held that the text of the Council's resolution, which was in itself a compromise, contained two elements : a specific element — that expressed by the sentence " In the Sanjak, Turkish shall be an official language " — and an element as yet indeterminate, in regard to which the Council entrusted certain duties to this Committee. The latter's work should therefore, in the Turkish expert's view, be confined to determining

another language, its character and the conditions for its use. The Turkish expert held that the effect of the Council's text was that, since Turkish was an official language in the Sanjak, the character of universality was definitely and formally recognised by the Council as attaching to it. The Turkish expert agreed that the second language should be Arabic. He agreed that Arabic should have an official character in the Sanjak. He also agreed that the conditions for its use should be so determined as to give full satisfaction to the Arab element in the Sanjak in all those districts where the Arabs were in the majority. The other members of the Committee considered that "the conditions for the use of the Turkish and Arabic languages in the Sanjak should be identical". Accordingly, they recommended that the following principles should apply in this connection :

" (a) Turkish shall be an official language ;

" (b) Arabic shall be an official language ;

" (c) In the public schools, elementary teaching shall be given in the official language preponderant in the village or quarter in which the particular school is situated ; the teaching of the other official language shall be either optional or compulsory, provided that in this respect the two languages receive completely identical treatment.

" (d) Both languages may equally be employed in all the courts of justice of the Sanjak, including the Supreme Court, and members of minorities may express themselves in their mother tongue.

" (e) Both official languages may be employed in the Assembly, the records of the Assembly shall be drawn up, and all laws shall be published, in both languages.

" (f) Administrative regulations and instructions shall be published in both languages.

" (g) The public may employ either language at their own choice in their relations with the administration, and shall receive replies in the same language."

Action by the Council at its Ninety-seventh Session.

On May 25th, 1937, the Swedish representative, Rapporteur, gave a brief account to the Council of the position according to the report by the Committee of Experts. He drew the attention of his colleagues to certain points which required their special attention, such as the question of languages and that of

delimitation ; he also mentioned a number of other questions which called for study and for decisions by the Council.

In the report which he submitted to the Council some days later (May 29th), the Rapporteur first paid a tribute to the Committee of Experts and the observers. On the basis of the consultations which he had had with the Members of the Council, he proposed that the Council should approve the draft Statute and Fundamental Law submitted by the Committee, together with the recommendations and suggestions contained in the Committee's report, and should fix November 29th, 1937, as the date on which these two instruments should come into force. He observed that it would rest with France, until the termination of the mandate, to bring the new regime into operation as far as was compatible with the exercise of her mandate, and he pointed out that the appointment of the League of Nations' delegate would only take place on the expiry of the mandate.

With regard to the question of the delimitation of the Sanjak, the Rapporteur said he could not go counter to the opinion of the majority of the Committee, and he proposed that a clause confirming the present boundaries of the Sanjak should be inserted in the Statute. Taking account of the anxieties which appeared to underlie the different opinions expressed in the Committee with regard to the three Nahiés, the Rapporteur proposed that the Council should place on record its opinion that particular attention must be devoted to the problem of the guarantees Syria should be requested to give on the termination of the mandate, more especially in connection with the rights of minorities.

Following the suggestions of the Committee of Experts, the Rapporteur proposed that, in addition to Turkish, which the Council had already decided should be an official language, Arabic should also be an official language in the Sanjak, and that the conditions of use of official languages should be those proposed by the Committee.

Under Article 15 of the Fundamental Law, it rested with the Council to decide the number and the method of appointment of the members of the body responsible for organising and supervising the whole of the proceedings involved in the first elections held in the Sanjak. The Rapporteur accordingly suggested that the President of the Council should be requested to begin

by appointing a Commission of five members, which would carry out the necessary preparatory enquiries and other work. This Commission would submit to the President of the Council all proposals for the appointment of the necessary officials and staff to arrange for and supervise the whole of the proceedings in question. The first elections should be held not later than April 15th, 1938. The expenses entailed by the work of the Commission and, in general, of all agents and auxiliaries who might be employed should be merely advanced by the League of Nations. On the other hand, the League of Nations delegate in the Sanjak should be paid by the League, the Sanjak defraying only his office expenses.

In addition, the Rapporteur alluded to an important question raised in the report by the Committee of Experts connected with the organisation of the police and gendarmerie forces in the Sanjak. He proposed that the Council should reserve the right to formulate recommendations on this subject on the expiry of the mandate.

The Committee of Experts in its report had mentioned the question of capitulations, and found that this matter lay outside its terms of reference. The Rapporteur pointed out, that under the terms of Article 5 of the mandate for Syria and Lebanon, the capitulations were to be re-established on the expiry of the mandatory regime, unless other arrangements had been made between the Powers affected. He proposed that the Council should postpone consideration of this question, as far as the Sanjak was concerned, until it was called upon to settle the matter when examining the conditions for the emancipation of the territories of the Levant placed under French mandate.

The French representative expressed his gratitude to all who had contributed to the solution of the problem, in particular to the Rapporteur, the Committee of Experts and the observers. He laid stress on the further success which had just been achieved by the League of Nations and on the efficacy of the methods it had just applied in difficult situations, in which a guarantee had, however, been found for an impartial settlement which could be accepted without question by the various parties. France had accepted a political compromise in which she saw a guarantee that the future relations of Turkey and France would develop satisfactorily. He expressed the hope that the

texts drawn up would enable the various elements of the population of the Sanjak to pursue, within the framework of new institutions, the harmonious development which the mandatory Power had done its utmost to promote for seventeen years. The supplementary Conventions between France and Turkey had made it possible to ensure complete uniformity of views between the two countries concerning the accession of Syria and Lebanon to the full exercise of their independence. These Conventions affirmed and strengthened good-neighbourly relations between Turkey and Syria under France's guarantee.

The Turkish representative associated himself with these remarks and pointed out that the settlement which had been reached strengthened the ties of friendship between his country and France and that the two countries were united in defending the *status quo* and peace in the Eastern Mediterranean.

The representatives of the United Kingdom and the Union of Soviet Socialist Republics, together with the Rapporteur and the President of the Council, in turn congratulated the two parties and expressed their satisfaction at the solution which had been found for the problem and the success which it constituted for the League of Nations.

After the Council had adopted the Rapporteur's proposals, the representatives of France and Turkey stated that they accepted the settlement laid down therein as constituting the final solution of the question, and undertook the special obligations which devolved upon each of the two countries from the texts established.¹

¹ On the same day, France and Turkey signed the Treaties provided for in No. 7 of the fundamental principles laid down in the Council's resolution of January 27th, 1937.

4.

REDUCTION AND LIMITATION OF ARMAMENTS.

I. CONFERENCE FOR THE REDUCTION AND LIMITATION OF ARMAMENTS.

On September 27th, 1936, the French delegation conveyed to the Council its desire that the work of the Conference for the Reduction and Limitation of Armaments should be resumed.¹ At the beginning of the 1936 Assembly, the delegations of Denmark, Finland, Norway, the Netherlands and Sweden requested that the Third Committee (Reduction and Limitation of Armaments), which had not met for several years, should be convened.²

On the conclusion of the debates in this Committee, the Assembly, on October 10th, 1936, expressed the conviction that it was necessary to pursue and accelerate the efforts made to bring about the reduction and limitation of armaments provided for in Article 8 of the Covenant.³

On the same day, the Council, taking note of the resolution of the Assembly, authorised its President to settle, as soon as circumstances should permit and in any case before the end of the year, the date of the meeting of the Bureau of the Conference for the Reduction and Limitation of Armaments, and to instruct the Secretary-General to proceed with its convocation.⁴

After various consultations, the meeting of the Bureau was finally fixed for May 31st, 1937.⁴

¹ See *Official Journal*, November 1936, page 1198, or document Conf.D.174.

² See *Official Journal*, Special Supplement No. 155, pages 66 and 91.

³ *Ibid.*, pages 115 and 135.

⁴ Before the meeting of the Bureau, the Secretary-General had communicated to its members a survey containing a summary of the work of the Committees of the Conference (1934-35) and a review of the Council and Assembly decisions (1936-37). See document Conf.D.176.

The Bureau then held two meetings under the chairmanship of M. Politis, Vice-President of the General Commission.

At the beginning of the first meeting, M. Politis, supported by M. Paul-Boncour (France), M. Osuský (Czechoslovakia), Mr. Wilson (United States of America) and M. Motta (Switzerland), paid a tribute to the memory of Mr. Arthur Henderson, President of the Conference, who died in October 1935. In his capacity as representative of the United Kingdom, Lord Cranborne expressed his grateful appreciation of that tribute.

M. Politis then read a letter from Dr. Eduard Beneš, who, elected President of the Czechoslovak Republic in December 1935, had relinquished his duties as General Rapporteur of the Conference. At M. Politis' suggestion, the Bureau decided that a message should be sent to Dr. Beneš expressing its gratitude for his devoted services to the Conference.

M. Osuský (Czechoslovakia) said that the President of the Czechoslovak Republic was more than ever convinced of the need for the work in the cause of disarmament, and was surer than ever of its ultimate success. The nations would soon be glad to find in the Conference a means ready to their hand which would enable them to escape from the path upon which they had entered.

After observing that it was the duty of the Conference, and not of the Bureau, to proceed to the election of a new President and a new General Rapporteur and that none of the texts drawn up by the Committees of the Conference since the last meeting of the Bureau (November 1934)¹ had yet been discussed by the Bureau, M. Politis opened the discussion on the future work of the Conference.

The French representative, M. Paul-Boncour, reminded the Bureau that the French delegation, in taking the initiative of asking the Council to convene the Bureau, had not cherished any illusions. It was not in spite of, but because of, the existence of the armaments race that the meeting of the Bureau had to be held.

Although the work of the Disarmament Conference had not resulted in the conclusion of the Convention that was its essential

¹ The texts dealt with : (1) The regulation of the trade in and manufacture of arms ; (2) Publicity of national defence expenditure ; (3) The Permanent Disarmament Commission.

aim, the Assembly had nevertheless noted, in October 1936, that it had enabled draft agreements to be worked out on a number of individual points. Some of those agreements had been unanimously accepted ; while, in the case of others, the differences that had been revealed could doubtless be readily smoothed away.

He then mentioned the following questions in the order of the practical possibility of achievement : budgetary publicity, the establishment of a Permanent Disarmament Commission, the regulation and supervision of the manufacture of arms and even, to some extent, the limitation of air armaments combined with the internationalisation of civil aviation.

As regards budgetary publicity and the establishment of a Permanent Disarmament Commission, there were some texts on which all the delegations at the Disarmament Conference had reached agreement ; the report on which the draft Publicity Convention was based had been accepted by all the members of the Conference, including those who had subsequently left it. If that draft Convention were adopted, it would at once justify the existence of a Permanent Commission. The very existence of that Commission would be evidence that the question of armaments had passed to the international plane. A Convention on the publicity of expenditure on armaments and the establishment of a Permanent Commission for verification and co-ordination would be the very appropriate beginning of an achievement which would prove that the previous work had not been useless. By that very fact, an institution would have been set up ready to seize the first opportunity that might arise of taking practical action, when psychological, economic and political conditions were such as to make a more far-reaching achievement possible.

M. Westman, the Swedish representative, considered that the Assembly, in constituting the Third Committee during its 1936 session at the request of the Danish, Finnish, Netherlands, Norwegian and Swedish delegations, supported by the Belgian delegation, had made clear its desire that the work of disarmament should not be given up but should be continued.

He pointed out that a certain number of States, of which Sweden was one, were ready in principle to accede to a Convention on the publicity of national defence expenditure. It would

perhaps be advisable to simplify the very detailed provisions laid down by the Technical Committee in its draft. Furthermore, the entry into force of an international Convention on the publicity of expenditure would necessarily involve the establishment of a permanent body for co-ordination and supervision. That body, although its duties would be limited, would nevertheless still have an important task to carry out.

At the moment, however, M. Westman thought that the prospects as regards the international supervision of the manufacture of and trade in arms seemed less hopeful than those regarding publicity of expenditure. Nevertheless, there was surely some prospect of positive achievement, even in the present circumstances, such as would prepare the way for the future. The idea had been mooted that it would be useful to conclude and apply what might be termed a "trial Convention", even if only a few States held similar views on the subject. Such an experiment would seem likely to facilitate the subsequent adoption of a worldwide Convention. In recent years, a number of countries had introduced national supervision of the manufacture of and trade in arms; other countries were engaged in studying the problem. Under these circumstances, could not the Bureau draw attention to what had thus been done and encourage Governments to take an initiative in that sense? In any case, it would be useful if the organs of the Disarmament Conference could have full and exact information on the present situation as regards the municipal law of different countries.

Mr. Wilson, the United States representative, considered that nations were more clearly than ever realising the necessity for reaching the goal that the Conference had set itself — the limitation and reduction of armaments; however, they were realists enough to acknowledge that they were in a vicious circle which must be broken at some point if they were profitably to resume active negotiations. The absence of at least two great Powers from the Conference would render much of its work illusory; and an apparent determination throughout most of the world to carry through given armament programmes offered little promise for an early reversal of policy.

The United States Government felt that one of the principal causes of the lack of success of the Conference was the fact that, during the very period when the nations were seeking agreement

to reduce military armaments, they were not at the same time adjusting their political differences. Might they not have erred in attempting to attack the effect while disregarding the causes ?

The shackles at present binding international trade created a sense of insecurity to which the only answer at the present time was military preparation. The delegations should urge on their Governments renewed efforts to alleviate that basic cause of present-day excessive armaments. The world must be changed from a war to a peace economy.

The day would come when delegations could and must make another move forward. Already there were some signs that a more favourable atmosphere existed. Meanwhile, the organisation of the Conference must be kept intact, even if for a time it remained inactive. When circumstances were favourable, it would be possible to hold another meeting without the delays involved in the organisation of a new conference. Neither the work done nor the experience gained should be cast aside. The Conference should stand ready to renew negotiations the instant appeasement in the field of economic armaments justified a new study of the problem before the Bureau.

The representative of the United Kingdom, Lord Cranborne, said that the ultimate object of the policy of His Majesty's Government was the general limitation and, if possible, reduction of armaments by international agreement. But it was one thing to pursue an ultimate end and another to achieve it.

In one sphere at least, he thought they might fairly claim that there had been a measure of success — that of naval limitations. In the memorandum communicated by the United Kingdom to the members of the Bureau¹ it was pointed out that His Majesty's Government in the United Kingdom was sparing no effort to secure the acceptance by other Powers of the provisions of the London Naval Treaty of 1936. Although it was true that little had been achieved in the sphere of quantitative limitations, there had been a considerable measure of success in the field of qualitative restriction. In addition, agreement had been reached on a system of advance notification and exchange of information, the object of which was to eliminate one of the most fruitful sources of suspicion between naval Powers.

¹ Document Conf.D./Bureau 74.

The provisions of the London Naval Treaty, 1936, would later constitute a stepping-stone to a further measure of limitations. The Government of the United Kingdom hoped that it could rely on the Powers represented on the Bureau to support it in its endeavours.

Referring to the signature of the Submarine *Procès-Verbal* in London on November 6th, 1936, providing for the humanisation of submarine action against merchant vessels in time of war, he expressed the hope that that instrument would eventually receive worldwide acceptance.

In the course of the last three years, the political situation had so far deteriorated as to banish at the present stage any hope of a general disarmament agreement. Many countries had, indeed, made very large increases in their armaments. His Majesty's Government in the United Kingdom had been compelled to make good without delay the deficiencies which it had accepted in its means of defence in the hope that general agreement on arms limitation would be reached. It had now embarked on a considerable programme of rearmament. That programme was not directed against any country or any group of countries. Good progress was at the present time being made with it, and it would be carried through to the end, in the conviction that a strong Britain made for peace.

Lord Cranborne agreed with the view of the representative of the United States of America that there was a very great deal to be said in favour of not pressing forward with the negotiations in unfavourable conditions, and thus courting the risk of another failure and further discouragement of public opinion throughout the world.

There were other delegations, however, which thought it possible to make at least some positive contribution to the solution of the problems which faced the Bureau. It might well be that the proper course was to advance by stages. If that view were correct, the first stage was to obtain agreement on the question of budgetary publicity. That might well be regarded as a touchstone. His Majesty's Government would be ready, for its part, to accept the general lines of the existing draft Convention, if the principal Powers of the world would also accept it. Partial application of such a system by a limited number of Powers would not advance the cause of disarmament.

He consequently proposed that the Bureau should ask all members, both past and present, of the Disarmament Conference whether they were prepared to accept the principle of publicity for national defence expenditure, and to put into force a Convention on the lines of that drafted by the Technical Committee. If the reply to the question were favourable, immediate progress would, of course, be possible. But if, on the other hand, it were found that unanimous agreement could not immediately be obtained on that preliminary step, it might well serve a useful purpose if the Bureau were to examine the present draft Convention and make any modifications that might be necessary to fit it for independent enforcement when conditions permitted.

He considered that the proposal of the Swedish delegate that an appeal should be made by the Bureau to all Powers in favour of the national control of arms manufacture and trade belonged to a later stage of the programme rather than to the present one. To try to go beyond budgetary publicity as the first stage would compromise the efforts of the Bureau.

M. Litvinoff, the representative of the Union of Soviet Socialist Republics, reminded the Bureau that his Government was in favour of a scheme of complete disarmament, although it had declared itself ready to accept any less radical proposals tending in the same direction. It was in that spirit that it had supported the initiative of the United Kingdom Government for the conclusion of the Naval Agreement now ready for signature.

Recent events had shown that the problems of to-day called not so much for the limitation of armaments as for the limitation of the uses to which existing armaments were put (the bombardment of open towns, the bombardment by naval forces of the open ports of other countries and the despatch of military units over the frontiers of other countries). However, the Soviet delegation had no objection to the discussion of the problems of to-morrow, and saw no difficulty in accepting the proposals put forward by M. Paul-Boncour.

M. Motta, representative of Switzerland and honorary President of the Conference, declared that the Swiss Confederation took a sympathetic view of the suggestions submitted by M. Westman. At the present time, however, for reasons that would be readily understood owing to the absence of several

great Powers, he fully shared the ideas expressed by Mr. Wilson and Lord Cranborne.

M. Lange, Norwegian representative and President of the Air Committee, considered, in agreement with Mr. Wilson and Lord Cranborne, that it was essential to maintain the organisation of the Conference, which could only be done by using it. This point had been emphasised by the Norwegian delegation at the meetings of the Third Committee of the Assembly.

He congratulated the Government of the United Kingdom on the success of its efforts in regard to the reduction of naval armaments. He supported Lord Cranborne's suggestion with regard to a consultation on the problem of publicity of expenditure ; a further meeting of the Bureau might be convened, possibly during the Assembly in September, in order to consider the replies received.

If general agreement could not be reached, certain States might conclude an agreement between themselves on exchange of information, publicity of expenditure and the supervision of this publicity. It was true that regionalism might present dangers when it was a matter of arming, but when it was a matter of controlling armaments, there could be no objection to the conclusion of regional agreements. M. Lange was in complete agreement with M. Westman on this point. He also supported M. Westman's suggestion that information should be collected regarding the steps taken for the national control of the manufacture of and trade in arms. Certain States might benefit from the experience of others in this respect.

The Disarmament Conference had done important technical work ; most of the problems of disarmament had been thoroughly studied. Unfortunately, there were gaps, of which the most serious was probably the question of air armaments. He held that it was necessary to resume as soon as possible, on the basis suggested by M. Paul-Boncour, consideration of the urgent problems of the prohibition of the manufacture of air armaments and of training in their use, such prohibitions being supplemented by the control, if not the internationalisation, of civil aviation.

In conclusion, he associated himself with the statement made by Mr. Wilson. Efforts must be made to reach a general solution based on agreement on the great economic and political

questions ; the cognate problems of disarmament must be taken up again as a factor in that solution.

M. Moresco, representative of the Netherlands, as President of the Naval Commission, associated himself with the congratulations which had been addressed to the United Kingdom Government for the perseverance of its efforts to obtain concrete results, modest though they be, in the field of naval disarmament. If the Netherlands were not yet among the countries which were about to sign similar arrangements to those negotiated by the United Kingdom with Germany and the Soviet Union, it was because the Netherlands interests in the Far East called for a certain caution.

As regarded the resumption of the work of the Conference, M. Moresco thought that the best thing for the Bureau to do would be to refer the matter to the Council and the Assembly. So long as the general atmosphere was not more favourable, discussions on actual texts did not seem to him to have any great practical value.

After the various delegations had thus explained their conception of the future work of the Conference, the Bureau adopted the following resolution :¹

“ The Bureau of the Conference for the Reduction and Limitation of Armaments, convened by the Council of the League of Nations on the proposal of the French delegation and in accordance with the recommendation made by the Assembly on October 10th, 1936.

“ Having informed itself of the work accomplished by the Committees of the Conference since the Bureau's last meeting on November 20th, 1934 ;

“ Having heard the statements and proposals made by certain of its members and recorded in to-day's Minutes ;

“ Noting that the general political and economic situation is not at present such as to ensure the success of a resumption of the work on all the questions forming part of the Conference's programme ;

“ But considering, none the less, that, among the drafts framed by the Conference, that concerning publicity for national defence expenditure and the working of an organ of supervision and co-ordination would, under certain conditions, be a suitable subject for an agreement which would represent a first step ;

¹ Document Conf.D./Bureau 76(1).

“ Considering, moreover, that, in certain countries, legislative measures have been taken setting up a national system of supervision for the manufacture of and trade in arms ;

“ Decides :

“ (1) To communicate the text of the draft Convention on publicity for national defence expenditure and the working of an organ of supervision and co-ordination to all the Governments which are or have been represented at the Conference, with the request that they inform the Secretariat of the Conference whether they are prepared, in principle, to accept a system of publicity based on that Convention ;

“ (2) To meet again on a date to be fixed by the Council of the League of Nations, for the purpose of considering the replies from the Governments, discussing the draft Convention on publicity for national defence expenditure, and deciding upon appropriate measures ;

“ (3) To instruct the Secretariat to collect and communicate to the members of the Bureau any useful information obtainable as to the present position in regard to the national control of the manufacture of and trade in arms in the principal countries.”¹

II. NAVAL QUESTIONS.

On May 6th, 1936, the Secretary-General invited the Governments of States Members of the League non-signatories of the London Naval Treaty of March 25th, 1936, to communicate to the United Kingdom Government, either through his agency or direct, any observations they might wish to offer on its text.²

During the year which has gone by since the last session of the Assembly, replies from Ecuador and Yugoslavia have been received and communicated to the United Kingdom Government, which brings the total number of communications received up to thirteen.

* * *

At the meeting of the Bureau of the Conference for the Reduction and Limitation of Armaments held on May 31st,

¹ For details, consult the Minutes of the sixty-third and sixty-fourth meetings of the Bureau of the Conference for the Reduction and Limitation of Armaments, document Conf.D.177.

² See *Report on the Work of the League, 1935/36*, Part I, page 96, and Part II, page 26.

1937, the United Kingdom delegation communicated to the Members of the Bureau a memorandum on naval questions.¹

In that memorandum, after mentioning the communication to the non-signatory States of copies of the London Naval Treaty of 1936, the United Kingdom Government points out that, in view of the international situation, it does not consider that a general naval conference could be usefully convened. It has, on the other hand, adopted the standpoint that the conclusion of bilateral agreements with such Powers as have shown particular interest in naval disarmament would best serve to pave the way for a general treaty which might eventually be signed at Geneva under the auspices of the League of Nations. In order to apply this policy, the Government of the United Kingdom in the first place opened negotiations with the German and Soviet Governments, with a view to reaching bilateral agreements on the basis of the London Naval Treaty, 1936. Negotiations on this subject have now reached an advanced stage, and it is hoped that agreements may be concluded simultaneously by Germany and the Union of Soviet Socialist Republics with the United Kingdom at no distant date. In addition to these negotiations, the Government of the United Kingdom opened similar conversations with the Governments of Poland, Turkey, Finland, Denmark, Norway and Sweden. The texts of any bilateral agreements that may thus be concluded will be communicated to the Secretary-General of the League of Nations.

Lastly, the Government of the United Kingdom in its memorandum points out the obstacles at present standing in the way of the conclusion of a general agreement on the reduction of the maximum calibre of guns, in conformity with the stipulations of the London Naval Agreement of 1936. In view of these obstacles and also its desire to make at an early date fresh progress as regards bilateral agreements with Germany and the Union of Soviet Socialist Republics, the United Kingdom has up to the present refrained from proceeding to the ratification of the London Naval Treaty of 1936, which, so far, has been ratified only by the Government of the United States of America.

¹ See document Conf.D./Bureau 74.

III. PUBLICATIONS EDITED BY THE SECRETARIAT.

The thirteenth edition of the *Armaments Year-Book* will be published in October 1937. It will contain monographs on sixty-four countries and will be prepared on the basis of official publications (official military bulletins, laws, decrees, budgets, statistical year-books) and of information supplied by certain Governments concerning the position of their armaments.

The twelfth edition of the *Statistical Year-Book of the Trade in Arms and Ammunition* was published in October 1936. The thirteenth edition will appear in October 1937. It will contain information regarding sixty-one countries and sixty-one colonies, protectorates and mandated territories, compiled from official publications.

5.

PROTECTION OF MINORITIES.

I. PROTECTION OF MINORITIES IN ROUMANIA.

Petitions from Dr. André Gaal concerning the Pensions of Former Officials and Pensioners of the Administration of Ciuc Private Property.

The Council decided, on January 26th, 1937 (ninety-sixth session),¹ to postpone this question to its next session. It had been placed on its agenda at the request of the representatives of the United Kingdom, Ecuador and France, the members of the Minorities Committee set up in virtue of the Council resolution of October 25th, 1920, to examine the petitions in question.²

On May 28th, 1937, the Council proceeded to an examination of the case, which was outlined in a report by the Spanish representative, Rapporteur on minorities questions.³

The Rapporteur began by reminding the Council of the practical solution it had found for the question of the settlement of the disputes relating to the Private Property of Ciuc on September 27th, 1932, and particularly of the fifth proposal contained in the report then submitted to the Council. He next described the case as it was now submitted to the Council, summarising it under the following three definite heads :

1. *Payment of Pensions to Officials or Pensioners of the Former Administration.* — In this connection, the petitioner alleged that only ten of the twenty-two persons concerned had received

¹ See *Official Journal*, February 1937, page 103.

² See *Official Journal*, May-June 1937, page 554.

³ *Ibid.*, page 314.

a pension, and that only since 1935 ; the heirs of three of them had been refused the payment of the pensions due to their deceased relatives.

2. Payment of Pensions in Arrear in the Form of State Bonds.

— The petitioner stated that he had refused payment of arrears on his pension in State bonds, because he considered that, since no reference to the manner of payment was made in the Council's 1932 resolution, the only possible interpretation was that payment should be made in cash.

3. Amount of Pensions. — The petitioner claimed that a " war bonus " and a " family allowance " introduced in 1919 by the Pensions Regulations of the Administration of the Property, with a clause stipulating that these grants should be taken into account in calculating retiring pensions, had not been taken into consideration by the General Pensions Fund of the Roumanian State, notwithstanding the provision in the Council's 1932 resolution that former officials should receive pensions in accordance with those Regulations, and although the pensions of all the retired officials of the Roumanian State in Transylvania had been calculated on the basis of emoluments in which these two special allowances were included.

The Roumanian Government submitted its observations regarding the petitioner's allegations in an aide-mémoire which was communicated to the Council.¹ The Government's replies regarding the three points mentioned above may be summarised as follows :

Ad 1 : The competent authorities had not decided on the three cases concerning the heirs of officials, owing to the absence of the necessary documents proving the right of those persons to a pension. The negative decision originally taken had been cancelled, and steps had been taken to pay pensions to those concerned. As regards the other nineteen cases, the claims had been recognised before May 1935.

Ad 2 : The Finance Minister's decision to pay arrears in State bonds was perfectly justified, but notwithstanding, the Roumanian Government had taken steps to make the payments in question in cash.

¹ *Official Journal*, May-June 1937, page 568.

Ad 3 : The amendments made in the Pensions Regulations of the Private Property Administration had never been approved, as they should have been, either by the Hungarian Government or by the Roumanian Government. They were therefore null and void. Moreover, the pensions of the former officials of the Ciuc Property had been calculated in the same way as those of all the officials of the Roumanian State had been since 1919.

Having thus examined the matter in its principal aspects, the Rapporteur concluded as follows :

“ Summarising the position as regards the number of pensioners whose pension rights have been admitted, the Roumanian Government states that the twenty-two pensioners' or officials' claims have been met, and that they will receive a pension in future. The heirs of those officials who have in the meantime died will be entitled to payment of the pension up to the date of death.

“ As regards the payment of arrears from 1923 until the date on which the persons concerned will receive a regular yearly pension, the Roumanian Government has taken steps to enable this payment to be made in cash.

“ With regard to the amount of the pensions, I do not think the Council will desire to go into the details of this question, especially as in the absence of certain data it is not possible to ascertain exactly where the discrepancy lies between the petitioners' claims and the basis on which the Roumanian authorities propose to fix the amount of the pensions to be allotted to each of them. In my opinion, the report of the Japanese representative to the Council, dated September 22nd, 1932, contains explicit and clear indications for the final settlement of this matter :

“ ‘ The Roumanian Government explained to the Committee, on this point, that all legal or administrative measures adopted since 1923 in regard to the fixing of the amount of the retiring pensions of public officials would also be applied to pensioners and officials of the Ciuc Property ; in other words, any person who was an official or pensioner of the Property in 1923 would now receive the same pension as was at present paid to a retired public official whose pension in 1923 was of the same amount as that received by the said official or pensioner of the Property. Similarly, all special provisions contained either in Roumanian law or in the Statute of the Property in regard to retirement following on the abolition of posts would be applied to the officials of the Property in 1923. ’

“ These principles, to which the Roumanian Government has already subscribed in favour of the officials in question, will therefore serve as a guide in fixing the pensions due to them. The Council is anxious that they should at all times be observed.

“ As the report, the execution of which forms the subject of the present petitions, was adopted on September 27th, 1932, the Council has no doubt that the Roumanian Government will recognise the importance of applying these principles in full at the earliest possible moment.”

The Council adopted this report, and the question was thus closed.

II. EXAMINATION OF PETITIONS BY MINORITIES COMMITTEES.

During the period covered by the present report, Minorities Committees have met regularly during the Council sessions. Whenever the examination of a petition has been closed without the members of the Committees concerned requesting that the question should be placed upon the Council's agenda, the other Members of the Council have been informed by letter of the result of such examination. In several cases, these letters, with the consent of the Government concerned, have been published in the *Official Journal*¹ in accordance with the Council's resolution of June 13th, 1929.

In accordance with the same resolution, statistics have also been published in the *Official Journal*² indicating the number of petitions received by the Secretariat of the League of Nations during the year, the number of petitions declared to be non-receivable, the number of petitions declared to be receivable and referred to Minorities Committees, the number of Committees which have examined petitions together with the number of meetings they held, and the number of petitions the examination of which Committees have completed in the course of the year.

¹ See *Official Journal*, March-April 1937, page 271, and July 1937.

² The statistics for the year 1936/37 are contained in the issue of July 1937.

6.

MANDATES.

I. COMPOSITION OF THE PERMANENT MANDATES COMMISSION.

On September 19th, 1936, the Council appointed Lord HAILEY, Director of the African Research Survey, former Governor of the Punjab and the United Provinces of Agra and Oudh, to be a member of the Permanent Mandates Commission in the place of Lord Lugard, resigned.

On this occasion, M. Beck, representative of Poland, expressed the hope that the composition of the Mandates Commission might be considered with a view to enlarging it, so that other countries which, for various reasons, were interested in certain questions discussed by the Commission could be represented upon it.

On May 29th, 1937, the Council noted with regret the death of M. Manceron, the French member of the Permanent Mandates Commission. It appointed as his successor Governor Augustin GIRAUD, of French nationality.

II. FRONTIER BETWEEN TANGANYIKA TERRITORY
AND MOZAMBIQUE.

On December 22nd, 1936, the Government of the United Kingdom, the mandatory Power for Tanganyika, submitted to the Council a joint request from the Governments of the United Kingdom and Portugal, seeking approval of the Agreement, dated May 11th, 1936, defining the frontier between Tanganyika and Mozambique.

On January 22nd, 1937, the Council declared its willingness to examine the Agreement with a view to approval, and invited

the Permanent Mandates Commission to communicate its opinion on the Agreement from the point of view of the execution of the mandate.

III. DELIBERATIONS OF THE COUNCIL CONCERNING THE WORK OF THE PERMANENT MANDATES COMMISSION AT ITS TWENTY-NINTH SESSION (MAY-JUNE 1936).

On September 26th, 1936, the Council considered the documents relating to the work of the twenty-ninth session of the Permanent Mandates Commission, together with a report on the subject by the representative of Roumania.

A. *Observations on the Administration of the Mandated Territories.*

The Council decided to communicate, in each case, to the Government of the mandatory Power concerned, the Commission's observations on the administration of the territories for which it had examined the mandatory Powers' annual reports (Palestine and Trans-Jordan 1935 ; Syria and Lebanon 1935 ; Tanganyika 1935 ; South West Africa 1935 ; New Guinea 1934/35 ; Nauru 1935) and to request the Governments to take the action asked for by the Commission.¹

In its general observations on *Palestine* submitted to the Council, the Mandates Commission had expressed the hope that, when peace had been restored in the territory, the mandatory Power would be good enough to furnish it, at its session in the autumn of 1936, with information as to the recent disturbances and their immediate causes, even if the mandatory Power was not yet in a position on that date to define its policy in the light of the proceedings of the Royal Commission appointed by the United Kingdom Government. In this connection, the representative of the United Kingdom informed the Council that His Majesty's Government would not be in a position to furnish the Mandates Commission with the desired information until the receipt of the Royal Commission's report. The representative of the Mandates Commission stressed the point

¹ For a summary of the work of the Mandates Commission at its twenty-ninth session, see document A.6(a).1936, page 27.

that the Commission had asked that it might be given the information at its autumn session, hoping, as it did, that the disturbances in Palestine would have come to an end and that the mandatory Power would then be in a position to enlighten it.

The Council took note of the statement made by the representative of the United Kingdom and the observations of the representative of the Mandates Commission.

As regards *Syria and Lebanon*, the Council was informed by the representative of France that the negotiations opened in April 1936 in Paris with a Syrian delegation had resulted in the drafting of a Franco-Syrian treaty on September 9th, 1936. That treaty, he stated, would be submitted to the Syrian Parliament for ratification directly after the elections and the formation of a constitutional Government in Syria. It would not be valid until it had been signed by the Syrian plenipotentiaries appointed by the future constitutional Government. The text was based, in its essential features, on the Anglo-Iraqi Treaty of 1930, but it also contained clauses in which Syria undertook to guarantee the existing autonomous regimes and to ensure equality of rights for individuals and all communities. The new regime of full independence and sovereignty was not to come into force until Syria had been admitted to the League of Nations. Syria would only apply for that admission to take effect three years after the ratification of the treaty. The representative of France added that his Government intended to lose no time in negotiating a similar agreement with the Government of Lebanon.

The representative of Roumania, who was Rapporteur, proposed that the Council should take note of this statement. He added that the Mandates Commission would, in due course, examine the texts and all other relevant information supplied by the mandatory Power, in the light both of the general and particular rules applicable to the case.

B. *Petitions.*

The Council approved the Commission's conclusions concerning the petitions, numbering one hundred and seventy, which it had examined, and decided to bring them to the knowledge of the mandatory Powers and of the petitioners concerned.

IV. WORK OF THE PERMANENT MANDATES COMMISSION AT
ITS THIRTIETH SESSION (OCTOBER-NOVEMBER 1936)
AND DECISION TAKEN BY THE COUNCIL ON JANUARY 25TH, 1937.

A. *Special Questions.*

1. *Palestine : Question of an Extraordinary Session of the Mandates Commission on Palestine.*

The Commission informed the Council that, being anxious not^A to delay unduly its consideration of the disturbances in Palestine, it deemed it necessary to hold an extraordinary session for the purpose, to be convened early in April 1937. This decision was approved by the President of the Council. On January 25th, 1937, the representative of Roumania, Rapporteur, informed the Council of an agreement reached between the mandatory Power and the Mandates Commission to convene the extraordinary session for May 31st, 1937. The Council took note of this arrangement.

In a letter dated March 25th, 1937, the Government of the United Kingdom stated that there was no possibility of the report of the Royal Commission and the decisions of His Majesty's Government in regard to it being available for consideration by the Mandates Commission by May 31st, 1937. It suggested that the extraordinary session of the Commission should be postponed until the end of July 1937. The President of the Council, in agreement with the representative of Roumania, Rapporteur, and the Mandates Commission, approved this proposal.

2. *Question of the Participation of Mandated Territories in Measures taken by the Members of the League of Nations under Article 16 of the Covenant.*

In its report to the Council, the Commission mentioned that the question of the participation of mandated territories in measures taken under Article 16 of the Covenant in regard to a Member of the League had been raised at its previous session. The Commission considered, at its thirtieth session,

whether it was desirable at that stage to undertake an investigation of the problem. It came to the conclusion that there was a close connection between this question and the question of the application of the principles of the Covenant, which had been referred to a special Committee set up by the Assembly. That being so, the Commission thought it better to defer its examination for the time being. The Council took note of the Commission's decision.

B. Observations on the Administration of Mandated Territories.

The Commission made various observations on the administration of the territories dealt with at its thirtieth session (Cameroons and Togoland under British mandate 1935; Cameroons and Togoland under French mandate 1935; Ruanda Urundi 1935; Islands under Japanese mandate 1935; Western Samoa 1935/36).

Territories under B Mandate.

Cameroons under British Mandate.

The Commission noted that the mandatory Power was prepared to proceed shortly to the demarcation on the ground of the eastern frontier of the mandated territory.

It noted that the mandatory Power had "never found any reason hitherto for introducing tariff legislation in the territory permitting of discrimination between those States which are and those States which are not Members of the League of Nations", and that "no change of policy is contemplated in this respect as a consequence of the departure of Japan and Germany from the League of Nations". The Commission expressed the hope that it might be informed whether the mandatory Power considered itself legally obliged to apply the rule of economic equality to imports from those countries.

The Commission hoped that it would prove possible to intensify administrative action, particularly by developing means of communication, the need for which seemed to be urgent in certain parts of the territory.

It asked to be informed of the steps taken to enable the natives to get their full share in the prosperity arising out of the improved trade of the territory.

The Commission also asked for fuller information concerning the native authorities, the training of the chiefs, their activities and the supervision exercised over those activities, and also concerning public finance and land tenure.

Togoland under British Mandate.

The Commission expressed the hope that it might be informed whether or not the mandatory Power considered itself legally bound to apply the rule of economic equality to imports from countries which ceased to be Members of the League of Nations in 1935.

It realised that it was difficult, by reason of the Customs union with the Gold Coast, to compile trade statistics for the whole of the territory. Nevertheless it suggested that it might be possible to keep some check upon imports and exports in the south to permit of compiling at least approximate statistics.

As regards education, the Commission once more expressed the hope that the state of affairs in the northern section of the territory might be changed, more particularly by the establishment of schools in the territory itself.

It hoped that the Administration would succeed in putting down illicit distillation in the north of the territory.

Lastly, the Commission asked for further information concerning the system of direct taxation, the institution of native treasuries, labour and land tenure.

Cameroons and Togoland under French Mandate : Observations common to Both Territories.

The Commission took note of the conclusion reached by the mandatory Power that the latter was not required to extend the benefit of economic equality to imports coming from States no longer Members of the League of Nations. It noted, however, that no change had so far been made in the previous regime.

The Commission asked for further information on public finance and land tenure.

Cameroons under French Mandate.

The Commission asked for additional particulars regarding the powers of the native authorities and native co-operative societies.

Togoland under French Mandate.

The Commission mentioned that, when about to consider the annual report for 1935, it had learned that the mandatory Power had been proceeding with the administrative reorganisation of the territory without, however, interfering with the territory's individual character. The Commission decided to wait until a later date before judging of the results of these successive measures.

The Commission was glad to note that there had been an appreciable improvement in the territory's financial situation.

Ruanda-Urundi.

The Commission wished to know what treatment the mandatory Power proposed to apply to imports of products from States which had ceased to be Members of the League of Nations. It noted with satisfaction the mandatory Power's declaration that the provisions of the Ordinance of January 27th, 1934, concerning Air Navigation, to which its attention had been given in 1935, were not such as in any way to infringe the rule of economic equality.

It noted with interest a statement by the mandatory Power to the effect that the mandated territory had in general continued to benefit from the effects of its Customs union with the Belgian Congo.

In the matter of general administration, the Commission stated that it would follow with particular interest the measures taken for training future chiefs.

The Commission noted a slight improvement in the financial position of the territory, which had previously caused it some concern and which was still difficult owing to the size of the public debt. It expressed the hope that economic development, the prospects of which were favourable, would shortly enable the amortisation of this debt to be taken in hand.

The Commission noted the explanations furnished by the mandatory Power with regard to the organisation of teaching in the Astrida official school, where education is given to future native auxiliaries of the Administration and to a number of chiefs' sons. It observed with satisfaction the efforts of the Administration to take the principle of freedom of conscience into account in the organisation of the teaching in this school.

Territories under C Mandate.

Islands under Japanese Mandate.

The Commission noted with satisfaction that the mandatory Power was considering the preparation of a programme to ensure that the natives should participate to a greater extent in the growing prosperity of the territory. (It will follow with interest the progressive execution of that programme.

Being concerned by the difficulty of preventing the consumption of alcohol and spirituous liquors by the natives owing to the system of production, export and import of alcohol and spirituous liquors in force in the territory, the Commission expressed the hope that the measures taken to ensure observance of the prohibition might be strengthened.

The Commission learned that an enquiry had been conducted by public health experts into the decline in the native population of the Island of Yap. It expressed the hope that the findings of this enquiry might enable the competent authorities to deal with the causes of a phenomenon the gravity of which has already frequently engaged the Commission's attention. It also expressed a desire to be kept informed of the action taken in the matter.

The Commission asked for further information regarding the mandatory Power's conception of the part to be played in the administration by natives, the powers of the chiefs and the relations of the latter with their people. It also asked for additional particulars concerning land tenure.

Western Samoa.

The Commission was informed that, since the close of the administrative year 1935/36, the mandatory Power had adopted

a policy designed to secure the effective co-operation of all sections of the population of the territory with the Administration. As the events in question took place after the close of the period covered by the annual report, the Commission felt that it should reserve judgment upon them until it was in possession of fuller information as to the manner in which the changes were promulgated, the results of these changes and the reaction of the population.

The Commission was gratified to note a marked improvement in the financial situation of the territory.

As regards education, it hoped that it might be possible to allocate larger credits for native education.

Lastly, it stated that it would be glad to receive fuller information about the missions working in the territory.

* * *

The Council decided, on January 25th, 1937, to communicate the Commission's observations in each case to the Government of the mandatory Power concerned, with the request that it should take the action proposed by the Commission. It noted that the Commission's observations conveyed the impression that, generally speaking, the financial and economic situation of the territories whose administration was examined was improving. It also noted that the Commission was anxious that the mandated territories to which the rule of economic equality applies should enjoy the benefit of reciprocity to the greatest possible extent.

On this occasion, an exchange of views took place between the representative of New Zealand on the Council and the representative of the Mandates Commission as to the sense and scope of the discussions in the Commission on the changes which had recently occurred in the policy of the mandatory Power in Western Samoa.

C. *Petitions.*

The Commission examined eleven petitions relating to Syria and Lebanon and to the Cameroons under French mandate. None of them gave rise to a special recommendation to the Council. The Commission's conclusions on the petitions were

approved by the Council, which asked that they should be brought to the knowledge of the mandatory Powers and of the petitioners concerned.

Consideration of the petitions relating to Palestine was postponed until the Commission's extraordinary session on Palestine.¹

¹ *Principal reference documents* : Minutes of the Ninety-third Session of the Council, fourth meeting (September 26th, 1936), *Official Journal*, November 1936 (pages 1178-1184) ; Report of the Permanent Mandates Commission to the Council on the Work of its Thirtieth Session, *Official Journal*, February 1937, pages 186-194 ; Minutes of the Ninety-sixth Session of the Council, third meeting (January 25th, 1937), *Official Journal*, February 1937, pages 85-88 ; Minutes of the Ninety-sixth Session of the Council, second meeting (January 22nd, 1937), *Official Journal*, February 1937, pages 76 and 77.

7.

SLAVERY.

The Advisory Committee of Experts on Slavery held its fourth (ordinary) session at Geneva from April 5th to 10th, 1937, when it examined material sent in by the Governments of the United Kingdom, France, India, Spain and the Sudan, as well as two reports concerning the international settlements of Shanghai and Kulangsu.

The Committee unanimously decided not to pursue the study of the scope of its mandate, which it had taken up at its previous session. ¹

Under its Rules of Procedure, the Committee meets in ordinary session once every two years, if necessary. It decided, however, to suggest to the Council that it should be authorised to hold an extraordinary session in 1938, since it was persuaded that the information which would be forthcoming from Governments — partly in response to suggestions made by the Committee for further enlightenment on certain points — would amply justify such a meeting.

The subjects dealt with in the Committee's report ² are the position in regard to ratifications, accessions and reservations to the Slavery Convention of 1926; slave raids, the slave trade and captured slaves; born slaves; debt slavery, pawning and peonage; the Mui-Tsai system and serfdom.

In its conclusions, the Committee reiterated the hope that the Slavery Convention of September 25th, 1926, might be

¹ See *Report on the Work of the League, 1935/36, Part I*, page 111.

² See document C.188.M.173.1937.VI.

ratified without further delay by those States which, having signed or acceded to it subject to ratification, have not yet ratified, and that such States as have been invited to accede and are not yet parties to the Convention would consider the possibility of acceding.

It desired Governments to continue to supply as full and as accurate information as possible, in accordance with Article 7 of the 1926 Convention and the various resolutions of the Assembly.

The Committee particularly called the Council's attention to the suggestions in its report for obtaining further light on points arising out of the examination of the documents supplied by Governments.

Lastly, it proposed that the Council should bring to the notice of the Governments concerned, for any action they might think fit to take, the suggestions and recommendations, both general and specific, embodied in its report.

On May 25th, 1937, the Council authorised, in accordance with Article 15 of the Committee's Rules of Procedure,¹ the publication in full of the Committee's report, together with its annexes.

On the proposal of its Rapporteur, the representative of the United Kingdom, the Council took note of the Committee's report and endorsed its conclusions. It agreed with the view expressed by the Rapporteur that the Committee's work had been justified by the progress which it had been able to register towards the complete abolition of slavery and the slave trade. It requested the Secretary-General to propose to the Assembly that financial provision should be made for an extraordinary session of the Advisory Committee to be held in 1938. The date of this session was fixed in principle by the Committee for March 31st, 1938, subject to the Assembly voting the credits. Finally, the Council decided to communicate its resolution to all the Members of the League and to such non-member States as are parties to the 1926 Slavery Convention.

¹ Under this article, "the reports and Minutes of the Committee shall be confidential. The question of the full or partial publication of the Committee's report is a matter for the decision of the Council of the League of Nations. The same applies as regards the publication of the documents examined by the Committee".

8.

ECONOMIC AND FINANCIAL QUESTIONS.

A. ECONOMIC RELATIONS SECTION.

I. THE PROBLEM OF RAW MATERIALS.

The problem of raw materials was brought before the last Assembly by the United Kingdom Government. The Assembly considered¹ that the time had arrived when enquiry into and discussion of the question of equal commercial access for all nations to certain raw materials might usefully be undertaken with the collaboration of the principal States concerned, whether Members or non-members of the League. It decided to request the Council to appoint a Committee composed of members of the Economic and Financial Committees, together with other qualified persons, irrespective of nationality, to undertake the study of this question.

The proposed Committee was constituted by the Council at the first opportunity and held two sessions: the first from March 8th to 12th, and the second from June 16th to 25th, 1937.

At the first session, the Committee examined the scope of the enquiry entrusted to it. It endeavoured to draw up a programme for a rapid statistical survey dealing mainly with industrial raw materials and foodstuffs. The examination of the grievances put forward and the difficulties experienced in obtaining raw materials showed that, while some related to the supply of a particular raw material (export prohibitions and restrictions, export duties, monopolies, agreements and cartels for the regulation of production and sale), other complaints and difficulties

¹ Resolution of October 9th, 1936.

concerned the purchase and payment of those raw materials (lack of foreign exchange, Customs tariffs, necessary control of imports, quotas, clearings, etc.). The second session (June) was mainly devoted to the work of the two Sub-Committees set up to study these two aspects of the problem, between which the work was divided. These Sub-Committees set themselves the task of submitting an objective survey of the facts and, if possible, making practical suggestions for the solution of the difficulties to which attention had been drawn.

There was not time, however, to collect complete documentary material on the subjects concerned, and the Committee was unable to get beyond the stage of a provisional report.¹ It considered that, before reaching final conclusions, it ought to make a fuller study of the statistical information and the suggestions before it. The Committee hopes to draw up a general report in time for discussion by the 1937 Assembly, and to this end decided to hold a further meeting on September 1st, 1937.

II. PRESENT PHASE OF INTERNATIONAL ECONOMIC RELATIONS.

The previous annual report on the work of the League² gave the reasons which had led the Economic Committee to postpone its forty-fourth session until the economic and political situation was more favourable, enabling it to express a more definite opinion on the probable evolution of international commercial relations and to secure readier acceptance for any proposals it might make from the Governments of at least some of the countries that play a leading part in world trade.

In July 1936, the economic and political situation was such that M. van Zeeland, President of the Special Assembly of the League of Nations, in his closing speech, felt it necessary to warn Governments of the dangers to which world peace and the economic revival that was taking place in many countries would be exposed if some effort were not made, by international co-operation, to improve the state of economic relations and bring

¹ Document C.286.M.187.1937.II.B.

² See *Report on the Work of the League, 1935/36*, Part I, pages 114 *et seq.*

about political appeasement by reverting to healthier economic conditions.

This attitude was strongly supported by the Economic Committee, which met shortly before the ordinary Assembly in 1936. The Committee presented to the Council a report¹ entitled : " Remarks on the Present Phase of International Economic Relations : Reconstruction of the Machinery of International Exchange as a Factor in Recovery and Appeasement ".

The Committee's report formed, as it were, a continuation of the reflections and conclusions expressed on the subject by the Committee a year before.²

The Committee stated, first, that the signs of improvement which it had noted in its previous report were now more striking and more numerous, but that the progress that was being made in various countries could not attain its full development and was liable to be brought to a standstill if it were not accompanied by a revival in international trade. To attain this result, it was chiefly necessary, according to the Committee, to fill in the gap which separates the price-levels of the majority of the countries with a gold standard (whether real or nominal) from those of the majority of the countries with a depreciated currency.

Further, the Committee did not consider that currency adjustment could bring about any lasting improvement in the economic situation unless it was accompanied by a relaxation of direct and indirect import restrictions (quotas and exchange control), an important secondary effect of which would be to check any tendency towards a too rapid rise in prices following on devaluation.

Without examining in detail the various questions which such a programme for the normalisation of international economic relations would necessarily raise, the Committee emphasised the importance of organised co-operation between all the countries concerned, from the point of view of the proposed operations.

As regards the prospects of carrying out this work of economic revival, the Committee was of opinion that the various factors

¹ See document C.378.M.249.1936.II.B.

² See document C.344.M.174.1935.II.B.

pointing to the possibility of success were more numerous and potent than at the time of the London Conference in 1933. Nevertheless, in view of the diversity of the interests involved, it considered that the idea of a world conference should be ruled out and that it would be more expedient to proceed by stages. The first problem which, in its view, arose — namely, the re-adjustment of price levels and currency measures — must be settled unilaterally by each of the countries concerned, and consultation between those countries would be expedient concerning the technical features and international repercussions of the proposed operations. As regards the removal of trade barriers, however, international action appeared essential to support and stimulate national action.

Moreover, action on those lines — that is to say, action not dictated by purely economic interests and divorced from all thought of gain or bargaining — might, in the Committee's view, assume the proportions of a work of reconciliation and, by clarifying the political atmosphere, give a fresh impetus and stimulate a healthy economic revival.

The Financial Committee, for its part, expressed itself in general agreement with the conclusions reached by the Economic Committee. It endorsed in particular its view that the re-establishment of the machinery for the free international circulation of goods and capital was necessary not only to avoid a recurrence of the economic depression but also to avert the growing menace of a new political conflagration.

The Economic Committee's report was carefully considered by the Second Committee of the Assembly, more especially as, two weeks after its publication, a currency event of major importance occurred: on September 25th, 1936, the French Government decided to adjust the value of the franc to the economic situation existing on that date. The announcement of this measure was accompanied by a declaration drawn up jointly between the French Government and the Governments of the United States of America and the United Kingdom and published simultaneously in Paris, Washington and London.

In this declaration, the three Governments expressed their common wish to avoid as far as possible any disturbance of the new bases of international exchanges resulting from the proposed adjustment, and they undertook to use all suitable

means for this purpose, including those which might be provided by the co-operation of their monetary institutes.

Being convinced, moreover, of the truth of the Economic Committee's statement that the success of such a policy was linked up with the development of international trade, they expressed their determination progressively to relax the existing system of quotas with a view to abolition, and their hope to facilitate the removal of exchange controls, to contribute to the restoration of order in international economic relations, to promote prosperity in the world and to improve the standard of living, and thus even to safeguard peace.

Within a few weeks of the publication of the above-mentioned declaration, several countries, including Switzerland, the Netherlands, Italy, Czechoslovakia and Belgium, associated themselves, in various forms, with the policy thus inaugurated.

The Second Committee of the Assembly, in its turn, welcomed this effort in the direction of collective action.¹ It felt, however, that Governments should not confine themselves to those measures, and asked them to enter into negotiations at the earliest possible moment with a view to overhauling their whole commercial policy. The Assembly endorsed this view and adopted a resolution submitted by the Second Committee approving the measures taken in the matter of currency and likewise the tripartite declaration. The resolution recommended all States to organise without delay determined and continuous action to ensure the application of a concordant policy designed to re-establish a durable equilibrium between the economies of the various countries, to reduce excessive obstacles to international trade and communications, and in particular to relax and as soon as possible to abolish the present systems of quotas and exchange controls.

Further, with a view to the rapid elimination of certain difficulties which, in the opinion of representatives of several countries, formed considerable obstacles to the necessary collective action, the Assembly adopted three other resolutions concerning the examination by the League organs of the question of free access to raw materials, international migration and fiscal fraud.

¹ See document A.79.1936.II.B. Report on Economic and Financial Questions submitted by the Second Committee to the Assembly.

The appeal launched by the League's organs for the reduction of international trade barriers met with a response in a number of countries. Switzerland, Italy and France, for example, adopted measures of varying importance — tariff reductions, extension or abolition of quotas, etc. — to facilitate the import of foreign products and by this means, together with strict measures of control, prevent an unjustifiable increase of prices on the home market.

These isolated and scattered efforts, however, gradually diminished, and despite the fact that co-operation between the three great financial Powers was rendered closer in the matter of currency by a supplementary agreement concerning the joint fixing of relations between the exchanges, concluded in October 1936, concerted action in the sphere of commercial policy was slow in taking shape. Thus, notwithstanding a steady economic revival, no marked improvement had yet, by the spring of 1937, occurred in the commercial relations between States.

The Governments of France and the United Kingdom accordingly decided to make a fresh effort towards collective action with a view to the normalisation of international economic relations. They requested the Prime Minister of Belgium, M. van Zeeland, to explore the ground and ascertain whether the general economic situation and the lessening of tension in political relations would now permit of collective action being considered.

At its forty-fifth session, held from June 9th to 15th, the Economic Committee again examined the international economic situation as it appeared in the light of the circumstances which have just been described.¹ It noted that, for about a year past, the fundamental condition requisite for any international agreement again existed almost everywhere — namely, a normal expansion in the volume of business such as to enable all the countries concerned to make the necessary concessions.

Again, in the Economic Committee's view, the alignment of several important currencies in the autumn of 1936 might be regarded as a favourable factor from the point of view of the conclusion of a more comprehensive agreement, although this alignment was unfortunately not followed by an adequate

¹ See Report of the Economic Committee to the Council on the Work of its Forty-fifth Session, document C.280.M.181.1937.II.B.

demobilisation of the various trade restrictions adopted during the economic depression. So long as those restrictions are maintained, any increase of purchasing power consequent on devaluation will necessarily be reflected in an increase of prices instead of in an improvement in the standard of living. The Committee accordingly feels that a determined effort should be made to achieve the purpose expressed in the above-mentioned tripartite declaration — namely, to relax progressively, with a view to their abolition, the present systems of quotas and exchange controls. It noted with satisfaction the mission entrusted to M. van Zeeland, and expressed its hope that he would be able to put forward some definite plan.

The Committee fully realises, however, that a number of difficulties still stand in the way of the work of economic reconstruction, both in the economic sphere and in the financial and political spheres. Thus, any progress on economic and financial questions must be correlated with the possibility of improvement in the political atmosphere. The Committee feels, therefore, that the real solution must be sought in concerted action in all three fields : economic, financial and political.

It hopes at its next session, just before the Assembly, to present a report which might serve as a useful basis for the discussion of concerted action on these lines. The Committee desired, however, at once to draw the Council's attention to the conclusion of the Convention signed at The Hague at the end of May between the countries belonging to the so-called "Oslo group". It regards this Convention as an important plurilateral effort to reduce the obstacles to international trade.

III. MOST-FAVoured-NATION CLAUSE.

When considering the conditions for re-establishing the mechanism of international circulation, the Economic Committee again dealt, at its session in September 1936, with the question of the most-favoured-nation clause.¹

¹ The Committee had previously dealt with certain aspects of this question in document C.379.M.250.1936.II.B, entitled: "Equality of Treatment in the Present State of International Commercial Relations : The Most-favoured-nation Clause".

Without dwelling on the various questions of interpretation raised by the application of this clause, it considered the essential features of the problem, more particularly whether, in view of the changes in the actual structure of economic relations, the principle of equality of treatment, of which the clause is the legal embodiment, is still of utility for the purposes of international trade.

With this object, the Committee sought to indicate how the economic depression and the contradictory measures adopted by the different States to cope with it have, directly or indirectly, endangered the guarantee of equality of treatment. This, according to the Committee, accounts for the erroneous idea that the function of the most-favoured-nation clause is now ended. In point of fact, the departures from this regime simply mean that owing to the present disorganisation of the economic machinery, more particularly the policy of balanced exchanges, the sphere of application of the clause has necessarily been restricted and it is insufficient as a means of coping with unequal competitive conditions.

In support of its view, the Committee made an exhaustive analysis of the present conditions of international trade and examined the various systems and methods advocated in various quarters to replace the clause ; it completed its study by the following conclusions, which may usefully be quoted :

“ 1. The most-favoured-nation clause and the system of equality of treatment which it is designed to establish constitute an essential guarantee for the maintenance and development of world trade.

“ In this connection, it is important to note that the clause has in no way ceased to function, but still continues as the underlying principle governing commercial relations between many countries.

“ 2. The clause loses most of its practical effectiveness when international commerce is subjected to quotas and exchange restrictions, clearing and compensation arrangements ; but, even in these circumstances, it remains effective principally where Customs duties are concerned, thus narrowing the field in which it is necessary to devise other guarantees of equal or at least equitable treatment, which are essential if trade is to develop to the maximum extent possible under the cramping conditions now prevalent and if the diversion of the currents of trade from their natural channels is to be avoided.

“ 3. In the long run, however, these abnormal measures for the regulation of trade — quotas, foreign-exchange control, clearing and compensation agreements — are incompatible with a developing and prosperous trade. What is needed, therefore, is not discussion of the merits or defects of the system of equality of treatment, but an effort to repair this fundamental injury to the mechanism of international trade at the earliest moment.

“ 4. To discuss whether the general use of the most-favoured-nation clause will or will not prevail in the future is superfluous, for the simple reason that, as soon as currencies can again be freely negotiated and as soon as the circulation of goods is freed from restrictions as to quantity, no country will submit to discriminatory treatment. Wishing to ensure equality of treatment for itself, it will be obliged to grant such equality to others.

“ 5. The introduction of an exception to the clause in favour of multilateral treaties for the formation of larger trade markets must be examined in the light of the Economic Committee's previous studies. It should be remembered, however, that the principal obstacle to the formation of such areas lies not in the existence of the most-favoured-nation clause — which is a contractual provision and therefore subject to denunciation — but in the absence of a movement of opinion strong enough to overcome the opposition to the realisation of such projects and still more in the fundamental objections which have been raised against the recognition of undefined exceptions to the general application of the clause.”

The Council of the League of Nations decided, at its meeting on September 25th, 1936, to request the Secretary-General to transmit this report to States Members and non-members of the League of Nations, in order that they might examine the conclusions reached by the Economic Committee.¹

IV. CLEARING AGREEMENTS AND EXCHANGE CONTROL.

In conformity with a resolution passed by the Assembly on September 28th, 1935,² the Economic Committee, at its session in September 1936, also considered the question of clearing agreements and exchange control.

¹ See *Official Journal*, November 1936, page 1164.

² See *Report on the Work of the League, 1935/36*, Part I, page 116.

After examining, in connection with the problems dealt with above, the general conditions governing the application of the said agreements and measures, the Committee directed its attention to the development of certain tendencies affecting clearings and exchange control and considered the proposals put forward with a view to improving the present state of international trade on the basis of compensation or clearing systems.¹

As regards the regulation of payments, the Committee noted that the number of countries in which commercial exchanges are subject to financial restrictions has increased. On the other hand, difficulties encountered in the application of clearing agreements proper have led certain countries successively to abandon these agreements in favour of more flexible forms. The new arrangements are based sometimes on private compensation of goods and, to an increasing extent, on the real rate of the currencies in question on the open market, or again on the principle of so-called payment agreements.²

Although the difficulties resulting from the policy of clearing agreements have thus been attenuated in certain cases, the Economic Committee maintains the view that clearing agreements in any form tend to divert trade from its natural channels, and it again expressed the hope that they might be entirely abolished.

The Committee's attitude towards clearing agreements necessarily affected its attitude towards the various schemes for the expansion of international trade which had been submitted to it. All these schemes, indeed, in one form or another, recommended compensation and clearing agreements. The Committee considered that, reduced to proposals for the establishment of compensation machinery and with the omission of the fresh obligations which they implied for States, many of these schemes might no doubt result in appreciable improvements in the present clearing system, but it was of opinion that none of them were calculated to bring about any real improvement in the international economic situation. Such an improvement called for

¹ See Report of the Economic Committee to the Council on the Work of its Forty-fourth Session, document C.377.M.248.1936.II.B.

² The schemes in question concerned agreements between the central banks of the contracting countries, stipulating that the country imposing currency control should spend the proceeds of its exports to the contracting country on paying for goods imported from that country, less a certain percentage to remain at the disposal of its national bank.

more radical changes, on the lines that the Committee itself suggested in its report on the present phase of international economic relations.

During its session in June 1937, the Economic Committee again dealt with questions relating to clearing agreements and exchange control.¹ It noted that the tendencies to return to a more liberal policy to which reference had been made in its report of September 1936 had gained in strength as regards both the practice followed in the matter of exchange control and as regards payment agreements.

In view of this fact, the Committee did not consider it necessary to make any appreciable modification of the conclusions at which it had arrived in September 1936 after considering a number of proposals with a view to the extension of international trade. It had resumed its examination of these schemes in accordance with the wishes expressed by the Second Committee of the Assembly in October 1936 and had extended it to cover a number of proposals submitted since then and directed to a similar end. The Committee recognised indeed the ingenuity of the methods advocated by the authors of these various schemes, but it could not recommend the adoption of methods which would entail the creation of a mass of administrative machinery, while their application would not be certain to hasten the abolition of clearing agreements and measures of exchange control at a time when bilateral payment agreements are becoming increasingly liberal in form. The Committee urged, however, that these recent tendencies should be emphasised and encouraged.

V. CUSTOMS NOMENCLATURE.

The revision of the League of Nations draft Customs Nomenclature was completed in May 1937.

The Sub-Committee of Experts engaged on the framing of this draft has thus successfully concluded the delicate and complicated undertaking entrusted to it after the International Economic Conference in 1927. It devoted twenty sessions to the

¹ See Report of the Economic Committee to the Council on the Work of its Forty-fifth Session, document C.280.M.181.1937.II.B.

framing of the draft and four sessions to the examination of the observations forwarded by Governments to the Secretariat. The number and importance of those observations bear witness to the interest roused everywhere by the League of Nations draft. Industrial and commercial circles in the different countries appear to be no less interested than Governments.

Having carefully studied the observations and suggestions received concerning the draft Nomenclature, the Sub-Committee decided to introduce a number of modifications which do not however alter the structure or essential lines of the draft, as the fundamental criteria on which the latter is based and its general framework have been left untouched. They refer to questions of detail, their main purpose being to make the unified nomenclature more explicit and better suited to the end in view.

The experts also fixed the rules for the classification of goods composed of various materials and not specifically mentioned in the draft, and went into details regarding the classification of cases, caskets, boxes and other containers: these rules and particulars were indispensable with a view to eliminating two of the main causes of divergence in the application of Customs tariffs.

A new edition of the draft Common Customs Nomenclature, thus amended and in final form, will be published shortly.

At its session in June 1937,¹ the Economic Committee considered what further action should be taken in regard to this scheme. For various reasons, it did not seem to it desirable to proceed with the original plan to summon a diplomatic conference for the adoption of the draft, but it suggested that the Council should draw the attention of the Governments to the draft, recommending them to make the fullest possible use of it in any revision of their Customs tariffs.

VI. SUGAR.

The International Sugar Conference was convened in London on April 5th on behalf of the Bureau of the Monetary and

¹ See Report of the Economic Committee to the Council on the Work of its Forty-fifth Session, document C.280.M.181.1937.II.B.

Economic Conference — that is to say, with the authorisation of the President, the Right Hon. J. Ramsay MacDonald, and on the instructions of M. Colijn, President of the Economic Commission, whom the Bureau had instructed to follow certain economic questions.

The general idea of a sugar agreement extending not only to the principal countries exporting that commodity but to all countries which play an important part in the sugar industry had been accepted in 1933 by the Monetary and Economic Conference. In March 1934, the Bureau of the Conference had convened a preliminary meeting of a number of important countries, in order to decide whether it was desirable to hold a general conference; the idea, however, did not seem feasible at that time.

The United Kingdom Government continued to keep in touch with the principal countries concerned and also with the Economic Relations Section of the League of Nations Secretariat and with the International Sugar Committee. In 1937, some of the difficulties encountered in 1934 appeared to have been overcome and the moment seemed opportune for attempting to conclude an international agreement to maintain a reasonable relationship between supply and demand on the world market.

The Conference, of which the Director of the Economic Relations Section was Secretary-General, included delegations from the Union of South Africa, Australia, Belgium, Brazil, United Kingdom, Canada, China, Cuba, Czechoslovakia, Dominican Republic, France, Germany, Haiti, Hungary, India, Netherlands, Peru, Poland, Portugal, the Union of Soviet Socialist Republics, the United States of America and Yugoslavia, and a Japanese observer. On May 6th, 1937, after sitting for over a month, it reached an agreement which will, it is thought, be such as to ensure equilibrium in the production of sugar without detriment to the interests of consumers.

A plan for export quotas effectively protects the market against excess production and at the same time, thanks to its elastic nature, guarantees adequate supplies to consumers.

An International Sugar Council established in London will make a systematic study of all questions relating to the world sugar industry.

This agreement, which was made possible by the conciliatory spirit shown by the delegations, appears to represent an important step in international collaboration. It will come into force on September 1st, 1937.

B. WORK OF THE FINANCIAL ORGANISATION.

I. GENERAL.

An account of the year's work falls naturally into four parts : the work of the standing Committees and the Committee on International Loan Contracts; the nutrition enquiry; the publications of the Economic Intelligence Service; and the research work which is being done, with the help of the Rockefeller Foundation, on economic cycles.

As in past years, officials of the Section have been sent on numerous missions. The most important of these was a visit paid by an official to Venezuela and Central America. In Venezuela, he assisted M. Denis who, as mentioned in Part I of last year's report, had been asked by the Government, on the suggestion of the Secretary-General, to advise on certain financial and economic questions. He gave technical advice on the new Customs tariff, which has now passed into law. He also, with the Government's cordial help, examined the Government's statistics with a view to their improvement and to obtaining closer co-operation with Geneva. With a view to obtaining more frequent and up-to-date information for the Intelligence Service, he visited six countries in Central America, and the American administrative officials of the Panama Canal Zone.

II. WORK OF COMMITTEES.

Financial Committee.

During the year, the Financial Committee has held three sessions. Part of the meetings has been devoted to examining in the usual way the financial and economic situation of countries

in which the Committee is particularly interested, especially Austria, Bulgaria and Hungary. The Committee's task has become much simpler owing to the general economic improvement in which, in varying degrees, these countries have shared. The financial and monetary problems with which these countries have had to cope in recent years, while not entirely solved, are no longer as acute as they were. Their external trade is tending to reconquer markets lost during the crisis, or to obtain new ones where the monies received for exports can be more freely used; exchange controls have been lessened or substantially modified and the clearing systems rendered less rigid. The exchange reserves of the national banks have benefited from the steps taken towards normal trade relations.

By a decision of the Council of September 25th, 1936, the duties of the League representative in Austria and of the Adviser to the National Bank were ended on October 30th, 1936. On this occasion, the Finance Minister stated "that the Austrian Government attached great importance to maintaining contact with the Financial Committee". Since then, the Finance Minister and the Governor of the National Bank have been present at the meetings of the Financial Committee. In accordance with the terms of the present arrangement, the Financial Organisation of the League has sent an official to Vienna to prepare periodical reports on the financial and economic situation of Austria provided for in Article 10 of Annex II of the Protocol of July 15th, 1932. Two such reports have now been published.

Turning to questions of more general concern, the Financial Committee was moved, in September 1936, to give public expression to certain opinions on monetary problems which subsequent events strikingly justified. Its report preceded by only a few days the so-called "tripartite" agreements between the United States of America, the United Kingdom and France, which were afterwards accepted by other countries. The occasion for this public expression of opinion by the Financial Committee on questions which it had frequently discussed privately was a report it had received from the Economic Committee entitled "The Present State of International Economic Relations".

The Second Committee of the last Assembly was impressed by the immediate importance of the observations made by the Economic and Financial Committees. The Second Committee's

discussion threw into relief the difficulties which various States encounter in embarking on the abolition of exchange control and other regulations, in the absence of any satisfactory settlement of foreign indebtedness. In December 1936, the Financial Committee expressed its opinion on this subject in its report to the Council.

The Second Committee had stated that it "earnestly trusts that the Economic and Financial Organisation of the League will keep in touch, through its technical committees, with future developments in this field. It will then be able to make the results known from time to time, and also to define the lines of action that experience has proved valuable". The Financial Committee pointed out that cases may exist in which arrangements between creditors and debtors regarding external debts might be improved, particularly as regards duration and validity. But it reminded debtor States which might benefit by such longer-term arrangements that they ought not to lose sight of the ultimate object of such arrangements, which should be the relaxation of exchange control with its concomitant liberation of foreign trade. The Committee further observed that the most effective action to facilitate the removal of exchange restriction "would be a general modification — especially by creditor States — of the present policy of commercial restrictions through quotas and prohibition tariffs".

Various other problems of general interest have been discussed by the Financial Committee during the year. One of these has been pending for some years — the means of preventing the falsification of documents of value. The Committee has reached the conclusion that international action on this subject may now be opportune. The Committee made proposals to the Council for further work on this subject which it is suggested may be dealt with on lines similar to those adopted for preventing the counterfeiting of currency. It will be recalled that an international Convention to check the counterfeiting of currency was adopted in 1929.

In the spring of this year, the Council asked for the advice of the Financial and other technical Committees concerning the proposed Conference on Rural Life. The Financial Committee expressed its opinion that a study might with advantage be made of national systems of agricultural credit, including

mortgage legislation, co-operative credits and agricultural insurance.

In conclusion, the Committee asked one of its members to assist the Economic Committee when drawing up its report to the Assembly on rural and urban housing.¹

Fiscal Committee.

The Fiscal Committee held its annual meeting in October in order to report at once on the question of fiscal evasion, which had been referred to it by the seventeenth Assembly. As it had already devoted careful attention to the subject in earlier years, it was able to formulate its opinion in the course of a single session. In its report, it points out that, unlike double taxation, for which bilateral conventions are appropriate, the question of tax evasion can only be solved in a satisfactory manner if international agreements on this matter are simultaneously concluded and adhered to by a majority of States. Otherwise, the interest of the minority signing such conventions might be seriously prejudiced. After laying down the principles on which a multilateral convention might be based, the Committee suggested to the Council that it might be advisable, before proceeding further with the matter, to ascertain the prospects of reaching an agreement between an adequate number of States. At its meeting of January 1937, the Council accordingly instructed the Secretary-General to address a letter to Governments requesting them to indicate their views. By the beginning of June, eighteen replies had been received.

In past years, the Committee has drawn up a number of draft Conventions designed to avoid double taxation, which have served as a model for a large number of bilateral agreements. It has now completed this series by drawing up model provisions on the taxation of the capital and property of business enterprises and the taxation of insurance companies.

As foreseen in last year's report to the Assembly, the Committee began its examination of the behaviour of fiscal systems

¹ See reports of the Financial Committee on the work of its sixty-second session (*Official Journal*, November 1936, pages 1335 *et seq.*), of its sixty-third session (*Official Journal*, February 1937, pages 231 *et seq.*), of its sixty-fourth session (*Official Journal*, May-June 1937, pages 425 *et seq.*).

during the depression. It made arrangements for reports of a uniform character on this subject to be prepared in various representative countries. Through the evidence furnished by these reports, it hopes to be able to formulate suggestions which may be of value to Governments when modifying their fiscal systems with a view to making them more adaptable to variations in economic activity.¹

International Loan Contracts Committee.

This Committee, appointed as a result of a resolution adopted by the Assembly in 1935, has held a second session. Its mandate is "to examine the means for improving contracts relating to international loans issued by Governments or other public authorities in the future".

This is the first occasion on which a systematic international examination of this very complex problem has been undertaken. The Committee arranged for certain of its members to make a detailed study of a number of existing contracts, and for information to be collated concerning the major difficulties which have arisen in the past, with a view to ascertaining at what points real improvement might be effected in the future. By way of example, two weaknesses in the existing system may be mentioned — first, the absence of any satisfactory means of obtaining binding decisions of a legal character when disputes arise, and, secondly, the absence of stipulations as to the law by which contracts are governed. It is obvious that the capacity of the debtor to meet his obligations must be determined by economic conditions and not by the terms of individual contracts. There is, however, every reason to believe — although it is too early to foresee the conclusions to which the discussions of this Committee may lead — that improvements in such contracts in the future may render it possible to avoid much misunderstanding, doubt and delay.

The Committee's second session was held last May. It discussed first of all the question of the law which should be applicable to international loan contracts — many difficulties having arisen

¹ See report of the Fiscal Committee on the work of its sixth session (document C.450.M.266.1936.II.A; see *Official Journal*, February 1937, page 138).

in the past owing to uncertainty as to which country's law was applicable to a particular loan contract.

The Committee discussed various methods by which this uncertainty might be avoided in future, and the suggestion was made that the best solution might be to prepare a set of common rules governing international loan contracts comparable to the so-called York and Antwerp Rules for international maritime contracts.

The Committee, which had been authorised by the Assembly to seek the co-operation of the Rome International Institute for the Unification of Private Law, asked the Institute whether it would be ready to undertake the preparation of such a set of common rules. The Institute agreed and offered to draw up a programme of work before the next session of the Committee.

Committee of Statistical Experts.

Two meetings were held, in October 1936 and April 1937. The Committee devoted the greater part of its time to preparing a classification of occupied population and of industries. This task presented difficulties, as Governments are naturally anxious not to change their statistics so much that census figures no longer compare with the results of previous years. On the other hand, it is desirable that Governments should apply systems sufficiently uniform to allow of useful comparisons being made between one country and another. In these circumstances, the Committee confined itself to drawing up a minimum programme for supplementary returns permitting of international comparison.

It has prepared (1) a definition of the "gainfully occupied population" and has indicated which groups of the population should be shown separately. It further prepared (2) an International Minimum Nomenclature of branches of economic activity and (3) a classification by personal status to serve as a basis for the grouping of occupied persons. These recommendations, which have been sent to Governments for observations, have two objects — the first is to take a step forward, at the time of the forthcoming censuses in 1940 or thereabouts, towards obtaining statistics more comparable as between one country and another; the second is to provide a general plan on which

occupational statistics may be based, particularly in countries where they do not yet exist.

On various branches of economic statistics, such, for instance, as those relating to tourist traffic and mining and metallurgy, the Committee has made definite recommendations. On others, such as indices of prices and of industrial production, further studies are being made.

All these fall within the scope of "economic" statistics. In May 1936, the Council extended the scope of the Committee's work to cover financial as well as economic statistics. A beginning has been made, with the help of outside experts, on the study of statistics relating to the formation of capital and the way in which it is invested.¹

III. NUTRITION.

It will be remembered that a Mixed Committee consisting of agricultural, economic and health experts made an interim report to the last Assembly,² which has attracted widespread attention. It is clear that the report was timely and that opinion in many quarters was anxious for the question to be studied in its various aspects. The report has had an encouraging effect on such opinion. More and more States have come to place the problem of nutrition among their foremost preoccupations.

The extent of the evils attendant upon under-nourishment, or defective nourishment, as revealed by the Committee, was unsuspected. Even in rich countries, individuals in all classes of the population are affected. While inadequate income may be a major cause of malnutrition, it is far from being the only cause. Special emphasis was laid by the Committee therefore on the need for publicity and education.

A Committee of eminent scientists had prepared in the autumn of 1935 a report on the Physiological Bases of Nutrition,³ showing,

¹ See report of the Committee of Statistical Experts on the work of its fifth (document C.456.M.270.1936.II.A; see *Official Journal*, February 1937, page 145) and of its sixth sessions (document C.217.M.158.1937.II.A; see *Official Journal*, May-June 1937, page 433).

² Document A.12.1936.II.B.

³ Document A.12(a).1936.II.B.

especially for women and children, the optimum requirements in calories, proteins, fats, minerals and vitamins. The report emphasised the special importance of so-called protective foods essential for the maintenance of health.

In its interim report, the Mixed Committee laid special emphasis on the connection between nutrition and public health, and on the part which Governments might play in promoting improved nutrition. One of its first recommendations was the creation in each country of a national committee to co-ordinate research and education in connection with nutrition and to give advice with a view to improving nutrition.

In accordance with the recommendation of the last Assembly, in February of this year a meeting took place in Geneva of representatives of the national committees which had been formed in various countries. At this meeting were discussed the status and composition of national committees and the work already done or in progress in order to assess the state of nutrition and spread the principles of improved nutrition in the various countries represented. The contacts thus established proved valuable and the discussions were instructive, as each participant explained the method adopted in his country to study or influence consumption habits.

The mandate of the Committee was prolonged by the last Assembly for a year, so as to enable it to make its final report, which will be published shortly. This final report, like the interim report, is mainly concerned with conditions in Europe and countries with a western civilisation, as the Committee found itself unable to obtain adequate documentation, in the time at its disposal, with regard to Asia, Africa and tropical countries. Studies in these areas have, however, recently been undertaken, and the International Conference on Rural Hygiene in Eastern Countries, which will meet in August of this year,¹ will have the question of nutrition as one of the most important points on its agenda.

The final report of the Mixed Committee deals mainly with the economic and agricultural aspects of nutrition, but in order to render it complete in itself the section of the interim report dealing with nutrition and health has been reproduced with minor

¹ See under Health Questions, page 142.

modifications, and, in the second chapter, a sketch is given of the influence of the improvement in nutrition on public health in the past.

The Committee has devoted a considerable part of this report to tracing the recent tendencies in food consumption habits and in agricultural production. It has traced the causes responsible for the changes observed and has studied the effect of improvement in agricultural methods on food supply and of changes in the demand for foodstuffs on agriculture. The general conclusions reached are that food habits in western communities have been tending to change in the right direction and that agriculture should benefit from the increased demand resulting from an extension of the movement towards better nutrition. The Committee has further studied the influence of price on consumption and the effect of improved production methods, commercial policy and distribution costs on price. In another chapter, the Committee deals with the influence of income and of education on nutritional standards. In the last of the economic chapters, the Committee shows that, in spite of the gradual improvement which has taken place in recent decades, malnutrition remains to-day a serious threat to health and social well-being.

In a section entitled "Methods of Improving Nutrition", the Committee brings together the various suggestions it has to make on the subject which the Assembly submitted to it.¹

IV. PUBLICATIONS OF THE ECONOMIC INTELLIGENCE SERVICE.

Monthly Bulletin of Statistics.

This *Bulletin* has appeared regularly, and the practice of publishing each month additional tables and diagrams on subjects of special interest at the moment has been continued.

International Trade Statistics, 1935.

The volume analyses as usual the foreign trade (merchandise and bullion and specie) for sixty-five countries, accounting for about 95% of total world trade.

¹ See also under Health Questions, page 137.

Its tables show, for each country, the total of imports and exports (special trade) for the five years ending 1935, distinguishing merchandise from bullion and specie ; trade by months for 1934 and 1935 ; trade by countries and by principal articles. For a large number of countries, tables are also given showing imports and exports by five classes — *i.e.*, live animals, food and drink, raw or partly manufactured materials, manufactured articles, gold and silver.

Special calculations have been made to show the changes in the distribution of trade throughout the world since 1929.

A new and interesting feature of the last volume is a specimen table showing the international trade statistics of two countries, Canada and Denmark, based on the new classification prepared by the Committee of Statistical Experts of the League of Nations in accordance with the recommendation of the International Convention relating to Economic Statistics of 1928.

Balances of Payments, 1935.

The volume gives details of the international accounts of twenty-nine countries, including all the principal trading countries except Italy, for which data are lacking since 1930. Two new countries, Palestine and the Union of Soviet Socialist Republics, are included in the volume. In the complete statements, over thirty items — grouped under the general headings of Merchandise, Interest and Dividends, Other Services, Gold, and Capital Items (divided into long-term and short-term operations) — are taken into account in striking a balance between the inward or credit movements (exports) and the outward or debit movements (imports) for each country.

The importance of this volume is shown by the contrast between the present situation and that existing before the League began its work in this field. Prior to the League's publications on this subject, the field of international accounts could only be entered with difficulty by a specialist who was prepared to take the trouble to collect and read the scanty literature on the subject available in a small number of countries at irregular intervals and in different languages. The initiative taken by the League has resulted in the regular compilation by some thirty countries on more or less uniform lines of statements

of their balances of international payments and the publication of these statements in a single volume, together with an analysis of the principal conclusions which appear from a comparative study of them.

An attempt is made in the last edition to ascertain capital movements between creditor and debtor States in so far as they are reflected in changes in current transactions. Prior to the depression, the chief creditor countries — the United States of America, the United Kingdom and France — taken as a group had a surplus on current account which was lent to debtor countries. A graph is given showing that such a surplus also existed during the depression years, except in 1931 and 1932. The unwillingness of the creditor countries to lend this surplus, owing to unsettled economic and political conditions, led to a constant drain of gold from the debtor countries. The surplus began to fall with the increase in the imports of creditor countries. The import balance in the merchandise trade of seven creditor countries — those mentioned above, plus the Netherlands, Belgium, Sweden and Switzerland — which had fallen by 839 million gold dollars between 1929 and 1934, rose by 106 millions in 1935 and by 447 millions during 1936.

The change is due in part to the larger requirements of raw materials for the reviving industries in the creditor countries, which are all highly industrialised, and in part to the accompanying rise in the price of primary products, entailing an improvement in the barter terms of trade of the debtor countries and in their economic and financial condition in general. An interesting sign of this improvement is the abundant supply of local funds enabling Government loans to be raised at very low rates in the domestic capital market of several debtor countries.

Statistics of International Trade in Certain Raw Materials and Foodstuffs by Countries of Origin and Consumption.

This is a new annual publication designed to give a more satisfactory picture of the flow of certain staple commodities from the producing to the consuming countries. This first volume, covering the imports into forty-two countries during the year 1935, was published at the end of last year.

* * *

The forthcoming issues of *Money and Banking*, the *Statistical Year-Book*, the *Review of World Trade*, *World Production and Prices*, and the *World Economic Survey*, will be reviewed in Part II of the annual report.

V. BUSINESS CYCLE RESEARCH.

For the past four years, this research has been conducted in the Economic Intelligence Service with the help of a grant by the Rockefeller Foundation. Its object is to discover, from the events of the last half century or more, what have been the significant circumstances of the various waves of prosperity and depression. The first part of the enquiry has now been completed by the issue of a book written by an economist attached to the Service, who has had at his disposal the Service's experience and the large collection of statistical and other information available in the service and in the Library.¹

The book falls into two distinct parts: Part I gives in six chapters a systematic analysis of the principal theories relating to the trade cycle. To facilitate comparison, the theories are examined as far as possible under the following heads: general characteristics; explanation of up-swing (prosperity); explanation of the upper turning-point (or crisis); explanation of the down-swing (depression); explanation of the lower turning-point (revival); reasons given for recurrence, periodicity, etc.; international complications.

The main theories dealt with in these six chapters are those which explain the cycle as due to variations in the flow of money; various types of over-investment theory (emphasising mainly the tendency to over-develop industries producing capital goods); under-consumption or over-saving theories; psychological theories; harvest theories.

¹ "Prosperity and Depression — A Theoretical Analysis of Cyclical Movements," by Dr. G. von Haberler. League of Nations, 1937.

Part II attempts a synthesis and development of existing theories ; it does not claim to give an entirely new theory, the purpose being rather to evolve order out of the conflict of views and to present a synthesis which may secure a greater measure of agreement between different schools of thought.

The final chapter is devoted to the international aspects of the trade cycle, an attempt being made to combine two branches of modern economic theory which, up till now, have been developed on separate lines.

The main object of this work has been to consider how far existing theories of the business cycle are self-consistent ; what they have in common ; where they are incompatible, to eliminate certain hypotheses which are untenable ; and to show where further research is needed to clear up obscure points. The analysis of these theories suggests that better harmony exists on certain important points between writers of different schools of thought than the superficial observer might believe — the natural tendency being for writers to emphasise differences rather than to stress points of agreement. Having thus cleared the ground, the author is in a position to attempt a synthesis of the existing theories in so far as they can be synthesised, at the same time indicating points where it is not yet possible to formulate definite explanations. The next stage in the investigation of the Economic Intelligence Service has been the application as far as possible of statistical tests to the various hypotheses and explanations which have been put forward. This has been begun during the past year.

This process of statistical testing presents very considerable difficulties, owing to the complexity of modern economic organisation and of the forces controlling it — especially as regards earlier cycles — and to the paucity of accurate data. But such a rigorous and scientific examination of the facts of the past is to-day essential to a better understanding of the factors determining the serious and often tragic fluctuations in economic activity and well-being.

9.

COMMUNICATIONS AND TRANSIT.

I. UNIFICATION OF BUOYAGE RULES.

In May 1936,¹ the Council opened for the signature of Governments the Agreement for a Uniform System of Maritime Buoyage,² prepared by the Transit Organisation. The time-limit for signature of this Agreement expired on May 12th, 1937. The following countries have given their signatures: Belgium, United Kingdom of Great Britain and Northern Ireland, China, Estonia, Finland, France, together with the French Protectorates of Morocco and Tunis, India, Latvia, Monaco, Sweden, Turkey and the Union of Soviet Socialist Republics.

II. POLLUTION OF THE SEA BY OIL.³

Most of the replies⁴ received by the Secretariat from States having a sea-coast are in favour of convening an international Conference for the conclusion of a Convention based on the draft prepared by the Committee of Experts in October 1935.⁵ Many of these States have large merchant navies.

The Council (October 1936)⁶ authorised the convening of a Conference for this purpose. The date of the Conference will be fixed later.

¹ See *Official Journal*, June 1936, page 555.

² Document C.261.M.154.1936.VIII.

³ See *Report on the Work of the League, 1935/36*, Part I, pages 138 and 139.

⁴ Document A.18.1936.VIII and Addendum.

⁵ Document C.449.M.235.1935.VIII.

⁶ See *Official Journal*, November 1936, pages 1196 and 1197.

III. DISPUTES RELATING TO THE REORGANISATION OF THE RAILWAYS OF THE FORMER AUSTRO-HUNGARIAN MONARCHY.

Request submitted under Article 320 of the Treaty of Saint-Germain-en-Laye by the Zeltweg-Wolfsberg and Unterdrauburg-Woellan Railway Company, Vienna.

At its ninety-fourth session (October 1936), the Council had before it three contradictory requests submitted by different persons, all of whom claimed to be the duly qualified representatives of the Zeltweg-Wolfsberg and Unterdrauburg-Woellan Railway Company, concerning an authentic interpretation of the award given on May 12th, 1934, by the Arbitral Tribunal. In these circumstances, the Council requested the Permanent Legal Committee of the Communications and Transit Organisation to advise it as to whether — and, if so, by which of these three communications — a request had been regularly laid before it on behalf of the railway company.

The Permanent Legal Committee, which had to await the decision of the Austrian courts, was not able to submit its report to the Council until the end of May 1937 (ninety-seventh session). It was therefore too late for the Council to be able to give a decision during that session. The Council accordingly postponed consideration of the matter until its session in September 1937.

IV. PUBLIC WORKS.

In the report ¹ on the work of the Communications and Transit Organisation which it adopted on October 10th, 1936, the Assembly (seventeenth ordinary session) expressed the hope that the co-ordination of the efforts of that Organisation with those of the International Labour Office would in the future, as in the past, facilitate successful results in connection with the study of the different aspects of the problem of public works.

Having regard to this recommendation and to the further action contemplated by the International Labour Office, which included the question of public works in the agenda of the twenty-

¹ See *Official Journal*, Special Supplement No. 157, page 101.

third session of the International Labour Conference, steps have been taken to ensure the collaboration of the two organisations in regard to public works the execution of which may affect communications and transit.

V. TECHNICAL COLLABORATION WITH THE HYDRAULIC SYSTEM COMMISSION OF THE DANUBE.

In view of the interest which the Hydraulic System Commission of the Danube takes in the organisation and operation of the service for announcing floods in the Danube Treaty basin and of the relations which that Commission maintains with the Communications and Transit Organisation, the latter transmitted to the Commission documentary information concerning the new methods that have been recently adopted for forecasting and announcing floods.

VI. REFORM OF THE CALENDAR.¹

The Council decided (January 1937)² to refer to the Advisory and Technical Committee the draft Convention on the Reform of the Calendar submitted to it by the representative of Chile, and to recommend to the Committee's attention a resolution concerning calendar reform adopted by the International Labour Conference in June 1936.³ At the same time, the Council decided to communicate the draft Convention to Governments.

The Advisory and Technical Committee will study the question at its next session in the light of the observations which will then have been received from Governments. Its report will be submitted to the Council at its session in September:

VII. LEAGUE WIRELESS STATION.

The annual report⁴ on the operation of the League of Nations wireless station from January 1st to December 31st, 1936, states

¹ See the Annual Report for 1932.

² See *Official Journal*, February 1937, page 92.

³ *Ibid.*, page 201.

⁴ Document A.9.1937.VIII.

that the Information Section continued the transmission by wireless telephony of the official weekly bulletin every Saturday in French, English and Spanish for North America, South America and South Africa, and every Monday in English for the countries of the Far East, Australia and New Zealand.

The transmission by wireless telegraphy of the Information Section's regular weekly bulletin continued without interruption. The transmission by wireless telegraphy of communications by the Secretary-General to the Members of the League on the Italo-Ethiopian conflict continued until July 1936. Similar *communiqués* regarding the application of the principles of the Covenant were transmitted in September 1936. No complaint was received from the Governments to whom these *communiqués* were addressed concerning the quality of their reception.

The statistics of the station show that private traffic, after undergoing a slight decline in the first half of 1936, increased considerably in the second half. This increase must be attributed to the devaluation of the Swiss franc, which attracted traffic to the station. This private traffic in fact increased by about 8%. Press traffic disappeared almost entirely. This is no doubt due to the fact that, in certain neighbouring countries, Press rates are much lower than in Switzerland.

The official traffic in Government telegrams increased in 1936 by about 45%. This increase is very probably due to the activity of the League in 1936.

The total receipts in 1936 were 410,007.32 Swiss francs, as compared with 360,139.25 Swiss francs in 1935 and the expenditure was 403,362.04 Swiss francs, as compared with 361,604.88 Swiss francs in 1935.

As a result of this increase in official and private traffic, there was, in 1936, a surplus of 6,645.28 Swiss francs, as against a deficit of 1,465.63 Swiss francs in 1935. The net receipts from wireless telephone service were 50,091.62 Swiss francs in 1936, as compared with 30,096.54 Swiss francs in 1935.

The improvement work mentioned in the previous report could not be completed before the end of the 1936 period owing to delays in the acquisition of land in 1935.

In accordance with the practice followed in the past, the broadcasting expert of the Secretariat attended the meeting of the International Consultative Committee for Radiocommu

nications at Bucharest in May 1937. Continuous collaboration of Radio-Nations in the work of the International Telegraph, Radiocommunications and Telephone Advisory Committees has been provided for in respect of the quinquennial period between the International Telecommunication Conference held at Madrid in 1932 and the Conference that is to be held at Cairo at the beginning of 1938. This collaboration is necessary in order to ensure, more particularly, that the wave-lengths which are indispensable to the operation of the Radio-Nations station are allocated to that station. Details concerning the collaboration of the Secretariat broadcasting expert with the conferences and committees of the International Telecommunication Union have not yet been finally determined. This question will have to be settled by the Conference at Cairo in 1938 at which, for the same reason, the League of Nations should be represented so as to be able to defend the interests of its wireless station.

10.

HEALTH QUESTIONS

As the Second Committee informed the Assembly ¹ in 1936, that year was to mark a definite stage in the work of the Health Organisation, since the Health Committee's term of office was to come to an end on December 31st, and the amendments made by the Council and the Assembly to the Statute of that Organisation were to come into force on January 1st, 1937. The Rapporteur accordingly considered it an opportune moment to analyse the trend of the League's health activities and method of work.

A few months later the new Health Committee devoted its first two sessions ² to an exhaustive examination of the work done and drew up a programme covering its three-year term. It took stock of each subject of study so as to ascertain what results had been obtained, and to decide what course should be followed in future and whether certain studies should be brought to a close. This method, which is not a new one, enables the Committee, during several successive triennial periods, to work systematically and to plan ahead in accordance with the evolution of health and social ideas and requirements.

I. SERVICE OF EPIDEMIOLOGICAL INTELLIGENCE AND
PUBLIC HEALTH STATISTICS.

This Service, which was established in 1921, was provided in 1924 with a branch at Singapore and now covers 72% of

¹ Report by M. van Lanschot (Netherlands) (document A.61.1936).

² February 5th to 9th and April 26th to 30th, 1937.

the population of the world. It compiles and publishes statistics relating to communicable diseases, births and deaths. Thanks chiefly to the telegraphic and wireless communications of the Singapore Bureau, it ensures the rapid dissemination of information urgently needed by national administrations, quarantine services and even vessels at sea, to enable them to protect themselves from infection. It has accumulated statistical information never before collected.

The Committee is unremitting in its efforts to expand and improve this Service. With a view to "mobilising" its documentation, the Secretariat regularly publishes articles which usually trace the epidemiological outline of a specific disease — *i.e.*, its incidence in the various countries and the most recent findings regarding methods of infection and prevention.¹

For the same reason, certain changes have been made in the regular publications of the Service. The most important feature is the monthly publication in the *Epidemiological Report* of certain material for comparison drawn from the statistical data collected by the Service.

As in certain countries maternal mortality still appears to be abnormally high, the Health Committee decided to study this question. The Epidemiological Intelligence Service was instructed to analyse its statistics and information on the subject. Moreover, during the summer of 1937, a group of experts will make a study of the institutions and services whose duty it is to protect and care for women in childbirth. The report will indicate what are the problems raised by the organisation and working of the maternal welfare service and will mention the most promising measures which are at present being applied or recommended.

Another medical and statistical study is to be continued and extended — namely, that of *health indices*. In their present form, the morbidity and mortality statistics are very inadequate to give an idea of the people's state of health. In December 1936, the *Bulletin of the Health Organisation* published an essay on suggested demographic, medical and statistical indices described as "health indices" which might fill this gap. These have

¹ For 1937 the subjects are: the prophylaxis of typhus fever, Weil's disease, maternal morbidity and mortality.

been or are being experimentally applied in certain American and European towns.

Similarly, the Epidemiological Intelligence Service is co-operating in the preparations for the next revision of the international nomenclature of diseases, which is carried out every ten years by an international conference convened by the French Government. The next revision will take place in 1938. Under the international Convention of 1929, its preparation is to be undertaken by a joint Committee composed of representatives of the International Institute of Statistics and the Health Organisation. This Committee will meet at the end of 1937.

II. BIOLOGICAL STANDARDISATION.¹

The Inter-Governmental Conference which met in October 1935 noted that, thanks to the efforts of the Health Organisation, it had been possible to standardise a number of sera, gland extracts, vitamins, hormones and other therapeutic substances amounting in all to twenty-six. It urged that the use of the international standards should be made compulsory in all countries, that the Central Institutes of the Health Organisation should continue to ensure their free distribution and that, to lighten the work of these institutes, the preservation and distribution of the standards should be centralised in each country by a national institute.

These recommendations set the seal of official approval on the work of biological standardisation and marked the completion of its first stage. They helped to open the second stage — namely, that of the practical application of the standards.

The Health Committee is particularly anxious to ensure the success of this second stage. As stated in its report to the Council of February 1937,² biological standardisation has produced results the importance of which should not be under-estimated, since it has brought order into an international sphere where the greatest confusion formerly prevailed. The practitioner is

¹ The object of biological standardisation is to standardise the assay of so-called biological products, such as sera, so that their action may be comparable from one country to another, irrespective of the origin of the preparation employed.

² Document C.148.M.96.1937.III.

thereby enabled to use, without misgivings, preparations from any source ; the public health authorities are better able to judge of the value of the products placed on the market ; the manufacturer need only assay his export goods in terms of one unit — the international unit.

The Health Committee noted with satisfaction that, at the present time, thirty-nine countries have adopted or are about to adopt the international standards, and that thirty Governments have established or are about to establish national distributing centres. It considers that biological standardisation is an essential function of the Health Organisation, as the only organisation able to carry it out would seem to be the League of Nations ; moreover, it considers it indispensable — a point upon which the Inter-Governmental Conference laid great emphasis — that the principle of the *free distribution* of the international standards should be upheld despite the expense entailed.

Although the work of standardisation has entered upon the practical stage, it is by no means completed. There are many therapeutic agents which have not yet been standardised. The Health Committee, taking into account the present position of science, has studied various problems raised by the standardisation of the following substances : anti-anthrax serum, anti-swine-erysipelas serum, purified tuberculin, staphylococcus antitoxin, anti-snake-venom serum, *digitalis lanata*, etc.

III. MALARIA.

During the last few years, the Health Committee, through its Malaria Commission, has pursued a twofold aim :

(a) To carry out technical studies with a view to assisting the health administrations in their anti-malaria work ;

(b) To help those administrations to train the technical staff required for the anti-malaria campaign.

1. The studies which are being undertaken and co-ordinated by the Commission cover most aspects of the anti-malaria campaign : prevention, campaign against anopheles, anti-larval measures, etc. It will be called upon at its next meeting

to draw up the programme of research to be carried out during the next three years, dealing in particular with the use of anti-malarial drugs, the eradication of malaria by combining the prophylactic and curative administration of drugs with anti-larval measures and the application of biological, physical or chemical methods to prevent the breeding of anopheles.

Among these studies, however, the question of therapy necessarily occupies a special place. At the present time, the treatment of malaria patients is undoubtedly the most effective means of preventing malaria, and in this connection the importance of quinine is well known, although the drawback to it is its high cost.

As the outcome of its efforts to discover an anti-malarial therapeutic agent comparable in efficacy with quinine, but which could be produced more cheaply, the Commission three years ago recommended the use of a preparation with a quinine base : totaquina. Moreover, as chemists have since succeeded in perfecting so-called synthetic remedies, the therapeutic and prophylactic value of which had to be ascertained, the Commission organised in 1935 and 1936 extensive field experiments for the purpose of comparing them with quinine. These experiments were carried out in Algeria, the Federated Malay States, Italy, Roumania and the Union of Soviet Socialist Republics.

The results thus obtained are to be incorporated in a comprehensive report on the *therapeutics of malaria*, which will form the Commission's fourth general report. After having been submitted to all the members of the Commission, it will be published in a forthcoming issue of the *Bulletin of the Health Organisation*. In this report, the whole question of curative and preventive treatment is examined from the angle of the measures to be taken by the public authorities for the organisation of collective treatment. The report is therefore intended for health administrations.

In this connection, the Health Committee proposes to convene a Quinine Conference. As the views of producers and consumers are often considerably at variance, such a Conference might contribute largely to clarifying the position, with corresponding advantage for malarious populations. The Committee possesses ample documentary material on the quinine

requirements of malarious countries. The object of the Conference would be to compare those requirements with the present position as regards the production of the various therapeutic agents, to compare their cost of production, market prices, methods of distribution and cost of a plan of co-ordinating measures of treatment and prevention according to the remedy employed. This Conference will not take place before 1939.

2. With a view to assisting health administrations to train their technical staff, international courses in malariology have been organised for some years past in certain European towns and at Singapore. The Health Committee proposes to continue these courses during the next three years.

3. In order to ensure the participation in its work of all the health administrations concerned, the Committee considered it necessary to reconstitute the Malaria Commission so as to include representatives of all malarious countries. In principle, each of these representatives should be a member of a national malaria commission, whose spokesman he would thus be in the International Commission.

IV. STUDIES OF THREE MAIN PROBLEMS OF HEALTH AND SOCIAL IMPROVEMENT: HOUSING, NUTRITION AND PHYSICAL FITNESS.

The Health Committee's desire to contribute towards the solution of the most urgent problems of health and social welfare has led it to include in its programme for some years past three cognate questions underlying health improvement which the evolution of opinion in the field of social questions has brought to the forefront: housing, nutrition and physical training. In a large number of countries, the public authorities are now endeavouring to improve housing, the state of nutrition and the physical fitness of the population. But if it is to be carried out rationally, this work must have a sound technical basis. It is rather difficult, however, to bring out the fundamental principles on which action designed in the last resort to promote the people's health and well-being should be based; the Health Committee has set itself the task of supplying the necessary information to national administrations.

Housing.

After a series of preliminary studies, the Health Committee appointed a Technical Commission which, in January 1936, drew up a plan of work subsequently approved by the Health Committee.

The second stage, consisting of the carrying-out of this plan, led to a further meeting of the Commission (June 23rd, 1937).¹ Modern housing hygiene must be based on an analysis of the factors affecting the comfort, the physical and mental well-being and the health of the individual. The object is therefore to define human requirements, to select simple and accurate methods of measurement and, lastly, to recommend methods of construction, heating, ventilation and lighting which are both economical and satisfactory from the point of view of bodily needs.

All these matters have already been studied by engineers, architects and town-planners, without, however, calling in the necessary aid of the public health officer.

The creation of national commissions in a number of countries² to carry out the Health Organisation's programme is recognised as being a constructive step ; it has in fact ensured co-ordination between the strictly technical and public health aspects of the problem with the object of arriving at a common view and ensuring its practical application.

Nutrition.

In this field the studies of the Health Organisation are more advanced. The exploratory period, which began in 1925, was brought to a close by the publication of the report by Dr. E. Burnet and Dr. W. R. Aykroyd, entitled "Nutrition and Public Health", which defined the function of nutrition in public health and supplied health administrations with accurate data in regard to the nutritional policy pursued in certain countries.³

¹ An account of this meeting will be given in Part II of this report.

² United States of America, France, United Kingdom, Netherlands, Poland, Sweden and Czechoslovakia.

³ *Bulletin of the Health Organisation*, June 1935.

The second stage began with the discussion of the problem of nutrition by the sixteenth Assembly (1935). The Health Committee set up a Technical Commission which in November 1935 and June 1936 defined the *physiological bases of nutrition*. Its report, which showed that the most eminent specialists held identical views on the fundamental principles of adequate nutrition, was submitted to the 1936 Assembly.

The Commission had noted, however, that there was still a large number of questions to be cleared up. One group is directly concerned with the science of nutrition: "Nutritive food requirements during the first year of life", "Minimum fat requirements", "Influence of climate on food requirements", etc. The other group relates to public health and is connected mainly with the technique of nutritional surveys.

The list of these questions was communicated to the learned institutions and national committees of eleven different countries, which undertook the studies proposed by the Technical Commission. A consultation of experts was also held on two of these questions: "Nutritive food requirements during the first year of life" and "Assessment of the nutritional state of children" (December 1936).

The Technical Commission will hold its third session in October 1937. Its main task will be to take note of the general results obtained as the outcome of the enquiries instituted through learned institutions, national committees and consultations of experts. These studies may be classified as follows:

(a) *Studies relating to certain technical problems of the science of nutrition.* Vitamin, mineral and fat requirements of the individual, proteins, etc.; examination of the recommendations made by the meeting of experts on December 11th and 12th, 1935, regarding nutritive food requirements during the first year of life.

(b) *Milk.* The production, control and distribution of this foodstuff in various Western-European countries were studied by a group of hygienists and veterinary surgeons in 1936. This study and the investigations into certain technical questions relating to the nutritive properties of milk have yielded information of the greatest value in view of the special importance of milk as a food during infancy and childhood and its danger as a vehicle of infection or if it has been adulterated.

(c) *The technique of nutritional surveys.* Under this head, the Commission will first of all have to take note of the report of the experts consulted in December 1936 on the assessment

of the nutritional state of children. Those experts recommended three different types of surveys according to the number of children to be examined.

The Commission will also be called upon to study various other cognate questions, such as the grouping of the various foods according to their nutritive properties, consumption units in dietary analysis and the guiding lines for nutritional surveys.

The Commission will also examine the observations received from health administrations, learned societies and national committees on its report on the *Physiological Bases of Nutrition*, and will study the recommendations made by the Bandoeng Inter-Governmental Conference (August 3rd-13th, 1937) on nutrition in rural districts in the Far East.¹

Physical Fitness.

Paraguay in 1924 and Czechoslovakia in 1936 urged the Assembly to arrange for the study of the question of physical education.

Following its customary procedure, the Health Committee put in hand enquiries for the purpose of throwing light on the problem. The result of these studies has now been set forth in a detailed memorandum by Dr. C. Wroczynski (Poland), dealing with the problem of physical fitness considered in its physiological, pathological, educational, social, etc., aspects. This memorandum will be published shortly in the *Bulletin of the Health Organisation*.

The Health Committee considers that its work in this field can only be pursued successfully by appointing a commission of physiologists to formulate, following the example set by the Commission on Nutrition, the scientific bases of rational physical training adapted to different ages. Before constituting this Commission, however, the Committee consulted certain experts in order to obtain their advice as to the orientation of the investigations (May 1937).

The experts stressed the necessity for standardising the methods for the objective assessment of the effects of physical culture on the human body, this being indispensable if data are

¹ See also under Economic and Financial Questions, page 119.

to be compared. At the same time, efforts should be made to assess the effects of physical training on intellectual and mental development.

The experts considered that, first and foremost, the methods of physical education employed must be innocuous. Consequently, the future Commission should try to determine the *minimum* amount of physical training desirable to ensure the normal health of individuals and also the *maximum* amount compatible with hard intellectual work.

In order to achieve this object, the scientific bases of a rational physical education must be determined. But this is a complex problem which calls for technical research.

As there are a great many institutions dealing with its different aspects — social, medical, educational, etc. — it would be desirable to set up national committees, as has been done in the case of the studies on housing and nutrition, so as to co-ordinate the work and put the results into effect.

V. RURAL HYGIENE.

The European Conference on Rural Hygiene (Geneva, 1931) was the starting-point of the action undertaken by the Health Committee as its contribution towards the improvement of health conditions in rural life. With the help of the European Schools and Institutes of Hygiene, the Committee has undertaken and completed technical studies on the main problems connected with health and social conditions in the countryside : the provision of medical care, health services, sanitation and environmental hygiene, nutrition, housing, etc. The various activities of the Health Committee in preventive medicine and public health are, as it were, synthesised in this field in so far as they apply to rural districts.

It has been the aim of the Committee throughout that all these studies of rural hygiene should ultimately lead up to :

- (a) A European Rural Housing' Exhibition which is planned as the culmination of the various studies just mentioned and as a demonstration of the lessons that have been learnt therefrom.

(b) A second European Conference which would consider the most rational and practical ways of solving the problems arising out of the living and working conditions of rural populations.

European Rural Housing Exhibition.

This exhibition, proposed by the Health Committee, forms part of the Exhibition of Arts and Technique in Modern Life (Paris, 1937). Thanks to the generous assistance of the French Government, an attractive pavilion has been erected near the "Rural Centre" where the following countries are demonstrating the solutions they have reached for the equipment of rural dwellings in accordance with the principles of modern hygiene: Belgium, Bulgaria, Czechoslovakia, Denmark, France, Greece, Hungary, Lithuania, Luxemburg, Netherlands, Roumania, Sweden, Yugoslavia.

The Public Health Institute of Rome and the International Association of Co-operative Societies are also taking part in this exhibition. A special room has been set aside to illustrate the work of the League in the field of rural hygiene.

The exhibition was opened on June 17th, 1937, by the French Ministers of Agriculture and of Public Health and by the Secretary-General.

Second European Rural Hygiene Conference.

In October 1936, the Committee informed the Council that, whereas at the 1931 Rural Hygiene Conference the various problems connected with rural life were approached more especially from the angle of medicine and health, subsequent enquiries have brought out the need for taking the interdependence of the health, social and economic aspects into account. If other than purely theoretical results are to be obtained, rural hygiene questions must be placed in their general setting—namely, that of rural life—while account must be taken of the factors of all kinds which come into play.

It is in this spirit and in conformity with indications given by the Council at its meeting on January 25th, 1937, that the preparations for the Second European Rural Hygiene Conference are being pursued.

VI. INTERGOVERNMENTAL CONFERENCE OF FAR-EASTERN COUNTRIES ON RURAL HYGIENE.

The Preparatory Commission set up by a decision of the Council (January 1936) last year visited India, Burma, Malaya, Siam, Indo-China, the Philippines, the Netherlands Indies and Ceylon. Its report was published at the beginning of 1937 and communicated to the participating countries.

The documentary material prepared for the Conference also includes a series of national reports drawn up by the public health services of the participating countries and covering the various items on the agenda, namely :

1. Health and medical services ;
2. Rural reconstruction and collaboration of the population ;
3. Sanitation and sanitary engineering ;
4. Nutrition ;
5. Measures for combating certain diseases in rural districts.

The Conference will be held at Bandoeng (Netherlands Indies) from August 3rd to 13th, 1937.

The following countries have decided to send representatives : Burma, Ceylon, China, Fiji Islands and Condominium of the New Hebrides, Hong-Kong, India, Netherlands Indies, Indo-China, Japan, Malaya, British North Borneo, Philippines and Siam. The International Institute of Agriculture will also be represented.

The delegations have now been formed. In general, they comprise, not only medical and health officers, but also representatives of veterinary services, departments of public works, agriculture and education.

On the Health Committee's proposal, the Council, on May 25th, 1937, invited Dr. Offringa, Director-General of Health Services in the Netherlands Indies, to preside over the Conference.

VII. CONFERENCE ON RURAL HYGIENE FOR AMERICAN COUNTRIES.

At the last Assembly, thirteen delegations of Latin America, supported by the delegations of Spain and the Netherlands, proposed that a Rural Hygiene Conference should be summoned for American countries. The Assembly requested the Council to examine, with the assistance of the competent technical organisations and the International Labour Office, the possibility of carrying it out at a date which would allow of adequate preparation of the Conference.

On October 10th, 1936, the Council decided to refer the question to the Health Committee. The latter considered (October 1936) that the new Conference proposed would result in the association in the rural hygiene work of the League of a vast continent in which the Health Organisation had already benefited by valuable co-operation. On its proposal, the Council decided on January 25th last that the preparations for the Conference should be entrusted to the Secretary-General and the Director of the International Labour Office.

On February 17th, 1937, the Government of Mexico informed the Secretary-General that it would be very gratified if the Conference were to meet in Mexico City. In agreement with the President of the Council and the Rapporteur on health questions, the Secretary-General at once requested the various American Governments to state whether they were disposed to send representatives to the Conference, and also to let him have any observations on the questions to be placed on the agenda.

By the end of May, the United States of America, the Argentine Republic, Bolivia, Brazil, Chile, Cuba, the Dominican Republic, Ecuador, Guatemala, Panama, Peru, Uruguay and Venezuela had announced their intention of taking part in the Conference. Canada had replied, expressing interest in the Conference and intimating that when the date was fixed it would state whether it was in a position to send a delegation. The Council accordingly decided (May 28th, 1937) to accept the generous offer of the Mexican Government and requested the Secretary-General to convene the Conference after fixing the date and the agenda.

In the meantime, the Governing Body of the International Labour Office had decided that the Office might take part in the Conference.

The Health Committee was of opinion that, in order to avoid any overlapping with the Tenth Pan-American Sanitary Conference (Bogotá, July 1938), the Conference ought not to be held before the end of 1938. Before fixing the definite date and the agenda, the Secretary-General will consult the Mexican Government and the Director of the Pan-American Health Bureau.

VIII. HEALTH MISSION SENT AT THE REQUEST OF THE SPANISH GOVERNMENT.

On the strength of a resolution adopted by the Council on December 12th, 1936, concerning certain problems of a humanitarian character arising out of events in Spain, the Spanish Government shortly afterwards asked the Secretary-General to send a health mission to study the situation on the spot and to consider the possibility of prompt action with a view to the prevention of epidemics among the civil population.

This mission was entrusted to Surgeon-General Lasnet (France) and Dr. Wroczynski (Poland), who were accompanied by Dr. Laigret (France). The mission spent the first half of January in Spain. The Council, to which their report was submitted on January 27th, 1937, transmitted to the Health Committee the chapters dealing with the prevention of epidemics.¹ The Committee examined them in the presence of the Spanish Minister of Public Health and Surgeon-General Lasnet. In its conclusions, it took note of the technical recommendations made by the mission "which would appear appropriate to the circumstances of the health situation as recorded by the mission".

One of these recommendations stressed the urgency of the question of typhus and advocated a consultation of experts on the subject. The Committee approved this proposal, as the prevention of typhus is of general concern to all countries from a

¹ This report was published in the *Bulletin of the Health Organisation*, February 1937, page 56.

practical as well as a scientific point of view. The consultation took place from February 8th to 10th, 1937. Its main object was to obtain technical advice on the modern means of fighting typhus fever and in particular on the methods of vaccination against the disease. The Spanish Ministry of Public Health was represented by the Minister and a member of its technical services.

The experts' conclusions deal with the most effective and practical methods to be employed in various circumstances, the latter naturally being different according to whether an epidemic has or has not already broken out. Their report has been communicated to all public health administrations.¹

Some of the experts who took part in this consultation have agreed to undertake certain comparative studies of the epidemiology, prophylaxis and treatment of typhus. The Health Committee will follow the progress of these studies and, if necessary, will lend its assistance. ²

¹ Published in the *Bulletin of the Health Organisation*, April 1937, page 205.

² Principal reference documents : Report to the Council on the Work of the Twenty-fourth Session of the Health Committee, *Official Journal*, May-June 1937, page 472 ; and Report to the Council on the Work of the Twenty-fifth Session of the Health Committee, *Official Journal*, May-June 1937, page 491.

11.

TECHNICAL COLLABORATION
BETWEEN THE LEAGUE OF NATIONS AND CHINA.

During the period covered by the present report, the technical collaboration between the League and China described in last year's report ¹ has not only been maintained but has been considerably developed and, in some respects, improved by new arrangements made with the Chinese Government as a result of the decisions taken by the Council Committee in March 1936. In particular, a general plan has been adopted for the advanced training of Chinese technicians.

Study tours in various foreign countries have been organised by the Secretariat for Chinese officials and experts belonging to different professions. These tours, the cost of which is borne by the League of Nations, last for approximately six months, and the technicians taking part are temporarily attached to the Secretariat for the period of their mission. The following notes indicate the character of these tours :

I. STUDY TOURS.

Communications. — The Chief Engineer of the Hwai River Commission visited various Western countries (the Netherlands, Belgium, France, French North Africa, Italy and Germany). The object of this mission, which was of six months' duration, was the study of hydraulic works in general, and the regulari-

¹ See *Report on the Work of the League, 1935/36, Part I, pages 157 et seq.*

sation and canalisation of rivers, flood protection and the construction of river ports in particular. The programmes of the visits were drawn up in agreement with the visiting engineer himself.

Health. — In 1936, the following went on missions :

(a) The Dean of the Kiangsi Provincial Midwifery School ;

(b) The Deputy Director of the Kiangsi Provincial Health Centre ;

(c) An expert in serology from the National Epidemic Prevention Bureau ;

(d) An expert in narcomania from the Shanghai Municipal Health Department.

These missions, which were referred to in last year's report, terminated in the spring of 1937.

The following Chinese medical officers have been invited to go on study tours :

(e) The Assistant Superintendent of the Central Hospital, Nanking (he will study hospital administration and health education in Europe, and is to visit England, Denmark and Austria) ;

(f) The Director of the First National Midwifery School (she will study maternal and child welfare and the training of midwives, and will visit the Philippine Islands, Indo-China, India, England, the Netherlands and Denmark).

Rural Reconstruction and Rural Welfare. — The Director of the Kiangsi Rural Welfare Centres has just completed a study tour in Denmark, Czechoslovakia, Poland, Hungary and Yugoslavia. In these countries, he investigated rural life, health conditions, rural education, peasant industries and co-operative organisation.

Finance. — The Assistant Manager of the China Development Finance Corporation has been invited, in accordance with the desire of the Chinese Government, to travel in Great Britain,

Belgium, Switzerland, the Netherlands, Sweden and France, to study monetary and financial questions.

League of Nations Organisation. — The Chief of the League of Nations Section of the Chinese Ministry for Foreign Affairs is engaged at the Secretariat of the League on a study of the Covenant and its application, and the internal organisation of the Secretariat.

* * *

In pursuance of the arrangements made in 1936, the Secretariat has also assisted the Chinese Government by providing facilities for Chinese technicians to complete their training abroad. The cost, however, is borne entirely by the Chinese Government.

At the request of the Government, the Secretary-General took steps with a view to placing a number of young engineers in various foreign administrations. Three hydraulic engineers are at present temporarily incorporated in the Egyptian, Indian and Indo-Chinese administrations.

The National Health Administration asked the Secretariat to facilitate, through the Health Organisation of the League, the studies of a Chinese public health expert and supported the request of the Provincial Government of Fukien that arrangements should be made for a study tour for the Director of the Provincial Hospital. The Health Section has also collaborated with the Chinese National Health Administration in the selection of suitable experts for the different health services.

II. DIRECT TECHNICAL COLLABORATION.

Health. — Collaboration with the Chinese National Government in health matters continued during the period 1936/37 on the same lines as in previous years. In the summer of 1936, Dr. A. Stampar, who had been in China as a public health expert for nearly three years, returned to Europe. His report was published in the *Quarterly Bulletin of the Health Organisation of the League*

of Nations (December 1936). It gives a general description of the social and economic conditions affecting public health and the scheme of provincial health services, especially in the north-western and south-western provinces.

Dr. B. Borčič entered on his duties in May 1936, and, since then, has been attached to the Chinese Central Authorities.

During the period 1936/37, the Central Field Station was mainly occupied with the teaching given in the post-graduate classes for future medical officers, the majority of whom were sent by the provincial authorities. In addition, several classes for the training of sanitary inspectors were organised. Over a thousand students attended the various courses.

The Chinese Central Authorities decided some years ago to organise the Experimental Medical School. A Commission on medical education was set up to study the problem, and also problems of medical education in general. The Commission represents a successful effort of collaboration between the Ministry of Education, the National Health Administration and the Rockefeller Foundation, which helped the Commission with special grants. Dr. Borčič assisted the Commission to draw up the programme of the Experimental Medical School. The Central Government has appropriated a sum of 250,000 Chinese dollars for the establishment of such a school in Nanchang, the capital of the Kiangsi Province. In this province, very extensive reconstruction work has been in progress during the last few years.

The Central Field Health Station has continued to create and develop health services in the provinces. In the execution of this programme, it has been assisted by Dr. Borčič. In the Kiangsi Province, the various rural welfare centres have been consolidated and extended. New provincial hospitals have been opened and existing district hospitals have been improved and reorganised, so as to enable them to exert their influence in rural areas. The work of the provincial health centres in the north-western provinces, especially those in Kānsu, has been extended to rural areas with the help of travelling health units. The Provincial Hospital in Fukien has been completed and is regarded as a basis for the Provincial Medical School. The Plague Station in Lungyen, Fukien, which has been very active in research work and in plague control, now covers a larger area. In Yunnan, a programme

was put forward for the creation of Health Centres in Kunming and Kochiu, and a beginning was made with these centres last spring.

The Rural Health Centre of the experimental district near Nanking has been improved and is now organised as a practical training centre for physicians, nurses, midwives and sanitary inspectors attending courses at the Central Field Station.

The Provinces of Hupeh, Kwangtung and Chekiang have asked the Central Field Station for advice on the organisation of Provincial Health Centres. The Hupeh Government has appropriated the sum of 100,000 Chinese dollars for this purpose. In Canton, the School Health Service has been reorganised and extended.

The Central Field Station, which was responsible for the preparatory work for the Bandoeng Conference on Rural Hygiene, has presented a valuable report.

Dr. Borčić has been closely and continuously associated with all these activities.

Communications. — Collaboration with the Chinese Government in this field has continued to develop normally, especially in regard to hydraulic works, the construction of roads and road transport. It has been assured in China by M. Coursin, Chief Engineer of the French Administration of Bridges and Roads, and by M. Bourdrez, a Dutch civil engineer. M. Coursin returned to Europe in the autumn of 1936. His report on his mission contained valuable observations and suggestions for continuing the collaboration between the League and the Chinese Government in the sphere of communications. These suggestions supplemented the proposals which had meanwhile been made by the Chinese Government to the Secretary-General. The Chinese Government, while providing for the continuation and development of existing activities, put forward a new programme for future collaboration in this field. The chief innovation, which was examined and approved by the Council Committee, consists in the creation, at Nanking, of a Chinese Planning Office accredited to the National Economic Council. This Office includes three foreign engineers nominated by the League of Nations. They are appointed, in principle, for a period of two years and are paid by the League. Moreover, a number of Chinese engineers are attached to this

Office ; they are paid by the Chinese Government, which also provides the supplies and subordinate staff for the Office.

The Chinese Planning Office is mainly concerned with hydraulic and road problems. It advises the competent Chinese technical services as to the studies that must be undertaken prior to the execution of any schemes, and it assists in the practical training of the Chinese engineers attached to the Office. In addition to this; it prepares plans for a small number of minor undertakings for which the preparatory documentation would appear to be adequate.

The execution of these undertakings falls to the Chinese authorities, but, at the request of the latter, the members of the Office may make visits on the spot and give practical advice.

Finally, the Chinese Government is considering the creation of a centre of higher technical studies, with a view to improving the technical training of its engineers. This centre is to receive a small number of engineers chosen for their qualifications and experience. The foreign engineers attached to the Office would be able to co-operate in the teaching work of the centre by giving lectures on subjects coming within the general curriculum.

With a view to the organisation and direction of this new Office, M. Coursin has again been sent to China on a short mission. Other officials will be M. Bourdrez, the Dutch engineer, who is already on the spot and who will interest himself more particularly in hydraulic questions, and M. Maux, the engineer from the French Administration of Bridges and Roads, who has been sent to China to take part in the work of the Office, where he will devote himself especially to road questions.

Agriculture. — The co-operative movement, which has developed greatly in recent years and on which the Chinese Government largely relies to improve the conditions of its peasant population, has occupied the serious attention of the authorities, who are anxious for the movement to progress along the proper lines. For this purpose, the advice and experience of Mr. Campbell were made available. During the past eighteen months, he has investigated conditions in the various provinces and he has endeavoured, by personal contact with the local heads of co-operative societies, to discover what improvements could be made and how mistakes might be remedied or avoided.

With this object, he has already visited the provinces of Chekiang, Kiangsi, Hunan, Hopei, Shantung, Shensi, Kansu, Szechuan, Hupeh, Anhwei, Kwangtung and Fukien. After each visit, he drew up reports which were duly communicated to the competent authorities. His advice has been frequently asked for on various matters connected with the co-operative movement.

Mr. Campbell is now on leave. He is expected to resume his duties in the autumn of this year.

12.

SOCIAL QUESTIONS.

I. INTRODUCTORY.

Administration and Organisation.

The most important event of the year was the reorganisation of the former Advisory Commission for the Protection and Welfare of Children and Young People, which was divided into two Committees, the Traffic in Women and Children Committee and the Child Welfare Committee. For these, a new Advisory Committee on Social Questions was substituted, which held its first session from April 15th to May 1st, 1937.

This Committee's terms of reference, however, are the same as those of the former Advisory Commission: to advise the Council on two subjects (*a*) traffic in women and children (including obscene publications) and (*b*) child welfare.

With regard to traffic in women and children, the Committee's terms of reference are defined by Article 23(*c*) of the Covenant — the general supervision over the execution of agreements with regard to this question. The work in connection with child welfare has developed differently, as the term "child welfare" has never been authoritatively defined. The Child Welfare Committee worked on broad lines, considering, for example, that the welfare of children could not be separated from the welfare of the family. Many of the varied subjects which engaged this Committee's attention related, not only to minors, but to family welfare in general.

As a result of the reconstitution of the Advisory Committee, the question of the organisation of its future work was raised. In the past, the two activities of the former Advisory Commission — traffic in women and children, and child welfare — proceeded independently with practically no link established between them. The new Advisory Committee, however, when discussing its future programme, felt strongly that it would be to the advantage of both branches of the work to consider them from a more general point of view. In drawing up the programme, the Committee, in order to be really effective and useful to national Governments, has borne in mind the current problems and the tendencies manifested both in national legislation and in the evolution of social theories, thus endorsing the opinion expressed by the Fifth Committee of the Assembly in 1936. As to the Fifth Committee's suggestion to take as one of the first subjects "the principles adopted in the administration and organisation of welfare work among the young, including social assistance, showing the part played by the authorities and voluntary organisations respectively", the Advisory Committee decided to take up this study, but thought that it should be limited at first to a certain number of representative countries. The training of persons engaged in social work is another question for study that was added to the programme.

The value of liaison with other bodies was stressed and it is the Committee's wish to strengthen this — especially with the International Labour Office and the Health Organisation of the League, which are handling similar questions.

Publicity.

The large amount of valuable information which reaches the League of Nations on the subjects dealt with by the Advisory Committee on Social Questions has made the problem of publicity a pressing one. The Advisory Committee expressed the opinion that, in the past, too little has been done to make its work known to the public in the different countries, and recommended that more active propaganda should be undertaken. Apart from the methods of propaganda already adopted, the Social Questions Section of the League should, it was felt, issue periodically a bulletin or review giving up-to-date information on the work

of the Advisory Committee, which would contain some or all of the following features : particulars of the new laws and administrative measures introduced in the various countries ; analysis of material collected by the Information Centre of the Library ; account of the work of the sessions of the Committee ; selected bibliographies and reports of congresses, conferences, etc. ; analysis of information received from voluntary organisations on their activities ; articles by experts.

The Council, at its session in May 1937, stated that the decision to give authorisation for issuing such a publication rested with the Assembly.

II. PROTECTION OF CHILDREN AND YOUNG PEOPLE IN THE FAMILY.

Annual Reports of Governments on Progress in Child Welfare.

The annual reports of Governments on the progress of child welfare show interesting developments.

In the field of national legislation the growing responsibilities of Governments — mainly due to the economic crisis — are to be noted. Various types of social service formerly rendered by benevolent institutions are now becoming statutory rights of the population in different countries. Parallel with these important additions to the duties of the State, there is a definite trend towards the correlation of health and welfare services. In some countries it takes the form of centralisation under the control of a responsible Government department ; in others of a co-ordination of the work of Government and private organisations.

In many countries, the sudden and large-scale extension of social services has necessitated basic changes in the methods of work. Institutional care, which even a few years ago was considered the one method, is regarded to-day as definitely secondary. Very few countries which have developed their social services in such a way as to affect large sections of the population have a sufficient number of institutions for those persons (destitute, defective, etc.) who are in need of special care, and there is thus an ever-increasing tendency to organise care and social aid in people's own homes.

These growing responsibilities of Governments raise the question of finance. Few countries, however, have as yet worked out a definite and complete scheme relating to this aspect of the problem. It is still an open question whether social work and services should be supported out of general public funds or by special taxation; what method of taxation is preferable, or whether social services should be placed on the basis of a social insurance scheme; what should be the respective parts played by Governments and private organisations.

The annual reports of the Governments reflect also the evolution of the "ideological" background of social services. These consist at first of merely symptomatic treatment; then pass, through a period of careful enquiry into cause and effect, to clear appreciation of the advantages of prevention versus cure.

Liaison with Other Organisations of the League of Nations.

Co-operation with the International Labour Organisation, the Health Organisation of the League and the International Educational Cinematographic Institute in Rome consisted this year mainly in presentation and discussion of reports by the liaison officers with these bodies on the subjects which presented a definite social aspect of interest to the Advisory Committee.

The liaison officer with the *International Labour Organisation* presented a report which dealt mainly with two subjects: (1) the work of the International Labour Organisation in matters of protection of children and young persons, through the partial revision of several minimum-age conventions with a view to raising the minimum age of admission to gainful employment, and (2) the effect of the Organisation's recommendation in 1935, concerning unemployment among young persons.

The liaison officer with the *International Educational Cinematographic Institute in Rome* presented a report on the activities of the Institute during the past year.

The liaison officer with the *Health Organisation* referred in his report particularly to the Health Organisation's work on three main aspects of nutrition: the assessment of the nutritional state of children, nutritive food requirements during

the first year of life, and the optimum amounts of milk required at different ages.

The Advisory Committee on Social Questions also co-operated with the League's *Mixed Committee on the Problem of Nutrition*, on which it is officially represented, offering certain suggestions as to the social aspects of the problem of nutrition. These suggestions relate mainly to educational propaganda and to the instruction of individual families in the measures designed to provide proper nutrition within the home ; they also strongly recommend that, whenever meals are provided for school-children in the schools or at a social centre, these should be organised on such a basis as not to establish any distinction between the children who are dependent and those who are not.

The Recreational Aspect of the Cinema.

This question has engaged the Advisory Committee's attention for several years. Owing to the limited time available, however, for the discussion of certain subjects, the Committee decided to postpone the examination of this question until the next session (1938).

Placing of Children in Families.

The Committee decided to continue its study of this subject, which had originated as the fourth stage of the enquiry into the treatment of neglected and delinquent minors. In 1936, however, it was decided to treat the question separately and to continue the study on more general lines. This year, the substantial material collected was rearranged according to a new plan and divided into three parts : the first part is a general introduction containing the underlying principles and theory of the placing of children in families, the historical development and present extent of the system throughout the world, and consideration of the measures applied in different countries. Part 2 contains a description of various systems followed in different countries for the placing of children in families. Part 3 is devoted to recommendations concerning the standards applicable to the placing of children in families in different types of community.

The Child born out of Wedlock.

The former Advisory Committee had already concerned itself with different aspects of this question, and in 1929 published a study of the position of illegitimate children from various aspects:—rights and obligations of the mother and father towards the illegitimate child, conditions covering the legitimation of illegitimate children, official guardianship and other means provided either by the law or by institutions for ensuring the moral and material protection of illegitimate children. The systems adopted in certain countries authorising the issue of abridged birth certificates and official documents which make no reference to parentage have also been studied. In the past two years, no new development can be registered in this matter. In 1937, however, the Committee re-examined the question and decided to discuss it in 1938 on the basis of a detailed memorandum on all the documentary material at its disposal, to be prepared by the Secretariat in conjunction with the Rapporteur. As a basis for this memorandum, it suggested the following points: historical review of the question; present position of the child born out of wedlock from the point of view of legal protection, protection of health, special measures of social care and assistance; provision and care under social insurance measures; establishment of legitimate status for the child.

*General Study of the Treatment of Neglected
and Delinquent Minors.*

This question has engaged the Committee's attention since its first session in 1925. In the following years, different aspects of the problem had been dealt with, such as juvenile courts, the auxiliary services and institutions. Later, the age of criminal responsibility and the various aspects of the question of placing of children in families were added. At a later stage, the Advisory Committee studied the organisation and functioning of Child Welfare Councils, which in the Scandinavian countries perform some of the functions of the juvenile courts in other countries.

In 1936, the Committee felt that it was in a position to draw up certain conclusions and a Sub-Committee appointed in the same year prepared a report setting forth general conclusions on

the question of juvenile courts and similar bodies, their auxiliary services and institutions. After a general introductory review of the causes of juvenile delinquency the report arrives at conclusions on the following points: definition of minors, organisation of the special jurisdictions, competence, procedure, auxiliary services and measures to be taken with regard to the minors concerned. The conclusions with regard to institutions are those adopted by the Child Welfare Committee in 1935. They reproduce remarks on observation centres, special institutions and reformative institutions, together with a series of rules regarding the internal organisation of such institutions and suggestions relating to conditional and final release.

The object of these recommendations is to enable Governments or organisations which may be proceeding to a re-examination of the methods hitherto employed in dealing with neglected and delinquent minors to consider these in relation to the general principles embodied in the Committee's report. The Advisory Committee decided that the recommendations should be printed, together with the resolution adopted by the 1935 Assembly concerning the imprisonment of children, and as an annex two explanatory memoranda prepared by members of the Committee.

*Activities of the Secretariat acting as Information Centre for
Matters connected with Child Welfare.*

The Secretariat, acting as an Information Centre, has carried out the instructions received from the Assembly, the Council, and the Child Welfare Committee in the following way.

It has collected documentary material concerning national organisations, in twenty-three different countries and two mandated territories, dealing with child welfare either as their main work or among other activities. It has drawn up a card-index of international bodies dealing with various aspects of child welfare work, based on the general information contained in the *Handbook of International Organisations* published by the Secretariat, and the additional information it has itself collected. It has compiled a list of the names and addresses of official organisations in different countries with which members of the Committee can correspond on questions connected with child welfare.

It has published the text of certain important laws concerning child welfare which have come into force during the past year, and various documents containing general information concerning the development of child welfare in different countries on the legal and administrative side. In so far as the documentary material at its disposal allowed, it has answered the requests for information it has received both from Government departments and private organisations and individuals. It has continued to collect and classify unpublished material concerning the problems which it has been requested to study.

Further, the Information Centre has analysed, summarised and published the annual reports sent in by the various Governments¹ on their activities in connection with child welfare during the year 1935.

III. ASSISTANCE TO INDIGENT FOREIGNERS.

The Committee of Experts appointed by the Council in 1931 to study this question has held no session since the Assembly of 1936. The second multilateral draft Convention drawn up by the Committee of Experts at the second session (January 1936) was submitted to Governments for their comments and a considerable number of replies have been received. Few of these, however, are in favour of a multilateral Convention; many recommend the conclusion of bilateral agreements. During the past year, on the proposal of American experts, a questionnaire was addressed to the Governments in order to enquire into the practice of various countries in the matter of assistance to indigent foreigners.

IV. TRAFFIC IN WOMEN AND CHILDREN.

Ratification of Conventions.

The international conventions regarding traffic in women and children and obscene publications have been ratified by a further number of States. The Convention for the Suppression

¹ Document C.Q.S./B.3.

of Traffic in Women and Children of 1921 and the International Convention for the Suppression of the Circulation of and Traffic in Obscene Publications of 1923 are steadily progressing towards universal application. Since the last Assembly, the 1921 Convention has been ratified or definitely acceded to by the Argentine Republic and Turkey. It is thus ratified or acceded to by forty-six countries, not including the colonies, overseas possessions, protectorates, etc., which are also parties to this Convention. The 1923 Convention has been ratified or acceded to since the last Assembly by Afghanistan and the Argentine Republic, and this brings the number of countries which are parties to this Convention up to forty-seven, not including the colonies and overseas territories, etc. In addition, nine countries which had signed the Convention have not yet ratified it.

The most recent of the international instruments in this field, the International Convention for the Suppression of the Traffic in Women of Full Age of 1933, has been ratified since the last Assembly by Finland, Portugal and Salvador, which brings the number of definite ratifications of this Convention, which came into force on August 24th, 1934, up to twenty-two. Of the signatures to this Convention, thirteen are still awaiting ratification.

Annual Reports of Governments on the Traffic in Women and Children and on Obscene Publications.

In spite of the appeal made by the Assembly in 1936, an even smaller number of Governments than in the previous year have sent information on the traffic in women and children and on obscene publications. Only fourteen Member-States and two non-member States have submitted reports for 1935/36 in spite of the emphasis laid on this point by the Fifth Committee of the Assembly in 1936. This figure does not include, however, communications or reports referring to fifty-five colonies, possessions, protectorates and mandated territories.

From the report of the French Government, it appears that the two new institutions established at the Paris Prefecture of Police : the Anti-Venereal Social Service (Service social à l'hôpital) and the Women Police Assistants have given altogether satisfactory results. This is shown from the fact that it is now proposed to increase the number both of the social assistants

and the women police assistants. From the report on the French colonies and mandated territories, it appears that traffic in women and children in Indo-China, which had always been carefully watched by the administrative authorities, is now fast dying out. The number of cases of traffic is decreasing every year, except in Tonkin.

The unsatisfactory number of replies to the questionnaire on traffic in women and children had led the Traffic in Women and Children Committee in 1936 to raise the matter of rearranging or re-drafting the questionnaire. Members of the Committee were requested to send suggestions by November 1st, 1936. The number of answers received was considered insufficient as a basis for revision, and the Advisory Committee on Social Questions in 1937 therefore renewed its appeal to its members. It was understood that, at the next meeting of the Committee, the Secretariat would submit a study based on the answers to hand.

Abolition of Licensed Houses.

Since the last Assembly, considerable progress with regard to the abolition of licensed and tolerated houses in the different countries has been achieved. Three new laws, draft laws or bills were notified to the League Secretariat, in addition to statements made in the Advisory Committee on Social Questions which intimated further progress.

The Argentine Republic has enacted a law for the prevention of venereal disease in all parts of the national territory; this law combines measures for the prevention of venereal disease and its treatment from the standpoint of public health with measures for the prohibition of houses or premises in which prostitution is practised or encouraged. A draft law submitted to the Uruguayan Parliament contained similar stipulations. The existing regulations regarding prostitution are to be abolished; any persons suffering from an infectious venereal disease must undergo treatment. Infected persons who refuse treatment or who are a social menace may be taken to hospital by order of the health authority.

The most important of these legislative measures, enacted or under consideration, is the draft law concerning the prophylaxis of venereal disease and the repression of public incitement

to immorality and of procuring, submitted by the French Government to the Parliament. This draft law (the Sellier Law) goes beyond the scope of a purely health measure and contains a number of articles dealing with the abolition of the special legal status previously applied to prostitutes and reinforcing punitive measures for incitement to immorality. It contains provisions for the prevention of the exploitation of prostitutes, even of full age, thus bringing French legislation into line with the 1933 Convention for the Suppression of Traffic in Women of Full Age which has been signed but not yet ratified by France. Whilst this draft was under consideration, a further step forward in France was marked by the circular of the Health Ministry of December 1936, in which the prefects were formally asked not to authorise the opening of any new licensed house in France. The Advisory Committee on Social Questions, which examined the new French draft law, was unanimously of opinion that it constituted great progress, and the hope was expressed that this draft would soon become part of the French legislation.

A further development is forecast in a communication received by the League from the Mexican Government, stating that the authorities have decided to abolish regulation. The Mexican Government is considering compulsory treatment of infected persons, and free treatment for the indigent. The offence of contamination will be punished. Simultaneously with the abolition of regulation an educational campaign will be launched.

Furthermore, several delegates on the Advisory Committee on Social Questions, speaking of the situation in their respective countries, announced impending changes. The Japanese delegate stated that, encouraged by the very marked tendency of public opinion in favour of abolition, the Japanese Government contemplated the total abolition of licensed houses in the near future, while the Belgian delegate informed the Committee that, in Belgium, a private member's bill dealing with the same subject had been accepted by the Government and was now under consideration.

In all these circumstances, the Committee felt that definite progress with regard to the abolition of licensed houses has been made and that the developments within the last year constitute the greatest advance achieved in any one year since the beginning of the abolitionist movement.

Rehabilitation of Adult Prostitutes.

The enquiry into the rehabilitation of adult prostitutes is nearing its final stage. During 1936, the countries which had not previously forwarded information in answer to the questionnaire were approached, and forty-five countries have now submitted information on this matter. The majority have sent in very full reports. Countries which had already collaborated have been invited to furnish additional observations, thus bringing their material entirely up to date. Special information was sought from certain countries.

The Advisory Committee on Social Questions expressed the wish that the final report should be issued with the least possible delay, and that those parts of the study which may be regarded as complete should be published separately, especially the section on the antecedents of prostitutes and that dealing with the supply of social services as part of the treatment for venereal disease. It was pointed out that this latter question was of particular interest at this time, in view of the developments in a number of countries, and that an early publication of this information would therefore be of practical value.

In 1936, the Traffic in Women and Children Committee had expressed the opinion that the question of preventive measures, especially with regard to minors who have become or are in danger of becoming prostitutes, should be studied in connection with an enquiry into rehabilitation. The Advisory Committee on Social Questions expressed the opinion that the same factors which led to delinquency in minors were, generally speaking, the factors also predisposing to prostitution. It was, however, considered expedient that a study of preventive measures should be restricted to those factors which might be directly contributing to prostitution among minors. In this connection, the direct influence of the *souteneur* in leading minors into prostitution was emphasised; the need for better organisation of leisure time, especially in the case of domestic workers, and the necessity for adequate supervision of the employment of minors, etc., were also stressed.

As certain aspects of these questions — especially the spare time of young workers and the conditions of domestic service — are dealt with at present by the International Labour Organi-

sation, the hope was expressed by the Advisory Committee of close collaboration with that Organisation.

Suppression of the Exploitation of Prostitution.

Thirty-seven Governments have submitted to the Secretariat their observations on the draft Convention for the Suppression of the Exploitation of Prostitution, which was sent to Governments in accordance with a decision of the Council in May 1936. Nearly all the Governments which replied expressed their agreement with the object and main principles of the draft. The Advisory Committee therefore took steps with a view to accelerating the conclusion of such a convention, and, in September 1937, proposals to that end will be submitted to the Council.

Conference of Central Authorities in Eastern Countries.¹

The Assembly at its seventeenth session approved the proposed agenda of the Conference and expressed the hope that practical measures for combating the traffic in women and children might result from the discussions of the Conference. The Council, at its ninety-fourth session, convoked the Conference of Central Authorities in Eastern Countries at Bandoeng, Java, on February 2nd, 1937. It authorised the Secretary-General to issue invitations to Governments which had declared themselves ready to participate; to missions and international organisations whose participation was agreed upon by the majority of the countries taking part in the Conference; to any international, regional or local organisation proposed by the participating Governments; and to experts whose participation might be deemed to be desirable for the success of the Conference.

The Conference met at Bandoeng from February 2nd to February 13th, 1937.

It was composed of delegates, experts, advisers and secretaries from the Governments of the Straits Settlements and the Federated Malay States and of Hong-Kong, China, France (for the Indo-Chinese Union and the French Concession of Shanghai), India, Japan, the Netherlands (for the Netherlands Indies), Portugal (for Portuguese India and Macao), and Siam.

¹ See document C.228.M.164.1937.IV.

The United States of America were represented by an observer.

The following missions and voluntary international organisations sent delegates : the International Missionary Council, the Salvation Army, the Pan-Pacific Women's Association, the World's Alliance of Young Men's Christian Associations, the World Young Women's Christian Association.

The Sacred Congregation *de propaganda fide* sent an observer.

A number of national, regional and local organisations operating in the territory of the Governments which had proposed their inclusion were present. From China : The World Red Swastika Society of China ; the Children's Home, Hsiang-Shan, Peiping ; and the China Child Welfare Association. From India : the Association for Moral and Social Hygiene. From the Netherlands Indies : the Association "Ati Soetji" ; the Indo-Europeesch Verbond Vrouwen-Organisatie ; the Perkoempoelan Pemasmanian Perdagangan Perempoean dan Anak-anak.

Two experts were also present, one representing the International Criminal Police Commission, and a former member of the Commission of Enquiry into the Traffic in Women and Children in the East.

The Conference was presided over by the first delegate of the Netherlands, Jonkheer A. T. BAUD ; Mrs. MUKERJEE, delegate of India, acted as Vice-President.

The agenda of the Conference was composed of six items, some of which involved decisions of principle, while others concerned decisions of a more technical character and aimed at a better organisation of the existing measures for fighting the traffic in women and children.

As far as the questions of the first type were concerned, the Conference adopted a resolution on the abolition of licensed or tolerated brothels in the East. The Conference pronounced itself in favour of abolition as a final goal, recommended that educational measures be taken for the formation of favourable public opinion in those countries in the East in which tolerated brothels still exist, and also recommended that abolition should be anticipated or accompanied by administrative, medical and social measures in order to guarantee the permanence of its success.

The special significance of this declaration was, in the Advisory Committee's opinion, the fact that it emanated from the repre-

sentatives of Eastern countries which only a few years ago would certainly not have supported such a principle. Its importance might also be gauged by the fact that, in at least four of the nine countries represented at the Conference, licensed houses still exist, whilst in a fifth country they have not, on the admission of the Government itself, yet been closed in practice.

Among other resolutions on matters of principle, the Conference recommended that Governments should welcome practical co-operation with voluntary organisations established in their territories, and should consider the possibility of employing a larger number of women officials on work connected with the welfare of women and children, with the special stipulation "as women with the necessary attainments and training become available".

From the point of view of action to be taken in the international field, the most important recommendations of the Conference were those referring to closer collaboration and wider exchange of information between the police and other authorities in different countries who are responsible for measures concerning the traffic in women and children. On this point, the Conference made a concrete and detailed suggestion. It proposed that a Bureau of the League of Nations should be created in the East to receive regular reports from all participating countries in regard to traffic in women and children and circulate them. These reports should contain information on four classes of individuals: those convicted of traffic in women and children, those deported or banished from the territories of participating countries for trafficking but whose conviction in court has been impossible in spite of the clear establishment of guilt, and such persons as are wanted in connection with trafficking but who made their escape before they could be arrested. This Bureau should suggest to the Governments concerned any measures which might facilitate the collection and distribution of information. It should generally promote such collaboration between participating countries as may appear desirable to these countries, and make annual reports to the League of Nations.

The Advisory Committee on Social Questions was of opinion that the creation of such a Bureau would materially assist in concentrating the activities for suppressing the traffic in women

and children. In the Committee's opinion, the Bureau should be established in 1938 at a place found to be most suitable for the purpose after consideration of all the technical and budgetary aspects of the question. The Bureau should work on a modest scale until it had proved its full usefulness and justified an extension of its activities. In May 1937, when considering the work of this Conference, the Council reserved the question of the establishment of this proposed Bureau to the Assembly, as it considered it to be principally a constitutional and financial question.

The Conference also made recommendations as to the necessity for instituting measures at other ports in the East such as have been enforced in Hong-Kong; the extension by the Hong-Kong Government of provisions regulating the control of emigrants to cover the case of female and minor passengers on other categories of ships; the adoption of special measures by the Governments for the protection against traffic in women and children who belong to travelling troupes of entertainers; the adoption by Governments of arrangements or regulations under which their national shipping should collaborate with port authorities; and the introduction of precautions by steamship companies to prevent the evasion of certain examinations by female and minor emigrants.

In order that the information made available by the Conference should be utilised to the greatest possible extent, the Conference requested that its Minutes should be printed, for reference and for the use of the authorities. It also asked that a report be prepared by the Secretariat of the League of Nations suitable for distribution to a wider public.

The Advisory Committee on Social Questions, in unanimously adopting the recommendations and resolutions of the Conference, expressed agreement with this desire that the Minutes and a report on the work and results of the Conference should be printed.

Position of Women of Russian Origin in the Far East.

The Assembly, at its sixteenth session, authorised the Secretary-General to nominate an agent of the League of Nations for the purpose of co-ordinating efforts to improve the position

of women of Russian origin who are engaged or likely to be engaged in prostitution, on the understanding that no financial charge should fall upon the League in this connection. The efforts which had been made during 1935 and 1936 have been continued up to the present, without however the necessary sums for the appointment of such an agent being collected. The Conference of Bandoeng, which was attended by a number of persons familiar with this question, supported in a resolution the appeal addressed by the League to the voluntary organisations. A new element was introduced by the suggestion made in the Advisory Committee on Social Questions that the proposed Bureau of the League in the East might, as a temporary duty, be charged with the duty originally proposed for this agent.

V. PENAL AND PENITENTIARY QUESTIONS.

The last Assembly instructed the Secretary-General to have recourse to the good offices of the International Penal and Penitentiary Commission, asking it to institute, if necessary with the assistance of the League Secretariat, an enquiry into the number of prisoners over 18 years of age and the measures taken in different countries during recent years with the object of reducing the number of prisoners.¹

The Secretary-General accordingly got into touch with the International Penal and Penitentiary Commission, which promised to submit before July 1st, 1937, a report based on the information which it was able to collect concerning the number of prisoners in different countries. This report will be communicated to the delegates at the next Assembly of the League of Nations.

For some years it has been the practice of the Assembly to ask the Secretary-General to submit information to it every year regarding the activities of seven technical organisations dealing with penal and penitentiary questions. The following are the organisations in question :

- (a) International Penal Association ;
- (b) International Bureau for the Unification of Penal Law ;

¹ See document A.70.1936.IV.

- (c) International Penal and Penitentiary Commission ;
- (d) International Criminal Police Commission ;
- (e) The Howard League for Penal Reform ;
- (f) The International Law Association ;
- (g) The International Penal Law Union.

This information will be summarised, as usual, in a special document which will be distributed to delegates at the next Assembly.¹

¹ Document for reference : Report on the work of the Advisory Commission for Social Questions in 1937 (document C.235.M.169.1937.IV).

13.

TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS.

**A. WORK OF THE ADVISORY COMMITTEE ON TRAFFIC IN
OPIUM AND OTHER DANGEROUS DRUGS.**

The Advisory Committee on Traffic in Opium and Other Dangerous Drugs met for its twenty-second session in Geneva from May 24th to June 12th, 1937. The Committee, after its customary general review of the illicit traffic in narcotic drugs and of the annual reports of Governments, concentrated its attention upon three important questions on its agenda : the situation in the Far East ; the problem of clandestine manufacture ; and the preparation for a Conference on the Limitation and Control of the Cultivation of the Opium Poppy and the Production of Raw Opium.

The situation in the Far East was considered in the light of information conveyed more particularly by the representatives of China, the United States of America, Egypt, Canada and Japan. The discussion showed that, while progress was being made in China by the Chinese Government with the effective application of the six-year plan, which aimed at a reduction of the cultivation and use of opium and the non-medical use of narcotic drugs with a view to their entire suppression by 1940, the situation in the parts of China under Japanese influence had in the year 1936/37 become increasingly serious. The Committee has felt it necessary to draw special attention to the conditions disclosed.

For its consideration of the preparatory work for a Conference on the Limitation of the Cultivation of the Opium Poppy, the Committee had at its disposal a considerable body of information furnished by Governments and material prepared by the

Secretariat. Important statements, moreover, were made by members of the Committee in the course of its discussions. The Committee examined the data so far available and took certain decisions as to its future work and procedure, which will be found below in a special section of this report.

I. ILLICIT TRAFFIC.

Review of the Illicit Traffic in 1936.

The Sub-Committee on Seizures of the Advisory Committee, reviewing the illicit traffic in 1936 and the first three months of 1937, was gratified to note that the material furnished by Governments in their advance reports on the illicit traffic and in their annual reports was more complete than any that had been received in previous years. Surveys of the illicit traffic in 1936 were sent by the Governments of thirty-four different countries and territories, while eleven other countries and territories reported that there had been no cases in the period under review. All reports submitted by Governments on individual important cases of illicit traffic, moreover, are now communicated to all parties to the Limitation Convention of 1931 — an arrangement which has greatly assisted the police authorities in the various countries.

It was noted, however, that some Governments parties to the Convention had not yet begun to furnish separate reports on important individual seizures as required by the 1931 Convention, but only rendered general statements once a year in their annual reports or reviews of the illicit traffic. The Advisory Committee observed that Article 23 of the Convention required Governments to communicate as soon as possible any cases of illicit traffic which might be of importance, either because of the quantities of narcotic drugs involved or because of the light thrown on the sources from which the drugs were obtained for the illicit traffic or on the methods employed by the illicit traffickers.

* * *

As in previous years, the principal markets for illicit drugs were the United States of America, Canada, Egypt, China, India

and the Far-Eastern territories where opium-smoking still continued.

Raw opium seized in the illicit traffic was mainly of Iranian or Chinese origin. There was evidence to show that all the raw opium seized elsewhere than in Asia and a large proportion of the raw opium seized in Asia as well was of Iranian origin.

There was a considerable movement of prepared opium from the Far East to North America. The largest seizures of prepared opium, however, were made in Far-Eastern countries and territories.

There was continued evidence of a traffic in raw opium and crude morphine coming from Balkan countries — a fact which appeared to indicate that the countries in question were beginning to be used by persons engaged in the illicit manufacture of narcotic drugs.

The most important morphine seizures were reported from Turkey and the United States of America.

The principal markets for illicit heroin, as in previous years, were the United States of America and China.

The representatives both of the United States and Canada reported a distinct reduction in the demand for cocaine in illicit circles — a condition which has not as yet been noticed in the countries of the Far East. The traffic in cocaine appears to be prevalent in India and in certain Central-European countries.

Manufactured drugs found in the illicit traffic, according to the available evidence, came chiefly from the Far East. Such manufactured drugs as were of European origin had apparently been produced and made in clandestine laboratories. The small quantities seized of manufactured drugs made in licensed European factories had in all cases been diverted into the illicit traffic only after lawful export from the manufacturing country. Illicitly manufactured drugs from the Far East were transported from Far-Eastern ports to Europe and thence to the Atlantic coast of North America.

The Secretariat has been instructed to prepare for the calendar year 1937 a table grouping seizures of raw opium, prepared opium and manufactured drugs with a special view to indicating their source. It is recommended that, to facilitate the preparation of this table, a special effort should be made

by Governments to trace the origin of drugs found in the illicit traffic.

The French representative informed the Committee that drug addiction in Tunis had suddenly developed to such an alarming extent that the Government had found it necessary to take special measures. Severe penalties were imposed for offences against the regulations applying to narcotic drugs, including, not only long terms of imprisonment, but also confiscation of the substances and materials used, the closing for at least one year of establishments in which offences had been committed, prohibition of residence in the country for from five to ten years and exclusion of the offender from the exercise of his profession. As a result of the application of these measures, the situation in Tunis had been successfully met.

The Committee noted an interesting statement furnished by the French Government concerning the extent of the illicit traffic in Indo-China, the methods used by the smugglers and the organisation of the services engaged in fighting the traffic. There was active smuggling of raw opium, with a tendency to replace raw opium by prepared opium with a view to facilitating the transport of the drug. Opium seizures amounted to from 8 to 10 tons annually—a quantity corresponding to about a third of the amount of prepared opium sold by the Monopoly. The smuggled opium came from Yunnan, Laos and the Shan States.

The Committee was gratified to receive a full report from the authorities of the French Concession in Shanghai on the situation in 1935. The figures contained in this report, giving the quantities of drugs seized and the number of persons prosecuted, indicated that the situation had greatly improved. The progress achieved in the French Concession and in the International Settlement in Shanghai showed, to the satisfaction of the Committee, that it was possible to cope with the drug traffic in concessions and settlements in China if determined efforts were made by the responsible authorities.

Measures to deal with the Illicit Traffic.

The penalties imposed for offences connected with the illicit traffic were increased or about to be increased in several countries during 1935, more particularly in China, Mexico, the Shanghai

International Settlement and Siam. Other countries, in particular Bulgaria and Japan, where penalties are still inadequate, have announced that steps are being taken to increase them. The importance of adequate penalties was again emphasised during the discussions of the Advisory Committee, more particularly in reference to the serious situation prevailing in parts of China under Japanese influence.

Canada reported that one of the chief causes for the decrease of opium-smoking in that country had been the infliction of a minimum penalty of six months of imprisonment and a fine of \$200 for the illegal possession of opium, and the French representative on the Committee, in describing the measures recently taken by the French authorities in Tunis to meet the sudden outbreak of addiction in that territory, emphasised that one of the principal reasons for their success had been the drastic penalties imposed.

There was further evidence in the reports on the illicit traffic in 1936 of the extent to which drugs are smuggled with the connivance of members of crews of ocean-going steamers. Such cases were apparently on the increase, while there was a corresponding diminution in the number of cases in which drugs were shipped hidden in ordinary cargo.

The Advisory Committee last year decided to communicate to Governments suggestions for stricter measures of supervision submitted by the Canadian representative and the representative of the United States of America for general application by Governments and steamship companies. The Committee, during its present session, received evidence that certain Governments and certain steamship lines were taking active steps to ensure by organised inspection and searches and by the employment of specially trained officers a more effective supervision over members of their crews.

The representative of Egypt drew attention to the special difficulties existing at Port Said, where in a single year an average of 300,000 passengers and 50,000 members of ships' crews came ashore for brief periods. He assured the Committee that these difficulties would be overcome as soon as the necessary funds were available.

II. CONSIDERATION OF THE ANNUAL REPORTS OF GOVERNMENTS FOR 1935.

The Committee devoted several meetings to discussion of the annual reports of Governments for 1935. The number of annual reports received by the Secretariat was 126, of which 18 related to prepared opium. There were 50 annual reports from sovereign States and 76 reports covering various territories. The Committee was grateful to note that the annual reports contained an increasing body of information which made it possible to follow in detail the application of the International Opium Conventions in the various countries and the system of control in force. It observed that the year 1935 was one of considerable legislative activity. More than half of the countries and territories reported the enactment of new laws or changes in the existing laws or stated that new laws were in course of study or preparation. There was clearly a general tendency on the part of Governments to bring existing laws and regulations into harmony with their international obligations.

The Committee expressed regret that the majority of the Latin-American States still did not furnish annual reports. It again appealed to those countries to co-operate in the work that was being done in this field. Only eight of the twenty countries of Latin America rendered reports for the year 1935. The representatives of Uruguay and Mexico suggested that more effective co-operation might best be secured by a mission to the Latin-American countries to be undertaken by the Secretariat. The Committee concurred in this proposal, and expressed the hope that it might be possible to give effect to it in the near future.

III. CLANDESTINE MANUFACTURE OF NARCOTIC DRUGS.

The Advisory Committee last year recommended that a memorandum prepared by the Secretariat on the clandestine manufacture of narcotic drugs and on the measures to be taken by Governments to detect and prevent it should be forwarded

to Governments for their observations and guidance. The Committee noted the replies from Governments so far received.

The Advisory Committee, in reviewing these replies, observed that certain countries appeared to be under the impression that there was no need for special vigilance in regard to clandestine manufacture in places where there was no addiction to narcotic drugs. It was pointed out, however, that the absence of drug addiction within a country did not necessarily mean that there was no clandestine manufacture for the account of the international illicit traffic, and that almost any country where special measures were not taken might serve as a base for such manufacture.

The Committee recommended that Governments should exchange information regarding the chemical analyses of drugs seized in the illicit traffic. The police authorities in various countries have found that such analyses often enable them to determine the origin of the drugs. The Committee further recalled a suggestion, put forward some six years previously, that Governments should refuse passports for travel to their nationals convicted of offences in connection with narcotic drugs.

In view of the fact that acid acetic anhydride was being used in the manufacture of heroin, Governments were asked in 1934 to furnish figures of their imports and exports of this substance for the years 1931-1934 and subsequently for each calendar year. The Committee last year concluded that the statistical information supplied in response to this request would not help countries where clandestine manufacture of heroin existed to deal effectively with the problem, but decided nevertheless that Governments should be warned of the dangers inherent in the possible use of acid acetic anhydride for the illicit manufacture of heroin and should be requested to give special attention to the movements of this commodity. It further asked the Secretariat to consider, if necessary with the help of experts, whether a special control of acid acetic anhydride would provide a means of checking or preventing the clandestine manufacture of heroin.

The Committee, during its twenty-second session, examined statistics supplied by certain Governments for the years 1935 and 1936, together with the conclusions reached by the Secretariat as the result of the enquiry which it had undertaken.

The Committee notes that acid acetic anhydride is used by numerous countries for a variety of industrial, chemical and pharmaceutical purposes ; that it is not indispensable for the manufacture of heroin ; that local manufacture of this substance can be readily organised ; that it is easily distinguished from similar substances and is difficult to import or export under a false name, so that it does not lend itself easily to smuggling operations.

No further enquiries will be undertaken and Governments have not been asked to supply statistics after the end of 1936. The Committee recommends, however, that, in countries where clandestine manufacture is known to exist and where acid acetic anhydride is not normally required for legitimate industrial purposes, special attention should continue to be given to the movements of this commodity.

The Advisory Committee, when deciding that an enquiry should be made into imports and exports of acid acetic anhydride, further proposed that similar statistics concerning the international trade in caffeine should be requested from Governments. The Committee took this decision in view of the fact that large quantities of caffeine, one of the principal substances used in the manufacture of heroin pills, were being imported into China. Governments were informed at a later stage of the enquiry that such statistics need only be furnished by countries or territories in which heroin pills were manufactured or seized.

The Committee, during its twenty-second session, noted statistics in respect of the three countries and territories in which heroin pills had in recent years been manufactured or had appeared in the illicit traffic — namely, China, Hong-Kong and Macao. It observed that, in 1935, 36 tons of caffeine had been imported into China, mostly through Tientsin and Shanghai, which were believed to be centres of the illicit manufacture of heroin pills. Imports into Tientsin alone represented more than half the total. The traffic in narcotic pills had, moreover, increased enormously during the same year in Hong-Kong.

The Committee instructed the Secretariat to continue the enquiry and recommended that the Governments of countries in which heroin pills were manufactured or seized should continue to furnish annual statistics of their imports of caffeine.

IV. SITUATION IN THE FAR EAST.

(a) *General Situation.*

The Committee again had occasion to review the situation in the Far East and, in the course of its discussions, received from the representatives of certain countries information which disclosed an extremely serious state of affairs.

The representative of China informed the Committee that poppy-growing was now confined to the provinces of Szechuen, Yunnan, Kweichow, Shensi, Kansu, Ninghsia and Suiyuan. Elsewhere throughout China, except those parts under foreign control, the cultivation of the poppy was prohibited and, in the provinces where cultivation was still permitted, it had been reduced in accordance with the six-year plan, which aimed at restricting the cultivation and use of opium and the non-medical use of narcotic drugs with a view to total suppression as from 1940. The regulations applying to the transport of opium, moreover, had in 1936 and 1937 been strengthened and extended and the sale of opium limited *pari passu* with an annual reduction in the number of registered smokers.

The sale and use of smoking-opium was prohibited in Chekiang and Shantung, in the three municipalities of Nanking, Tsingtao and Wei-hai-wei, in seven districts of the Kiangsi Province and in one district of the Province of Kwangtung. This prohibition was absolute, and there were no registered smokers in those districts. The Government had recently instructed local authorities to increase the hospital accommodation for registered smokers, and measures had been taken to provide occupation and vocational training for addicts after their discharge. In 1935, more than 300,000 addicts had been treated in hospital.

To ensure the application of the six-year plan, the Central Government had sent special commissioners into all the provinces, who had completed their tours of inspection and submitted their reports to the Government. The Chinese Government in March 1937 had appointed permanent residential commissioners

in fourteen provinces with offices and staffs, including statisticians specially trained in the compilation of statistics relating to opium.

The severe penalties, including the death penalty, now enforced in China for offences against the new regulations had produced appreciable results, and the success of the opium campaign had been noted by neutral and impartial witnesses. The representative of China stated, however, that the smuggling of opium and, to a greater extent, of manufactured drugs by certain foreign nationals in China was paralysing the efforts of the Chinese Government, which could not hope to deal effectively with the drug situation so long as those activities continued. The position had deteriorated within the last twelve months and its effects throughout the world had become increasingly apparent.

The representative of the United States of America said that information received in his country indicated that, in the provinces of China where there was no Japanese influence, the efforts made by the Chinese Government to reduce the production of raw opium had met with surprising success. It had been estimated that the production for the crop year 1936 /37 had been reduced in Yunnan and Szechuen by about 50 %. A very different state of affairs, however, prevailed in the provinces under Japanese influence. In the three North-Eastern Provinces — Manchuria — there had been an increase of 17 %, as compared with 1936, in the area under poppy cultivation, while the anticipated gross revenue from Government opium sales in Manchuria in 1937 was estimated to be 28 % greater than the gross revenue of the previous year. The occupation of northern Chahar by the military forces of Manchuria and Jehol had resulted in an increase in the area sown with poppy, an increase in opium production and the establishment of morphine factories by the Japanese. One factory at Kalgan was reported to have an output of 50 kg. of heroin daily, or some fifteen times the legitimate needs of the world.

Increasing quantities of Iranian opium, amounting to at least 40 or 50 tons a year, continued to be imported into Manchuria for use in the manufacture of morphine and heroin. The movement of raw opium from Chosen (Korea) to Manchuria was reported

to be some 18,796 kg. of opium annually, and the Director of the Monopoly Bureau in Chosen (Korea) had in February 1937 announced a three-year programme for the extension of poppy-growing with a view to increasing these exports.

The drugs manufactured from opium, which formerly came from Europe and went to China, now came from China and Dairen and went to Egypt, Europe and North America. The illicit manufacture of narcotic drugs continued unabated in all regions under Japanese influence, notably in Manchuria and Jehol and in the Province of Fukien. In Fukien, heroin was manufactured on a large scale from Iranian opium, while the Province of Hopei, which included Peiping, Tientsin and the so-called demilitarised zone, had become the centre of the world's most extensive manufacture of that drug. The degradation of the population of Manchuria through the increasing use of opium and its derivatives had come to such a pass that the more reputable Japanese newspapers published in that area had been moved to protest.

The representative of Egypt quoted reports from eye-witnesses in confirmation of the statement made by the representative of the United States of America, and *the representative of Canada* said that his Government had been compelled to adopt special measures to cope with the flow of narcotic drugs from the Far East to the Pacific coast.

The representative of Japan drew the attention of the Committee to three new ordinances applying to Japanese nationals in China and "Manchukuo" whereby Japanese legislation against illicit traffickers had in the course of 1936 been strengthened. Moreover, a treaty had been concluded between "Manchukuo" and Japan providing for the application to Japanese nationals of "Manchukuo" laws and regulations relating to opium. Further, the Japanese Government had asked its consular authorities in China to inflict as far as possible the severest penalties provided by the ordinances.

There was satisfactory co-operation between the Chinese and Japanese authorities in Fukien and South China.

The Japanese authorities intended as soon as possible to ratify the Convention of 1936 for the suppression of the illicit traffic. This would carry with it the obligation to provide severe

penalties for trafficking and would have an effect on the situation in North China. The representative of Japan considered that a great deal of the information conveyed to the Committee was highly exaggerated, more particularly in regard to the amount of heroin clandestinely manufactured. It was a further exaggeration to say that the increase in the illicit traffic in China coincided with the Japanese advance. He urged that the fundamental reason for the situation in Tientsin was to be sought in political and geographical circumstances. Tientsin was situated between two regions having entirely different principles for dealing with the drug problem. He emphasised that, in certain regions of North China, defence considerations naturally took precedence over all others and that the solution of the drug problem would be greatly facilitated by the restoration of peace and tranquillity. Japanese public opinion was fully alive to the defects of the Opium Monopoly in "Manchukuo", and Japan had no desire whatever to protect or encourage the illicit traffic. Her desire was to maintain normal commercial relations with her neighbours.

The Committee, in the light of a very full discussion on this subject, adopted the following resolution :

" The Advisory Committee,

" Recalling the resolution adopted at its twenty-first session concerning the serious situation existing in China as regards clandestine manufacture and the illicit traffic in narcotic drugs ;

" Having at its present session received information from various members of the Committee — including the representatives of China, the United States of America, Canada and Egypt — which indicated that, while the situation in China shows that the efforts of the Chinese Government have brought about improvement in that country, the situation in those regions which are under Japanese influence has deteriorated to an alarming extent since the last session ;

" Considering that the existing situation constitutes a very real danger, not only to the peoples of these regions, but also to the whole world, and cannot be allowed to continue :

" Notes with satisfaction the statement by the representative of Japan to the effect that all efforts are being made by the Japanese Government to remedy the position so far as lies within its power, and particularly that steps are being taken to provide severe penalties for drug trafficking ;

“ Relies on the Government of Japan to take immediate and effective steps to put an end to clandestine manufacture and drug trafficking carried on by Japanese subjects in China and especially in those parts of China which are particularly affected by the illicit traffic ;

“ Appeals to the Governments of China and Japan to establish close co-operation wherever this is necessary for the purpose of combating clandestine manufacture and the illicit drug traffic ;

“ Requests those Governments and all other interested Governments to furnish the Committee with official and full information concerning further developments in the situation in respect of illicit traffic and clandestine manufacture ;

“ Recommends that the Council should communicate officially to the Governments of China and Japan and to the other interested Governments, through the Secretary-General, the Minutes of the Advisory Committee's discussion on the situation in the Far East at its sittings on June 1st and 2nd with the request for the observations of these Governments on the facts disclosed by the discussion.

“ Considering, further, that the absence of official information as regards poppy cultivation, clandestine drug manufacture and use of opium and drugs in Manchuria and Jehol (‘ Manchukuo ’) seriously hampers the Committee in its efforts to deal with the situation :

“ Asks in particular the Japanese Government and also all other interested Governments to provide the Advisory Committee with any available official information in this respect concerning Manchuria and Jehol (‘ Manchukuo ’) before the next session of the Committee.”

(b) *Application of Chapter IV of the Hague Convention.*

The Permanent Sub-Committee for the Application of Chapter IV of the Hague Convention again considered the extent and character of the co-operation between China and the Treaty Powers, with a view to the effective application of Chapter IV of the Hague Convention. Special interest was shown in information received from the Japanese Government concerning the three ordinances referred to above and promulgated in 1936 relating to the control of traffic in opium and narcotic drugs by Japanese subjects in China and by Japanese subjects in Manchuria and Jehol (‘ Manchukuo ’).

V. PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING THE CULTIVATION OF THE OPIUM POPPY AND THE PRODUCTION OF RAW OPIUM.

The Committee made appreciable progress in its preparatory work for the Conference to consider the possibility of limiting and controlling the cultivation of the opium poppy and the production of raw opium. In regard to the scope of the future Conference and the nature of the preparatory work to be undertaken, certain principles emerged in regard to which there was common agreement. It was, for example, made clear that the terms of reference of the Conference would have to be sufficiently wide to include any problem relating to the production and use of the poppy plant and of opium.

The question was raised whether any limitation scheme which might be framed should make provision for raw opium required for the manufacture of prepared opium for smoking. The Committee expressed the opinion that an effective limitation and control of opium production would remove the difficulties caused by the illicit traffic and would thus assist the Governments concerned in their efforts to abolish opium-smoking and enable them ultimately to achieve the purpose in view. Statements were made to the effect that the Governments concerned were prepared to agree to far-reaching measures aiming at a final suppression of opium-smoking and it was urged that this situation would have to be taken into account by the Conference.

The representatives of certain producing countries emphasised the necessity for careful preparation which would enable the Conference to meet with a full knowledge of all the problems involved. Such preparation should leave the producing countries sufficient time to investigate the economic and social effects of limitation on their countries.

The Committee was unanimous in considering that the ultimate success of the Conference would depend on a full knowledge of all the factors affecting the problem of limitation, and that this knowledge could be obtained only through careful preparatory work on the part of the producing countries, the drug-manufacturing countries, the consuming countries and of

the Committee itself. It noted with satisfaction declarations by the representatives of Bulgaria, China, India, Turkey and Yugoslavia that their Governments would wholeheartedly assist the Committee in its task. It was evident from the discussions of the Committee and its examination of the material already available that all Governments represented on the Committee had accepted the principle of limitation, and that producing countries, drug-manufacturing countries, countries where there were opium-smoking monopolies, and other consuming countries were all prepared to co-operate fully in the work of preparation. The Committee accordingly hopes to establish at its next session the general principles on which a system of limitation may be based.

Procedure to be followed in the Preparatory Work.

The Committee decided last year that it would, at its next session, examine the principles which might serve as a basis for a limitation Convention and consider the creation of a preparatory committee for the purpose of framing a preliminary draft. These proposals were approved by the Council in September and by the Assembly in October 1936. The Assembly, moreover, suggested that the Committee might consider the possibility of holding two preliminary conferences between certain groups of countries.

The Committee, in discussing means and methods, came to the conclusion that it was not bound to follow any particular form of procedure, nor was its freedom of action at this stage in any way limited in respect of the preparatory work to be undertaken.

There was considerable divergence of opinion in the Committee in regard to the suggestion made by the Assembly that two preliminary conferences should be held, limited to certain groups of countries. Some members saw a danger for the ultimate success of the final Conference in dividing the preparatory work into two separate preliminary conferences of this kind and therefore opposed the suggestion. The representatives of some of the producing countries, on the other hand, were inclined to emphasise the importance of or even necessity for separate preliminary conferences. The Committee observed in this connection that

the expression " preliminary conference " might be variously interpreted and that the Advisory Committee itself, which already included representatives of the principal producing countries, the drug-manufacturing countries, the monopoly and other consuming countries, might, reinforced by representatives of the remaining producing countries and by experts whose advice was necessary, be regarded as a preliminary conference within the terms of the Assembly resolution of October last.

The procedure which the Committee ultimately adopted is indicated in its final decisions.

Examination by the Committee of the Material placed at its Disposal.

The Committee, at its twenty-second session, confined itself to an examination of the material so far placed at its disposal by Governments or assembled by the Secretariat. For this purpose, it resolved itself into a special committee meeting in private session.

The Committee had before it tables prepared by the Secretariat showing statistics relating to the production, consumption, stocks and exports of raw opium. It observed that these statistics required both completion and revision. Any conclusions to be drawn from them must, for example, be interpreted in the light of the fact that figures relating to the production of raw opium in China, available only for the years 1934 and 1935, had been excluded from consideration ; that there was no information available regarding the production, consumption, stocks or exports of raw opium from Afghanistan, Manchuria or Jehol ; and that there as yet existed no satisfactory basis of comparison between the amounts of raw opium produced, the amounts used for different purposes and the amounts held in stock in different countries owing to wide variations in morphine content and consistency.

Certain broad conclusions, subject always to correction in the light of the above considerations, were nevertheless suggested. It was obvious in the first place that, in the period 1930-1935, there had been a progressive decrease in the area under poppy cultivation and in the quantity of raw opium produced in certain of the principal producing countries. There had in fact been a voluntary limitation of production in these countries due

to a deliberate policy adopted by the Governments concerned and also to difficulties which had arisen in disposing of the opium produced and to the unremunerative prices prevailing in the world markets. British India, which was limiting its production to the internal needs of India, had, in the period 1930-1935, reduced the area under cultivation by approximately four-fifths. China, under the six-year plan, which aimed at the suppression of poppy cultivation in China by the year 1940, was progressively reducing her output. In Turkey and Iran, the area under cultivation in 1935 was estimated to be less than half of what it had been in 1931.

A further conclusion as to the world situation was that the legitimate demand for raw opium was decreasing.

It became apparent that the world production of opium, plus the large stocks at present accumulated in certain producing countries, was so greatly in excess of world requirements that it was in the direct interest of the producing countries, which were already limiting their production by voluntary measures, that a systematic scheme of limitation by international agreement should be adopted and applied as soon as possible.

Necessity for completing and revising the Material available.

The Committee, in drawing the above conclusions, emphasises that the statistics so far available are not adequate for the purposes of a final and comprehensive view of the situation. No estimate of world production can be a sure basis of inference which does not include a clear appreciation of the situation in Afghanistan, China proper, Manchuria and Jehol.

The Committee took the following decisions :

1. That all the opium-producing countries should take part in the preparatory work, and accordingly requests the Council to invite the Governments of Afghanistan, Greece, Hungary and the Union of Soviet Socialist Republics to participate in the discussions at the next session, including those of the Preparatory Committee.

During the preparatory work, the Committee might find it necessary to have recourse to the assistance of representatives of other countries not permanently represented on the Committee. It therefore suggests that it should be authorised by the Council

to invite such representatives at its discretion to participate in its work.

2. That the Secretariat shall continue its preparatory work, as indicated above.

3. That the Secretariat, on completing the necessary material and studies, should prepare for the Committee a document containing an outline of the general principles on which a Convention for limiting and controlling the cultivation of the opium poppy and the production of raw opium might be based.

4. That this material and draft principles shall be communicated to members of the Advisory Committee as early as possible next year with a view to its consideration by the Advisory Committee at its next session.

5. That, for the purpose of examining this completed material and draft principles, the Committee shall continue to regard itself as a preparatory committee for the general Conference.

6. That the Committee, sitting as a preparatory committee, shall have recourse, if and when necessary, to the assistance of experts, who will be invited to attend its meetings. For the moment, it proposes that arrangements should be made for inviting Sir Malcolm Delevingne to assist the Committee in an expert capacity in its discussions on this matter.

7. That the proposed meeting of the Advisory Committee, sitting as a preparatory committee, shall be held next year, not later than Monday, May 23rd, 1938.

VI. APPLICATION OF THE OPIUM CONVENTIONS.

Ratifications and Accessions.

The total number of sovereign States parties to the Hague Opium Convention of 1912 remains at sixty. Fifty-four sovereign States are now parties to the Geneva Convention of 1925, and sixty-one to the Limitation Convention of 1931. The Governments of Latvia and Albania have announced that they will shortly deposit their instruments of ratification of the 1931 Convention.

On January 22nd, 1937, the Japanese Government ratified the Agreement for the suppression of opium-smoking signed at Bangkok on November 27th, 1931. As a result of this ratification, the Agreement came into force on April 22nd, 1937.

The Convention for the Suppression of the Illicit Traffic in Dangerous Drugs of 1936 was signed by thirty-two States, but no ratifications have yet been deposited. The representatives of the United Kingdom, Canada, China, Japan and Yugoslavia informed the Committee that, in their respective countries, steps were being taken with a view to ratification. The Committee expressed the earnest hope that all Governments would as soon as possible take measures to ratify or adhere to the Convention.

Results of the Application of the Opium Conventions as shown in the Statistics of World Manufacture, Export and Consumption.

The figures of manufacture, exports and consumption during the whole of the period from 1929 to 1935 afford striking evidence of the results of the increasingly effective application of the Geneva Opium Convention of 1925 and the Limitation Convention of 1931. The first of these Conventions came into force in September 1928 and, in October 1930, the Permanent Central Opium Board published its first report embodying statistics for the previous year. The supervision of the international trade in narcotic drugs established under the Convention of 1925 was supplemented in July 1931 by the Limitation Convention, which came into force in July 1933, and in August of that year the Supervisory Body met to draw up its first statement or estimate of world requirements of dangerous drugs for 1934.

Some interesting conclusions may be drawn if the statistics for the period 1929 to 1935 are studied in the light of these events. The remarkable changes brought about in the situation during the last few years are clearly shown in the following table, which gives in tons figures for the world manufacture of the three principal drugs during the period in question :

	1929	1930	1931	1932	1933	1934	1935
Morphine . .	57.85	38.63	30.45	27.58	29.99	26.77	30.91
Diacetyl- morphine .	3.65	4.08	1.24	1.31	1.34	1.11	0.67
Cocaine . .	6.43	5.83	4.61	3.96	4.01	3.43	3.97

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These figures, which show a very marked decrease in the manufacture of all three principal drugs, become all the more significant when compared with legitimate world needs. The yearly average of legitimate world needs in respect of morphine, diacetylmorphine and cocaine for the period 1931-1935 was 29 tons, 1.16 tons and 3.99 tons respectively. The yearly average of the amounts of these three drugs manufactured over the same period was practically the same — namely, 29 tons, 1.14 tons and 3.99 tons respectively. It follows that legitimate world needs were fully met during the period 1931-1935 and that world manufacture during that period showed a distinct tendency to approximate to world consumption. This tendency of world manufacture during the period 1931-1935 to become stabilised at the level of legitimate world requirements is better appreciated if the situation during those years is compared with the situation which existed prior to 1931, when the world manufacture of the three principal drugs was considerably in excess of legitimate requirements. The world manufacture of morphine, for example, amounted in 1929 to double the legitimate world requirements and in 1930 still exceeded those requirements by about a third.

It may be generally inferred that the excess quantities which, prior to 1931, were left over from licit manufacture to become available for the illicit traffic have ceased to be manufactured since 1931. That year accordingly marks a turning-point in the campaign against the abuse of drugs.

The evidence afforded by figures relating to the manufacture of morphine is confirmed by examination of the statistics of raw materials used in manufacturing the drug. Approximately 520 and 347 tons of raw opium were used in 1929 and 1930 for this purpose, whereas in the period 1931-1935 the quantities used varied between 220 and 262 tons, the average quantity used during the latter period being only 242 tons per annum.

Application of the Geneva Convention of 1925 and the Limitation Convention of 1931 to Specific Narcotic Drugs.

The Committee, in considering the application of the Opium Conventions to specific narcotic drugs, referred a series of technical questions to the Health Committee for advice. It

awaits with interest the result of an investigation by the latter Committee into the extent to which codeine can produce or maintain drug addiction and its opinion as to the addiction properties of the dihydrodesoxymorphine group of drugs. Further, it has forwarded to the Council a draft protocol to the Limitation Convention of 1931 for the purpose of bringing paracodine within the scope of the Convention and has asked the Secretariat to embody in a memorandum such information as it possesses regarding the addiction liability of certain drugs which are being used as substitutes for morphine — namely, eucodal, dicodide, dilaudide and acedicone.

Certain Governments have formally accepted a decision of the Health Committee adopted in October 1935 to the effect that preparations made from tincture or extract of Indian hemp should be brought under the system of control embodied in the Geneva Convention of 1925. Other Governments, however, wish to exempt certain preparations, particularly those which are used for the manufacture of corn cures. Such exemptions can only be made by virtue of a special decision, as provided in Article 8 of the Convention, and the replies from the Governments have been referred for consideration to the Health Committee.

Rules recommended for the Effective Control of Pharmacies.

The Committee approved a standard body of rules for the effective control of pharmacies, and it has requested the Council to circulate these rules to Governments for their information and guidance. The Committee considered at the same time information showing that abuse and falsifications of drug prescriptions had occurred in many countries and that special measures had been taken by certain Governments — notably by the Government of Mexico — to deal with such irregularities. The Committee felt, however, that the rules for the control of pharmacies which it had recommended would, if applied by Governments, be sufficient in normal circumstances to prevent the abuse or forgery of drug prescriptions, but that it remained for Governments to complete these measures at their discretion.

Factory Licences.

The Committee noted that certain countries continue to issue general licences to drug factories to manufacture narcotic drugs of all kinds. It reaffirmed its opinion, expressed in 1935, that the granting of general licences to manufacture was to be deprecated and that Governments should restrict the granting of licences to as few factories as possible.

VII. QUESTIONS RELATING TO PREPARED OPIUM.

Resolution concerning Opium-smoking by Workers, adopted by the International Labour Conference in June 1936.

The Advisory Committee had before it a communication from the Governing Body of the International Labour Organisation transmitting a resolution concerning opium-smoking among workers. The resolution recommended to Governments in whose territories the sale of opium for smoking was still authorised a series of measures with a view to improving conditions of labour in such countries. The Committee observed that, while some of these suggestions were outside its purview as a technical body, others dealt with matters with which it was directly concerned.

The Committee considered that this resolution, if applied not only to workers but to all classes of the population, was particularly useful and opportune at a time when the preparatory work for a Convention on the limitation of poppy cultivation was in progress. While there was some difference of opinion on the practicability of applying certain of the detailed measures suggested by the International Labour Conference, the Committee agreed to adopt the following resolution :

“ The Advisory Committee on Traffic in Opium :

“ Notes the resolution adopted by the International Labour Conference at its twentieth session (June 1936) on the subject of opium-smoking by workers ;

“ Is in entire agreement with the purpose aimed at by that resolution, which is the abolition of the use of opium for smoking ;

“ Considers such a resolution to be particularly useful and opportune at a time when the preparatory work for a Convention on the limitation of poppy cultivation is beginning. In its opinion,

such a Convention, which should to the greatest possible extent take into account the principles of the resolution, must necessarily contain provisions aiming at a gradual reduction of supplies of raw opium to monopolies ;

“ The Committee, while mindful of the efforts made by many countries towards the end in view, requests the Council to draw the attention of the Governments concerned to the recommendations embodied in this resolution with a view to their application in the territories in which the use of opium for smoking is still authorised, while taking into account the practical difficulties, which might prevent its realisation within the time-limits mentioned.”

Manufacture and Consumption of Raw Opium in Peru.

The statistics of 1935 furnished by the Government of Peru to the Permanent Central Opium Board revealed the existence in that country of a not inconsiderable manufacture and consumption of prepared opium. The Government stated that, in 1935, 551 kg. of opium were manufactured and 544 kg. consumed.

The Committee instructed the Secretariat to apply to the Peruvian Government for full information in regard to the matter.

VIII. ANTI-NARCOTIC EDUCATION AND PROPAGANDA IN MEDICAL AND AUXILIARY SERVICES.

The Advisory Committee, after studying information supplied by some thirty Governments, noted that there appeared to be some divergence of view as to the necessity for anti-narcotic propaganda in medical and auxiliary services, particularly in countries where there was little or no addiction.

The Committee emphasised that, even in countries where there was no such danger, it was nevertheless imperative to give suitable instruction to persons professionally authorised to handle narcotic drugs, and it expressed the opinion that Governments which had replied in a negative sense should again be asked to give favourable consideration to the possibility of inducing university and other authorities to introduce into their medical or pharmaceutical courses instruction on the narcotic drug problem.

IX. MANUFACTURE OF MORPHINE DIRECT FROM THE DRY POPPY PLANT.

The Committee noted with interest memoranda forwarded by the Governments of Denmark and the Union of Soviet Socialist Republics on experiments made in those countries for the extraction of opium alkaloids from the dry poppy plant. The representative of Poland, moreover, gave to the Committee an account of a similar process which was already being applied on a commercial scale in Poland for the manufacture of morphine and codeine direct from poppy-heads.

The process used in Poland has already been patented in Switzerland, Belgium, Germany, Spain, Roumania, France, the United Kingdom, Austria and Yugoslavia ; applications for patents have been made in most countries. In Poland, the process is for the moment used mainly for the manufacture of codeine to meet internal needs.

X. INDIAN HEMP.

The Committee noted a report from its Sub-Committee on Indian Hemp on further studies communicated by experts since its previous session. The Committee expressed its high appreciation of the valuable work done by Dr. Bouquet and thanked its assessor, Dr. de Myttenaere, for his important contributions to the study of the subject. It decided to invite the assistance of Mr. J. M. Collins, Government analyst in Ceylon, and Mr. J. M. Watt, of the Witwatersrand University in South Africa, and expressed the hope that it might be possible for Dr. Bouquet to attend its next session to assist it in dealing with the problem of cannabis.¹

¹ The above chapter is based almost entirely on the Report of the Advisory Committee to the Council on the Work of the Twenty-second Session and its annexes :

- (1) Report to the Council (document O.C.1708(1)) ;
- (2) Report of the Sub-Committee on Seizures (document O.C.S.306(1)) ;
- (3) Report of the Permanent Sub-Committee on the Application of Chapter IV of the Hague Convention (document O.C.1703(1)) ;
- (4) Report of the Sub-Committee on Indian Hemp (document O.C.1707).

The following printed document may also be consulted : Annual Reports of Governments on the Traffic in Opium and Other Dangerous Drugs for the Year 1935 : I. Analytical Study ; II. Synoptic Statistical Tables (document O.C.1679(1)).

B. WORK OF THE SUPERVISORY BODY.

Estimated World Requirements of Dangerous Drugs in 1937.

The Supervisory Body constituted under paragraph 6 of Article 5 by the Limitation Convention of 1931 issued, on November 1st, 1936, its statement of the estimated world requirements of dangerous drugs in 1937.

The grand totals of estimates of quantities necessary for home consumption, conversion and replenishing reserve and Government stocks for 1937 in respect of the five principal drugs, as compared with the previous two years, are shown in the following table :

	1935	1936	1937
		Kilogrammes	
Morphine	39,001	44,126	40,976
Diacetylmorphine . .	1,084	803	965
Codeine	28,330	28,177	25,724
Dionine	2,996	3,577	3,199
Cocaine	5,542	4,600	4,976

The amounts of these five drugs estimated as necessary for consumption as such were as follows :

	1935	1936	1937
		Kilogrammes	
Morphine	9,021	9,811	10,619
Diacetylmorphine . .	1,103	973	992
Cocaine	4,990	4,470	4,724
Codeine	25,560	26,509	24,196
Dionine	2,767	3,284	2,951

The decrease in the figures for codeine and dionine is attributed to the fact that Governments submitted estimates more strictly in accordance with the actual quantities manufactured in previous years, while the relatively small increases shown in the case of morphine, diacetylmorphine and cocaine were attributed, at least in part, to the development of medical services in several countries.

There has been a steady increase during the last three years in the number of countries furnishing estimates. In 1933, the first year of the application of the system, only forty-five countries furnished estimates; in 1934, estimates were furnished by fifty-

four countries, and in 1935 by fifty-nine countries. In 1936, estimates were furnished by sixty-one countries, and in respect of eighty-eight colonies, protectorates, overseas territories and territories under suzerainty or mandate. Inversely, the number of countries for which the Supervisory Body has itself to frame estimates has fallen from twenty-three in 1933 to nine in 1936, while the number of territories in respect of which estimates are framed by the Supervisory Body has fallen from thirty-one in 1933 to seven in 1936. A further indication of progress achieved in the application of the system is seen in the fact that the wide divergencies formerly shown between Government forecasts and their actual needs are being gradually closed. The Governments tend increasingly to bring their estimates down to the level of the real requirements of their respective countries.

This tendency is particularly noticeable in the estimates furnished by countries of the amounts of morphine required for conversion into other drugs. In 1935, the seventeen manufacturing countries requiring morphine for conversion actually used only 22 tons of the drug for this purpose. In 1936, however, they presented estimates amounting to 36½ tons — an excess of about 65 % of their real requirements in 1935. The Secretary-General, in December 1935, drew the attention of Governments to this very substantial divergence, with the result that the discrepancy between the amount effectively used in 1935 and the estimates for 1937 has been reduced to approximately 37 %.

Enquiries made into Estimates furnished by Governments and Points to which the Attention of Governments has been drawn.

The Supervisory Body is empowered to ask for any information or details which it may consider necessary in order to supplement or explain any statement of estimates submitted to it, and the Supervisory Body may, with the consent of the Government concerned, amend the estimates accordingly. The Supervisory Body, in dealing with the estimates furnished by Governments for 1937, found it necessary to ask for further information or explanations in the case of eighteen countries and two territories. Certain of the Governments, as a result of these enquiries, made reductions in their estimates amounting in the case of morphine to 603 kilogrammes.

*Date of Communication of the Statement of Estimates
issued by the Supervisory Body.*

The delegates to the Conference which met in June 1936 to consider the draft Convention for the Suppression of Illicit Traffic in Dangerous Drugs concluded an administrative agreement whereby the latest date of issue of the annual statement of estimates would be altered from November 1st to December 1st of each year, so that the Supervisory Body might have sufficient time to obtain from Governments the explanations and information which might in certain cases be necessary. The Procès-Verbal embodying this new arrangement will come into force as soon as it has been signed by all the parties to the Limitation Convention of 1931. Forty-one Governments parties to the Limitation Convention have signed the Procès-Verbal. The total number of ratifications of the Limitation Convention is sixty-one. The Procès-Verbal has accordingly still to be signed by another twenty Governments before it can take effect. The Supervisory Body hopes that the Procès-Verbal will be signed as soon as possible by all the Governments concerned, so that the new arrangement may apply to the Statement of Estimates for 1938 which is to be issued in 1937.¹

C. WORK OF THE PERMANENT CENTRAL OPIUM BOARD.

1. Twenty-ninth Session of the Board.

At its twenty-ninth session, held from November 23rd to 30th, 1936, the Permanent Central Opium Board adopted its report to the Council on the statistics for 1935.²

The report shows the position with regard to the submission or non-submission of the annual statistical reports required from the Governments signatories to the 1925 and 1931 Conventions. One section deals with the way in which Governments have fulfilled their obligations under the 1931 Convention as regards

¹ See Estimated World Requirements of Dangerous Drugs in 1937 (document C.547.M.353.1936.XI).

² Document C.449.M.265.1936.XI.

manufacture, imports, consumption, conversion and stocks of drugs covered by this Convention.

As is pointed out in the report, the statistics indicate that, in 1935, the principal objects of the Limitation Convention of 1931 were attained as regards licensed manufacturers and that, in the main, the quantities manufactured and the stocks in hand at the end of the year were not excessive. However, the Board calls attention to the number of non-manufacturing and non-exporting countries, particularly in Central and South America, which neglected to furnish annual statistics of consumption and stocks, in spite of the fact that most of them are under obligation to do so.

The report also mentions the great differences among countries in regard to the consumption of certain narcotics.

The consumption of morphine in the Union of Soviet Socialist Republics has increased, owing probably to the development of medical services throughout the country.

There has also been a considerable rise in the consumption of morphine in Japan. This is no doubt due to the substitution of morphine for diacetylmorphine, the consumption of which has decreased to a marked extent.

As to stocks of drugs in general medical use in the world, the amount in hand at the end of 1935 was somewhat less than that required for one year's consumption. In the case of codeine, there was scarcely enough for six months' consumption.

The amount of the stocks of raw materials (raw opium) in hand at the end of 1935 was, in most countries, about the same as at the beginning of the year.

In a section dealing with discrepancies between returns of imports and exports, the report calls attention to shipments of raw opium originally stated to have been sent from Iran to the Straits Settlements. This opium, as the Iranian Government now reports, was shipped to "Manchukuo", for which the Board receives no statistics. Other discrepancies relating to raw opium, coca leaves, morphine and diacetylmorphine are also being investigated. The report states that the legitimate international trade in the last-named drug has now shrunk to small dimensions.

Fewer seizures of narcotic substances were made in 1935 than in 1934, the only exceptions being cocaine and Indian hemp.

The Board congratulated several countries on having seized large quantities of opium that were being clandestinely exported, for Customs control of exports is usually much less strict than that of imports.

The quantities of narcotics seized and not disposed of at the end of the year were in some cases considerable. This applies particularly to diacetylmorphine, the legitimate use of which is decreasing. It was noted, however, that large quantities of seized diacetylmorphine were converted into codeine.

In addition, reference is made in the report to correspondence with the German Government regarding the method of publication in the Board's annual statistical reports of four patented German drugs — viz., Eucodal, Dicodide, Dilaudide and Acedicone. In order to meet the wishes of the German Government, the Board proposes to combine the statistics for these four drugs in a single table in the report to be published for the year 1936, and to forward to the contracting parties separate figures for each of the four drugs.

2. *Thirtieth Session of the Board.*

At its session held from April 12th to 16th, 1937, Mr. L. A. Lyall (British) and Mr. Herbert L. May (American) were re-elected President and Vice-President respectively. The Board also welcomed a new member, Dr. Abelardo Saenz (Uruguayan).

The matters discussed in the course of this session were mainly of a routine character, the most important being the situation as regards imports and exports for 1936 and the action taken by the Board in respect of any excesses over estimates noted during that year.

In 1936, the attention of Governments was drawn to the fact that, in twenty-six minor cases, estimates had been exceeded. In six cases, action entailing an embargo on exports was taken. As a result, supplementary estimates were furnished in nine cases with a view to regularising the situation. In two of these, however, the supplementary estimate was again exceeded by the end of the year.

14.

INTERNATIONAL ASSISTANCE TO REFUGEES.

I. NANSEN INTERNATIONAL OFFICE FOR REFUGEES.

*Measures taken by the Assembly and the Council and by the Various
Organs dealing with Refugee Work.*

By a decision dated January 24th, 1936, the Council of the League of Nations appointed M. Michael Hansson to act as temporary President of the Governing Body of the Nansen International Office for Refugees and to present a special report to the next Assembly containing a revised, and constructive, programme for the liquidation of the Office.

It thus devolved on the seventeenth Assembly of the League to examine the proposals and conclusions contained in M. Michael Hansson's special report ¹ and the annual report of the Governing Body of the Nansen International Office for Refugees.²

After having taken note of its previous decision, according to which the Nansen Office would be liquidated within a specified time, the Assembly decided to appoint, until December 31st, 1938, a President of the Governing Body entrusted with the following duties :

(a) To carry on the administration of the Office in accordance with the existing statute, until it has been liquidated, and to organise the activities of the Office during the period of liquidation, with the help of the technical services of the League of Nations ;

(b) To draw up at an early date and, if possible, to submit to the Council at its session in May 1937 a detailed scheme for

¹ Document A.27.1936.

² Document A.23.1936.

the liquidation of the Nansen Office; in any event, the report should be in the hands of Governments before July 31st, 1937, in order that the scheme may be considered at the next ordinary session of the Assembly;

(c) To make recommendations in time for consideration by the Assembly at its ordinary session in 1938 on the best method of allocating the tasks undertaken by the Office up to the date of its liquidation in the light of the situation existing at that time.

In order to give effect to the provisions of this resolution, the Assembly appointed M. Michael Hansson as President of the Governing Body of the Office until December 31st, 1938.

The Assembly further noted the recommendations of the Acting President in regard to the settlement of different categories of refugees and approved an additional grant of 200,000 Swiss francs to the Nansen Office for the purpose of facilitating the transfer and settlement in South America of Saar refugees residing in France. It also recommended to the Governments the encouragement of the naturalisation and absorption of refugees in countries in which they had been resident for many years; the issue of surcharged postage stamps to assist the Nansen Office in its work; the general application of the principles of the Franco-Belgian Agreement of June 30th, 1928; and the adoption of the Convention of October 28th, 1933, on the International Status of Refugees.

In his special report to the Assembly, the President of the Office proposed, *inter alia*, the maintenance of the *status quo* as regards the administration of the Office and the prolongation, in particular, of the term of office of the members of the Governing Body, the Managing Committee and the Finance Committee until the Office was wound up, in order to ensure during the remaining two years the maintenance and continuity of existing forms of co-operation. The President also stated his view that the existing composition of the Advisory Committee of private organisations for refugees should remain unchanged.

The Sixth Committee of the seventeenth Assembly took note of the suggestions and conclusions of the special report by the President and, that Committee's report having been adopted by the seventeenth Assembly, the Governing Body at its fourteenth session (October 21st, 1936) decided to change the text

of Articles I and XIII of the Rules of Procedure of the Office so as to adapt them to the new situation. The period of office of the members of the Governing Body and of the Managing Committee will therefore terminate on December 31st, 1938, the date on which the Office is to be wound up. At the same session, the Governing Body noted the resignation of M. Raphaël, who, in consequence of his appointment as Greek Minister in Turkey, was compelled to relinquish his duties as a regular member of the Governing Body.

In addition to this meeting, the Governing Body held its fifteenth session on April 28th, 1937.

Settlement of Armenian Refugees in Syria.

In response to the urgent request of the Governing Body, the President proceeded to Syria and Lebanon in November 1936. This journey enabled him to obtain an exact idea of the work being done by the Office in those countries, its scope, the stage to which it had advanced and the work still remaining to be done. The President realised the absolute necessity of continuing the work until its natural conclusion — that is to say, until the last families still living in huts had been given suitable accommodation. For that reason, the Office decided to postpone the scheme of liquidation for a further year, in order that the sums refunded by refugees already installed might continue to be used until December 31st, 1937, for the benefit of the refugees still living in huts. With one exception, all the organisations assisting in the work of settling these refugees declared themselves in favour of this course, and the High Commissioner of the French Republic at Beirut approved the decision. Thus, the Office will be able to continue its work of settlement until the end of the year; it will primarily assist the families which are still living in huts at Beirut and Aleppo. To provide housing for them, it decided to make a further supplementary advance of 80,000 French francs, in addition to the sums refunded.

From the time when this work was first begun until the end of the year 1936, 4,800 houses have been built, accommodating 6,900 families, or nearly 33,000 persons; this does not include the agricultural colonies, in which 267 families, comprising some 1,360 persons, have been established.

Settlement of Armenian Refugees in Greece.

On his return from Syria, the President proceeded to Athens, where he also examined the situation of the Armenian refugees. These are housed in huts at Athens, the Piræus and Salonika. The conditions in which they live do not differ greatly from those of the Armenians in Syria. As, however, the Greek Government has just decided to pull down a large number of the refugees' huts near Athens, some 2,500 families will become homeless. Of these families, 500 are completely indigent and 1,200 others will in any case be unable to maintain themselves entirely. The Office has therefore been compelled to carry out measures similar to those it took in the countries of the Levant. In response to its urgent appeal, the Armenian organisations, which are displaying great activity in assisting these refugees, have already collected £250 and forwarded it to the Office. The Office itself has so far granted 1,000 Swiss francs to these refugees, together with 10,000 Swiss francs on condition that the Armenian organisations collect at least an equal amount. The Office is also endeavouring to obtain the necessary sums by appeals to the public. The Greek Government, for its part, has undertaken to provide part of the land for housing these refugees ; but it will be necessary to acquire more land.

Russian Refugees in Turkey.

The Turkish Government generously agreed to naturalise upwards of 1,600 Russian refugees provided that the Office undertook to evacuate some of these refugees who were not granted naturalisation. Of these refugees, about 150 in number, some were, after lengthy negotiations, evacuated to different countries, particularly Syria, Belgium, Yugoslavia and Greece (the island of Syra). Subsequently, Belgium and Yugoslavia undertook to keep the refugees they had received. As regards the refugees in Greece, who had only been received temporarily, several other Governments were approached, particularly the Scandinavian Governments, with a view to their taking a certain number of refugees. After difficult negotiations, a few refugees were transferred to Norway and Sweden. Denmark contributed a sum of 20,000 crowns to the expenses of the Office. England

has just undertaken to receive a few refugees, on condition that the Office provides for their maintenance until they are able to keep themselves. The Office is at present trying to find means of fulfilling this condition.

As regards the naturalisation of the refugees living in Turkey, there is every reason to believe that the question will be settled within a few months, as 1,300 of the 1,600 applicants have already received their papers. To cover the costs of naturalisation and the cost of transport and maintenance of the refugees evacuated, the Office has provided credits amounting to 101,000 Swiss francs in addition to the 25,000 Swiss francs granted by the American Committee at Istanbul, which has been co-operating with the Office for many years.

Refugees from the Saar.

As already stated, the League Assembly made the Office, in September 1936, a grant of 200,000 Swiss francs for the purpose of facilitating the transfer and settlement in South America of Saar refugees living in France. This contribution enabled the Office to continue the evacuation of these refugees to Paraguay, where a mission sent by the Office in 1935 had concluded a number of agreements with the Government of Paraguay and with the owners of private land.

Up to the present, 103 refugees have been evacuated. The refugees will be sent out in successive groups of 20 to 30 persons as soon as they are ready to leave.

According to the plan arranged for these refugees, they are sent from a European port to Asunción, and 12 hectares of land are bought for each family, including one hectare of land already cleared. A house is built of the type commonly employed in the country, a well is bored and the agricultural implements strictly necessary, together with seeds and a small stock of poultry, are provided, and maintenance is granted for one year.

The reports received from Paraguay seem to indicate that the settlement of the refugees is proceeding satisfactorily. This colonisation movement seemed likely at one time to develop rapidly. It has been slowed up, however, as a result of changes in the economic and political situation in France, the facilities at present granted there to these refugees and the favourable

effects of the ratification of the 1933 Convention relating to the International Status of Refugees.

General Assistance to Refugees.

In addition to these various activities, the representatives and correspondents of the Office in Austria, Belgium, Bulgaria, China, Czechoslovakia, Danzig, Estonia, Finland, France, Germany, Greece, Latvia, Lithuania, Roumania, Syria, Turkey and Yugoslavia are daily affording help to the refugees by approaching the competent authorities to obtain or renew Nansen passports, to obtain visas of all kinds, and to arrange for the issue of the various documents provided for in Article 1 of the Agreement of June 30th, 1928. These representatives also make arrangements with a view to the placing and evacuation of refugees, receive numerous requests for advances and grants addressed to the Office by refugees and refugee organisations, make a preliminary examination of these requests, supervise the use made of the funds granted, etc. In 1936, the number of such cases of intervention amounted to more than 120,000. Moreover, in the same year, the Office made to refugees individually or to refugee organisations advances and grants amounting in all to 533,264.05 Swiss francs, including approximately 48,000 Swiss francs for the evacuation of Saar refugees.

Convention on the International Status of Refugees.

France and the United Kingdom have acceded to the Convention of October 28th, 1933, relating to the International Status of Refugees, the number of countries that have ratified that instrument being thus brought up to seven. These countries are : the United Kingdom, Bulgaria, Czechoslovakia, Denmark, France, Italy and Norway. The Convention has now been laid before the Belgian Chamber and it is fully expected that it will be ratified by that country.

Finances.

The funds collected by the Office in 1936 amounted to 537,686.65 Swiss francs. Of that sum, 255,535.50 Swiss francs

were obtained from the sale of Nansen stamps, 124,621.50 Swiss francs from repayments by refugees of advances made to them, 72,275.60 Swiss francs from the surcharge on postage-stamps issued in France and Norway, and the balance from various other sources.

Despite the efforts made and the additional funds brought in through the various activities of the Office, the great obstacle to the full development of its work still lies in lack of money. For that reason the Office has during the past year intensified its propaganda for the issue of postage-stamps and has tried to devise new means of adding to its resources. Unfortunately, despite all it has done, no other country has yet decided to follow the example of France and Norway by issuing a surcharged postage-stamp.

Other plans are under consideration with the object of increasing the Office's funds, but the negotiations are not yet sufficiently advanced to enable an opinion to be given as to the possibility of their realisation.¹

II. REFUGEES (JEWISH AND OTHER) COMING FROM GERMANY.

At its last session, when adopting the report of its Sixth Committee, the Assembly decided that the duties of the High Commissioner for Refugees coming from Germany should include, in particular, the following :

“ As regards the improvement of the legal status of refugees : to approach Governments in order to obtain their accession to the Provisional Arrangement of July 4th, 1936,² and to prepare an inter-Governmental conference for the adoption of an international convention on the status of these refugees ;

.....
“ To maintain contact with the various private organisations, in particular through the Liaison Committee of an international character which has already been set up. ”

¹ See records of the plenary meetings of the seventeenth Assembly (1936), *Official Journal*, Special Supplement No. 155, pages 142-144, and Minutes of the Sixth Committee of the seventeenth Assembly, *Official Journal*, Special Supplement No. 161, pages 40 *et seq.*

² See *Report on the Work of the League, 1935/36*, Part II, page 53.

The Provisional Arrangement drawn up at Geneva on July 4th, 1936,¹ has been signed by five Governments : Belgium, the United Kingdom, Denmark, France and Norway.

The question of convening an inter-Governmental conference for the adoption of an international convention on the status of the refugees will be decided as soon as the Secretariat has received the replies of Governments in regard to the preliminary draft Convention sent to them for examination.

This draft Convention combines the stipulations of the Provisional Arrangement of July 4th, 1936, with those of the Convention relating to the International Status of Refugees, signed at Geneva on October 28th, 1933.² It differs from these two instruments in its general provisions. These have been made more elastic as regards denunciation and also as regards the graduation of the commitments which States are prepared to assume either in respect of the Convention as a whole or in respect of parts of it only.

The High Commissioner's sphere of activity has also been extended. In this connection, a Liaison Committee, composed of representatives of twenty-six national or international organisations dealing with refugees, has been set up. It has held several sittings in the capitals of various countries anxious to see the refugee problem solved. During its second session, the Committee adopted a Statute defining the exact relations of the various organisations with each other and with the High Commissioner. The Committee has to co-ordinate the efforts of the several constituent organisations with a view to the submission to the High Commissioner of suggestions of a general nature on the legal protection and the settlement of the refugees.

¹ Document C.362.M.237.1936.XII.

² Document C.650(1).M.311(1).1933.

15.

INTELLECTUAL CO-OPERATION.

The various Committees of the Intellectual Co-operation Organisation will be holding their annual meetings between July 2nd and 24th in Paris.

A summary of the activities of the Organisation can therefore only be included in Part II of the annual report, to be published in September 1937.

16.

INTERNATIONAL BUREAUX.

I. RELATIONS WITH INTERNATIONAL BUREAUX.

Since the last session of the Assembly, there has been no change in the number of international bureaux placed under the direction of the League in accordance with Article 24 of the Covenant.

1. *International Hydrographic Bureau.*

This Bureau has sent to the Secretariat the reports, publications and circular letters addressed to its Member States.

The Director of the Communications and Transit Section represented the Secretary-General at the fourth International Hydrographic Conference, held at Monaco in April 1937.

The Auditor of the League of Nations has been asked to audit the accounts for the past financial year.

2. *International Commission for Air Navigation.*

This Commission has continued to forward all its publications to the Secretariat. It has been in close touch with the Communications and Transit Organisation.

The Communications and Transit Organisation was represented at the twenty-fifth session of the International Commission for Air Navigation, which was held at Brussels from June 4th to 10th, 1937.

3. *International Central Office for the Control of the Liquor Traffic in Africa.*

The International Central Office has kept in touch with the Secretariat of the League of Nations, to which, in conformity with Article 7 of the Convention of Saint-Germain concerning the control of the liquor traffic in Africa, it has forwarded all the information received by the States parties to the Convention.

4. *International Bureau for Information and Enquiries regarding Relief to Foreigners.*

The usual contact has been maintained between the Secretariat and this Bureau.

5. *Nansen International Office for Refugees.*

The work of this Office is dealt with in Chapter 14, page 200.

6. *International Exhibition Bureau.*

This Bureau has forwarded its publications and information concerning its work to the Secretariat.

The Secretariat was represented at the ninth session of the Governing Body of the Bureau held in Paris in June 1936, at the tenth session held in Paris on November 26th and 27th, 1936, and at the eleventh session, also held in Paris, on May 4th and 5th, 1937.

II. RELATIONS WITH INTERNATIONAL ORGANISATIONS.

The Secretariat has maintained contact with the various international organisations — official unions or bureaux, private associations or federations. It has added to its documentary material on these organisations, and this has enabled it to reply to the numerous requests for information which have been submitted to it.

III. PUBLICATIONS.

(a) *Bulletin of Information on the Work of International Organisations.*

The Secretariat has published two numbers of the *Bulletin* during the period under review. The brief particulars of the discussions at the congresses and conferences of certain international organisations which are to be found in the *Bulletin* were supplied by the organisations themselves.

(b) *Handbook of International Organisations.*

The English edition, enlarged and thoroughly revised, which is in course of preparation, will appear about the end of the year. It will contain particulars of more than six hundred organisations, supplied by the organisations themselves.

17.

BUDGETARY AND ADMINISTRATIVE QUESTIONS.

I. ACCOUNTS FOR THE YEAR 1936.

The accounts for the year 1936 were examined by the Auditor and considered by the Supervisory Commission, whose report is submitted to the 1937 Assembly.¹

II. GENERAL FINANCIAL RESULTS OF THE YEAR 1936.

The budget amounted to 28,279,901 Swiss francs; the expenditure was 23,938,517.81 Swiss francs. Receipts in respect of contributions for the current year amounted to 25,947,929.11 gold francs, equivalent to 28,149,385.34 Swiss francs, and the total income, including receipts in respect of contributions for previous years and profits on investments realised, was 32,137,854.82 Swiss francs. The cash surplus for the year 1936 amounts therefore to 8,199,337.01 Swiss francs or to 5,799,444.62 gold francs, but is reduced to a net sum of 5,592,101.35 gold francs after deduction of the proportion accruing to States which are members of the International Labour Organisation but not of the League.

This favourable result is due to :

(1) Greater regularity — attributable in part to the efforts of the Special Committee on Contributions — in the payment

¹ Document A.3.1937.X.

of current contributions, which increased from 88 $\frac{1}{4}$ % on the 1935 budget in 1935 to 91 $\frac{3}{4}$ % on the 1936 budget in 1936.

(2) Economies by the Administrations (see Auditor's observations on this subject).

(3) Profits on the contributions which, in accordance with the decision of the 1936 Assembly, continued to be paid in gold francs after the devaluation of the Swiss franc on September 26th, 1936, and gains on investments which were realised.

III. FINANCIAL POSITION OF THE LEAGUE OF NATIONS ON JUNE 1ST, 1937.

Results of the First Five Months.

During the first five months of the year 1937, the amount of contributions received totalled 10,873,183.97 gold francs, or 46.57% of the budget, as against 13,072,878.78 gold francs, or 46.22% of the budget, for the corresponding period last year.

Of the sums paid, 9,473,512.72 gold francs represented payments in respect of the current year and 1,399,671.25 gold francs in respect of arrears.

General Situation and Disposal of Surplus for 1936.

At its session held in May 1937, the Supervisory Commission¹ decided to devote to the reduction of contributions in respect of 1938 the whole of the profits, amounting to 1,168,087.84 gold francs, resulting from the payment of contributions in gold after the devaluation of the Swiss franc. It adjourned to its next session the disposal of the balance of the surplus, amounting to 4,424,013.51 gold francs.

The various financial documents and reports submitted to the Assembly show further improvement in the financial situation of the League, which may be regarded as sound and healthy.

¹ See document A.5.1937.X.

IV. BUDGET FOR THE YEAR 1938.¹

The total budget for 1938, including the budgets of the Secretariat, the International Labour Organisation and the Permanent Court of International Justice, amounts to 31,268,810 Swiss francs.

The most noteworthy feature of the 1938 estimates as compared with 1937 is the method adopted for the conversion of the *expenditure* into the *income* budget.

For 1937, the Assembly had decided that the "total charged to the States Members in gold francs should be fixed at a coefficient of 20% below the total expenditure fixed in Swiss francs at the old parity", and that the difference "between the 20% in question and the actual devaluation of the Swiss franc should be paid into a fund" placed at the disposal of the Supervisory Commission for such additional expenditure as might have to be incurred by the three principal Organisations in consequence of the depreciation of the Swiss franc and of the Dutch florin.

For 1938, the Commission has recommended that the full benefit of the depreciation of the Swiss franc should be transferred to the States Members, by converting the expenditure into the income budget at the present official parity of 1 gold franc = 1.41381418 Swiss francs. On the other hand, a credit of 1,300,000 Swiss francs has been inserted in a new Part X of the budget, to meet next year such expenditure as might result from currency depreciation.

The budget of the Secretariat amounts to 14,845,971 Swiss francs — an increase of only 3,868 francs over the corresponding figure for 1937. The insignificance of this difference is mainly attributable to the fact that the necessary increase resulting from the devaluation of the Swiss franc is compensated for by enhanced lump-sum deductions on account of the Guarantee Fund, which rise from 1,000,000 Swiss francs in the 1937 budget to 1,300,000 Swiss francs in the 1938 estimates.

The sum for which the Members of the League are liable in respect of the International Labour Organisation is 726,610 Swiss francs more than the corresponding figure for the current

¹ See documents A.4, A.4(a) and A.4(b).1937.X

year. This increase is due to the effects of the devaluation, enhanced provisions for the enlarged building, and increases in the estimates in respect of staff and committees.

Although the budget of the Permanent Court of International Justice is 23,588.06 florins less than that for 1937, there is, after conversion into Swiss francs, an increase of 333,183 Swiss francs. This apparent discrepancy is attributable to the fact that the depreciation of the Dutch florin is substantially less than that of the Swiss franc.

As a result of the refund to the States Members of the League of part of the surplus for 1936, and of the addition of 12 units to the scale of contributions in consequence of the admission of Egypt, the net unit for 1938 amounts to 22,450.95 gold francs, or 609.50 gold francs less than for 1937.

V. CONTRIBUTIONS IN ARREAR.

At its last session, the Assembly approved the recommendations of the Special Committee on Contributions in the case of the contributions of five States.

The Committee has entered into negotiations with the representatives of certain other States in arrears with their contributions, with a view to preparing for its next session, which will be held during the summer.

18.

LEGAL AND CONSTITUTIONAL QUESTIONS.

I. MEMBERSHIP OF THE LEAGUE OF NATIONS AND OF THE COUNCIL :
CHANGES DURING THE YEAR 1936/37.

In letters dated March 4th and 16th, 1937,¹ from the Egyptian Minister for Foreign Affairs to the Secretary-General, Egypt applied for admission to the League of Nations, stating that it "has the sincere intention to observe its international obligations, and that it will accept such regulations as may be prescribed by the League in regard to its military, naval and air forces and armaments".

The Assembly held an extraordinary session on May 26th, 1937, and set up a General Main Committee to which it referred the question of Egypt's admission. Since a number of Governments had approached Cairo assuring the Egyptian Government that they would welcome Egypt's entry into the League of Nations at the earliest possible date, and in view of the Egyptian Government's undertaking, the General Main Committee saw no necessity for asking a sub-committee to make a full examination of the matter. It decided to draft a resolution forthwith recommending Egypt's admission to the League of Nations.

On the same date, the Assembly unanimously adopted its General Main Committee's recommendation,² and Egypt was admitted to membership of the League of Nations. At the

¹ See document A.(Extr.).2.1937.

² See *Official Journal*, Special Supplement No. 166, page 24.

same time, the Assembly decided that, subject to any decision that might be taken at the next ordinary session of the Assembly, the rate of Egypt's contribution to the expenses of the League of Nations for the years 1937, 1938 and 1939 should be fixed at twelve units.

* * *

In a telegram despatched from Asunción on February 23rd, 1935, and received on February 24th, Paraguay gave "formal notice, as provided in the Covenant, of its decision to withdraw from the League of Nations".

In acknowledging this telegram from Asunción on February 25th, 1935, the Secretary-General took note that the Paraguayan Government gave notice of its intention to withdraw from the League in accordance with Article 1, paragraph 3, of the Covenant which runs: "Any Member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal."

In a communication dated February 19th, 1937, the Government of Paraguay informed the Secretary-General that, in accordance with the notification dated February 23rd, 1935, Paraguay's withdrawal should be regarded as complete and definite.

This communication was transmitted to the Members of the League.

* * *

On September 28th, 1936 (seventeenth session of the Assembly),¹ Bolivia, New Zealand and Sweden were elected Members of the Council. On the same date, the Argentine Republic, Australia, Denmark and Portugal ceased to be Members of the Council.

On October 8th, 1936 (seventeenth session of the Assembly), China and Latvia were elected Members of the Council in

¹ See *Official Journal*, Special Supplement No. 155, pages 56-57.

pursuance of the Council's decision, approved by the Assembly in accordance with the provisions of Article 4, paragraph 2, of the Covenant of the League of Nations, to create two new non-permanent seats on the Council as a provisional measure.¹ Before China was elected, a vote was taken in the Assembly declaring her to be re-eligible as a Member of the Council.

II. QUESTION OF THE NUMBER OF THE MEMBERS OF THE COUNCIL.

On May 13th, 1936, the Council decided to adjourn its decision on the proposals contained in the report of the Committee to consider the composition of the Council, until it should have ascertained the Assembly's views on this subject. On October 1st, 1936 (seventeenth session),² the Assembly, after examining this report, approved the Committee's recommendation that two new non-permanent seats should be created provisionally on the Council, and declared that, in consequence, it was desirable that, for the period beginning with the election of the non-permanent Members of the Council at the 1936 session of the Assembly and ending with the election of the non-permanent Members in 1939, the number of non-permanent seats on the Council should be increased provisionally to eleven. The Assembly also recommended that, as soon as circumstances permitted, the Council should set up and convene a small Committee of Experts to make proposals regarding this matter.

The Council, taking note of the Assembly's resolution and acting in conformity with the provisions of Article 4, paragraph 2, of the Covenant, decided on October 2nd, 1936 (ninety-fourth session),³ provisionally to increase the number of non-permanent seats on the Council to eleven, as recommended by the Assembly on October 1st.

¹ See *Official Journal*, Special Supplement No. 155, pages 106 and 108.

² *Ibid.*, pages 91 and 92.

³ See *Official Journal*, November 1936, pages 1186 and 1187.

The Council's decision was unanimously approved by the Assembly on October 3rd, 1936 (seventeenth ordinary session).¹

III. CONSTITUTION, PROCEDURE AND PRACTICE OF LEAGUE COMMITTEES.

Proceeding with the measures for the reform and co-ordination of the constitution, procedure and practice of League Committees, the Council adopted a report by the representative of France on September 26th, 1936 (ninety-third session), containing a new statute for the Advisory Commission for the Protection and Welfare of Children and Young People, the name of which was changed to Advisory Commission on Social Questions.² The Health Organisation was also given a new statute,³ subject to the approval of the Assembly and to its ratification by the Office international d'Hygiène publique.

The Council also approved the new Rules of Procedure of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs, which had brought its Rules of Procedure into line with the General Regulations on Committees.⁴ The Council allowed the International Committee on Intellectual Co-operation an extension of the time-limit for this work of co-ordination.⁵

The Council requested a special Committee of Experts to study the reform of the Transit Organisation. This Committee encountered legal difficulties with regard to the application *in toto* of the principles contemplated by the Assembly in 1935.

The Council admitted that it was difficult, in drawing up a new statute for the Transit Organisation, to disregard the legal considerations to which the Special Committee drew attention. In these circumstances, it suggested that the Assembly

¹ See *Official Journal*, Special Supplement No. 155, page 106.

² See *Official Journal*, November 1936, page 1174.

³ *Ibid.*, pages 1175 and 1176.

⁴ *Ibid.*, page 1176.

⁵ *Ibid.*, pages 1176 and 1177.

should authorise the Council to approve the new statute, and that the Special Committee should be convened again to prepare the necessary texts. The Council's proposals were approved by the Assembly on October 10th, 1936.

On the same date, the Assembly adopted the new statute of the Health Organisation.¹

On January 27th, 1937 (ninety-sixth session),² the Council noted that the Office international d'Hygiène publique had ratified the new statute of the Health Organisation, and that this statute had therefore come into force. It approved the Rules of Procedure of the Fiscal Committee and the Committee of Statistical Experts, both of which had brought their rules into line with the General Regulations.

The Council then examined the proposals of the Rapporteur, the representative of France, concerning the Financial Committee, to the effect that the Financial Committee should be provided with a statute in accordance with the general rules laid down by the Council, and that certain principles should be laid down with regard to the membership of the Committee. The Council decided, however, to postpone a final decision on the Rapporteur's proposals until its next ordinary session. On May 27th, 1937 (ninety-seventh session),³ the Council adopted the proposals made by the representative of France in January as regards the Financial Committee and approved the new Rules of Procedure of the Health Committee.

In concluding his report, the representative of France reminded the Council of certain principles upon which the organisation of League Committees is based. These principles were set forth in the report presented by M. Gabriel Hanotaux to the Assembly in December 1920 : (a) the interior working of the various organisations should be independent ; (b) their relations with the Members of the League should be under control. The report adopted by the Assembly laid it down that such control should be exercised by the Council and the Assembly, at the same time emphasising the importance of the rôle of the Secretary-General, particularly in financial matters.

¹ See *Official Journal*, Special Supplement No. 155, page 114.

² See *Official Journal*, February 1937, pages 114-118.

³ See *Official Journal*, May-June 1937.

IV. INTERNATIONAL REPRESSION OF TERRORISM.

On May 27th, 1937, the Council decided to convene a conference for November 1st, 1937, on the question of the international repression of terrorism.

The conference thus convened by the Council will be the last stage in an enquiry which was commenced in consequence of the tragic assassination of King Alexander of Yugoslavia and of M. Barthou at Marseilles in October 1934. As the result of that act of terrorism, the Council, on December 10th, 1934, reached the conclusion that the rules of international law relating to the repression of terrorist activities were not sufficiently precise to guarantee efficient international co-operation in the matter. It therefore set up a Committee of Experts to study the question with a view to framing a draft international Convention.

The Committee had before it suggestions which the French Government had made to the Council and other suggestions transmitted to it direct by a large number of other Governments. The proposals which it made to the Council were submitted for criticism to the Governments and were examined most carefully by the First Committee of the Assembly in 1936. As a result of this examination, the Committee has revised its proposals with a view to their submission to the conference which has just been convened.

Two draft Conventions have been prepared by the Committee.

The first of these deals with the repression of terrorist activities. The drafting of a satisfactory international agreement on this subject proved to be a matter of great complexity, owing in particular to the difficulty of obtaining sufficient precision in defining the acts to which the Convention applies and the difficulty of reconciling the desire for effective measures against acts of terrorism with the conception of asylum for political offenders. The revision of the draft Convention has been mainly directed to meeting the views expressed on these two points by the Governments in their written communications and at the Assembly.

Apart from the provisions directly concerned with terrorism, the first draft Convention contains provisions dealing with

offences in connection with passports, such as the making and utilisation of forged or falsified passports and the unlawful issue or visaing of genuine passports. The parties to the Convention will be under the obligation to take, in their respective territories, appropriate measures to prevent any activity contrary to its purpose.

The second draft Convention provides for the establishment of an international criminal court. This court is not to have general jurisdiction. The object of its creation is to provide an alternative for the extradition of fugitives accused of terrorist crimes, or for the punishment of such fugitives in the territory to which they have fled, by creating an international tribunal before which they may be brought to trial. The advisability of establishing such an international criminal court was questioned by certain Governments during the discussion at the Assembly. Other Governments considered that the court would be a valuable institution, even if it did not obtain general acceptance. It was agreed that the existence of the court, if it were created, should not in any way affect the position or rights of States which felt themselves unable to become parties to the Convention establishing the court, and this understanding has been embodied in the drafts to be submitted to the conference.¹

V. WORK OF THE INTERNATIONAL INSTITUTE AT ROME FOR THE UNIFICATION OF PRIVATE LAW (SEPTEMBER 16TH, 1936, TO JUNE 30TH, 1937).

The Institute continued its work during the year in the different directions which had already been found to lead towards the general goal of unification.

Preliminary Draft Uniform Laws submitted to Governments for a First Examination : Sales and Innkeepers' Liability.

On August 23rd, 1935, the Secretary-General transmitted to Governments, with a request for any observations they might wish to make, the preliminary drafts of (a) an international law

¹ Document C.222.M.162.1937.V.

on sales, and (b) a uniform law on innkeepers' liability, together with the accompanying explanatory reports.

Nearly all Governments have replied. For the most part, they are in favour of the two preliminary drafts. The Yugoslav Government, however, does not feel able, at the present time, to undertake obligations of this kind. The United Kingdom Government, also, has reserved its opinion.

The Institute is making a detailed study of these replies. The Committees of Experts on the two preliminary drafts will be convened as soon as possible to revise the texts in the light of the observations and suggestions made.

Arbitration.

In accordance with the decision of the Governing Body of the Institute, the new text of the preliminary draft international law on arbitration in private law, drawn up by the Committee of Experts at its meeting from July 30th to August 1st, 1936, was transmitted to the International Chamber of Commerce for further consideration. After a preliminary examination of the draft had been made by its Committee for the Study of International Commercial Arbitration, the International Chamber of Commerce, at its Ninth Congress, held at Berlin (June 28th to July 3rd, 1937), approved the preliminary draft, in regard to which, however, it made certain suggestions. The Committee of Experts of the Institute will meet again to revise the text of the preliminary draft on the basis of these suggestions.

Civil Liability and Compulsory Insurance of Motorists.

Continuing its work, the Committee of Experts held its third session at Rome from November 23rd to 26th, 1936, and its fourth session at Abbazia from May 6th to 9th, 1937.

At these meetings, it drew up the texts of preliminary drafts on the civil liability and compulsory insurance of motorists, and reports commenting on and explaining these preliminary drafts.

These documents have been transmitted to the Communications and Transit Organisation, which was already represented on the Committee, for its opinion on the two drafts.

Contracts between Absent Persons.

The Committee of Experts on Contracts concluded between Absent Persons, which had already drawn up the final text of the preliminary draft of an international law regarding the conclusion of contracts between absent persons decided, at its meeting on October 2nd and 3rd, 1936, upon the final text of the explanatory statement accompanying the preliminary draft.

Contracts concluded by Agents.

At its session on September 30th, 1935, the Governing Body decided to study the question of contracts concluded by agents, which involves a number of subjects of special importance to international trade.

The Institute drew up a preliminary report of comparative law on this question, supplemented by a questionnaire.

The Committee of Experts set up to study this question met for the first time from April 5th to 7th, 1937. It reached decisions of principle on the various points submitted to it in the questionnaire. On the basis of these decisions, the Institute will draw up a preliminary draft uniform law.

Intellectual Rights.

The Institute took part in the annual session, held at Paris on June 11th, 1937, of the Committee comprising the international institutions dealing with intellectual rights.

The Institute's Committee of Experts on Intellectual Rights met on April 4th, 1937, and examined the work done in this field.

General Convention on Authors' Rights. — The International Institute of Intellectual Co-operation and the Rome International Institute for the Unification of Private Law considered it desirable to create forthwith, more especially on the American continent, an atmosphere propitious to the success of this work. The two Institutes accordingly invited the delegates of the American countries accredited in France to meet together for the purpose of taking cognisance of the present position of the problem. A meeting was held on November 23rd, 1936, at Paris, at the seat of the Institute of Intellectual Co-operation.

On the strength of the suggestions made by a Committee of Experts which met at Paris in April 1936 on the initiative of the Rome and Paris Institutes, and of a proposal by the Brazilian Government, the Belgian Government has decided to convene, in connection with the Conference for the Revision of the Berne Convention to be held at Brussels, a diplomatic conference whose task it will be to draw up a general Convention on authors' rights. All Governments will be invited to attend this Conference, whether they are bound by any of the Conventions in force or not.

The technical stage of the preparatory work may be regarded as completed. The views of the American Governments on the proposals submitted to them must now be obtained.

Translators' Rights. — With the help of the International Institute of Intellectual Co-operation, the Rome Institute is continuing its studies in regard to translators' rights.

At its eighth session (April 1935), the Governing Body of the Institute recognised the desirability of studying the chief types of contract in force in this matter. This study is being carried out in collaboration with the International Confederation of Authors' and Composers' Societies.

Performers' Rights. — At its ninety-third session (September 25th, 1936), the League Council decided, as the outcome of the resolution of the International Committee on Intellectual Co-operation, to draw the attention of the Governing Body of the International Labour Office to the advisability of placing the question of performers' rights on the agenda of a forthcoming International Labour Conference at the earliest possible moment, and requested the Secretary-General to bring the matter to the notice of the International Labour Office.

The Governing Body of the International Labour Office took up the question in November 1936 and passed it as suitable for inclusion in the 1938 agenda of the International Labour Conference.

At its session in February 1937, it approved the procedure suggested by the Director for the subsequent examination of the question.

The Committee of Experts of the Institute re-examined the question in its turn at its meeting on April 4th, 1937. It considered

that, in view of the official proposals already submitted, the international protection of performers' rights would doubtless be placed on the agenda of the Brussels Diplomatic Conference for the Revision of the Berne Convention. It also decided to draw the attention of the International Labour Office to the matter and to urge the latter to consider whether it would not be possible for the work to be completed within the framework of the International Labour Organisation before the Brussels Conference, or, if necessary, for the Labour Office to take an active part in the work of the Diplomatic Conference for the Revision of the Berne Convention.

This decision was supported by a recommendation made by the Committee of International Institutions dealing with Intellectual Rights (Paris, June 11th, 1937).

Maintenance Obligations.

The Institute has continued its work on the question of maintenance obligations. The first meeting of the Committee of Experts set up for the purpose of framing a preliminary draft international convention on the enforcement of maintenance obligations abroad, which was postponed last year, will be held at the beginning of August next.

Other Questions under Consideration.

The Institute is continuing its work on the effects of clearing agreements in private law.

After an exchange of views with the International Chamber of Commerce, the Institute decided not to go into the question of regulating documentary credit transactions by a uniform law.

The Committee for the Study of Contracts for International Loans set up by the League Council in pursuance of the Assembly's resolution of September 28th, 1936, decided at its second session (May 5th-8th, 1937) upon co-operation with the Institute. Two tasks have been entrusted to the Institute : to study the possibility of compiling an international code of uniform rules for international loans, and to examine the question of the representation of holders under the various legislations in relation to loan clauses.

Changes in the Organic Statute and Regulations.

In view of the League Council's request that it should consider the expediency of amending its Organic Statute and Regulations, the Governing Body, at its session on October 4th, 1936, agreed to certain changes designed to ensure the continuity of the Institute's work.

These changes have been transmitted to the Secretary-General of the League, who will submit them for approval to the League Council.

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At the beginning of the year, the Institute suffered a very severe loss by the death of M. Giuseppe Righetti, its Secretary-General, who was killed in an aeroplane accident.

* * *

The Governing Body held its tenth session on October 4th, 1936, and its eleventh session on April 4th, 1937.

19.

PRESENT SITUATION WITH REGARD TO INTERNATIONAL ENGAGEMENTS REGISTERED WITH THE SECRETARIAT OF THE LEAGUE OF NATIONS.

REGISTRATION AND PUBLICATION OF TREATIES
AND INTERNATIONAL ENGAGEMENTS.

(Article 18 of the Covenant.)

As in previous years, the registration of treaties by the Secretariat has been carried out according to the method laid down by the memorandum approved by the Council of the League of Nations on May 19th, 1920.

Between May 19th, 1920, and May 19th, 1937, 4,113 treaties and international engagements have been submitted for registration, 215 of which were submitted during the period between May 19th, 1936, and May 19th, 1937.

The treaties registered have, as in previous years, dealt with various subjects, as may be seen by consulting the following list, which gives a general idea of the character of the agreements registered during the period in question. Some of the treaties mentioned in the list, dealing at once with several subjects, may be classified under several heads.

Treaties of Peace, Friendship, Alliance, etc.

Registration
No.

4031	Great Britain and Northern Ireland and Egypt.
4044	Sa'udi Arabia and Iraq.
4063	Bulgaria and Yugoslavia.
4066	China and Latvia.

Political Treaties.

Registration
No.

- 4015 General Convention.
4092 Great Britain and Northern Ireland and Italy.
4112 Great Britain and Northern Ireland and France.

*Consular Conventions, Conventions concerning Conditions
of Residence and Similar Questions.*

Registration
No.

- 3899 Spain and Irish Free State.
3917 France and Latvia.
3918 Czechoslovakia and Union of Soviet Socialist
Republics.

Judicial and Extradition Conventions.

Registration
No.

- 3900 Roumania and Czechoslovakia.
3906 Luxemburg and Czechoslovakia.
3922 Great Britain and Northern Ireland and Denmark.
3923 Sweden and Switzerland.
3925 Great Britain and Northern Ireland and Lithuania.
3928 Great Britain and Northern Ireland and Hungary.
3942 United States of America and Iraq.
3943 United States of America and Poland.
3949 Czechoslovakia and Monaco.
3960 Great Britain and Northern Ireland and France.
3964 Denmark and Japan.
3990 United States of America and France.
3991 United States of America and Denmark.
3992 Belgium and Italy.
4020 Belgium and Great Britain and Northern Ireland.
4038 Colombia and Cuba.
4073 France and Union of Soviet Socialist Republics.
4111 Poland and Czechoslovakia.

Private Law.

Registration
No.

- 3965 Belgium and France.
4064 Great Britain and Northern Ireland and Iraq.

Military Questions and Similar Questions.

Registration
No.

- 3926 Great Britain and Northern Ireland, Canada, Australia, New Zealand, Union of South Africa and India and Iraq.
3971 United States of America and Brazil.
4032 Great Britain and Northern Ireland and Egypt.
4057 United States of America and Brazil.

Naval Questions.

Registration
No.

- 4025 *Procès-verbal* (General).
4102 Germany and Brazil.

Air Navigation.

Registration
No.

- 3975 Hungary and the Netherlands.
3999 Estonia and Finland.
4016 France and Hungary.
4033 Hungary and Switzerland.

Commerce, Navigation and Customs.

Registration
No.

- 3908 Spain and Poland.
3910 United States of America and Canada.
3912 Economic Union of Belgium and Luxemburg and Bulgaria.
3915 Estonia and Latvia.
3919 Austria and Hungary.

Commerce, Navigation and Customs (continued).

Registration
No.

- 3929 Great Britain and Northern Ireland and Sa'udi Arabia.
- 3934 Spain and Yugoslavia.
- 3935 Spain and Norway.
- 3941 General Convention.
- 3944 United States of America and Colombia.
- 3945 United States of America and Guatemala.
- 3946 United States of America and Ecuador.
- 3951 Germany and Iraq.
- 3956 Economic Union of Belgium and Luxemburg and Latvia.
- 3957 Finland and Latvia.
- 3962 United States of America and Switzerland.
- 3966 Salvador and Sweden.
- 3967 Guatemala and Sweden.
- 3968 Poland and Sweden.
- 3969 Germany and Hungary.
- 3970 Germany and Hungary.
- 3973 Norway and Poland.
- 3976 Hungary and Czechoslovakia.
- 3980 Canada and Poland.
- 3981 United States of America and Finland.
- 3982 Finland and Turkey.
- 3984 Finland and Poland.
- 3985 Finland and the Netherlands.
- 3986 Finland and Italy.
- 3989 Estonia and Italy.
- 3993 Spain and France.
- 3996 Brazil and Great Britain and Northern Ireland.
- 3997 Brazil and Great Britain and Northern Ireland (for Newfoundland).
- 3998 Great Britain and Northern Ireland and Turkey.
- 4008 Albania and Italy.
- 4009 United States of America and Nicaragua.
- 4010 Economic Union of Belgium and Luxemburg and Union of Soviet Socialist Republics.
- 4017 Italy and Sweden.

Commerce, Navigation and Customs (continued).

Registration

No.	
4029	Germany and Czechoslovakia.
4030	Bulgaria and Sweden.
4035	Germany and the Netherlands.
4039	Greece and Sweden.
4041	Chile and Sweden.
4046	Germany and Denmark.
4047	Germany and Denmark.
4055	Norway and Uruguay.
4056	Brazil and Norway.
4058	Great Britain and Northern Ireland and Uruguay.
4059	Great Britain and Northern Ireland and Egypt.
4061	Estonia and Sweden.
4062	General Convention.
4065	France and Sweden.
4075	Brazil and Uruguay.
4076	United States of America and France.
4079	Brazil and Hungary.
4081	The Netherlands and Poland.
4082	Chile and the Netherlands.
4089	Great Britain and Northern Ireland and Italy.
4091	Great Britain and Northern Ireland and Iraq.
4093	Australia and Czechoslovakia.
4094	Australia and Economic Union of Belgium and Luxemburg.
4095	Australia and France.
4097	Italy and Norway.
4101	Belgium and Norway.
4104	Italy and Latvia.

*Economic and Financial Conventions
and Conventions regarding Taxes.*

Registration

No.	
3901	Roumania and Czechoslovakia.
3902	Roumania and Czechoslovakia.
3903	Roumania and Czechoslovakia.
3904	Roumania and Czechoslovakia.

*Economic and Financial Conventions
and Conventions regarding Taxes (continued).*

Registration
No.

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| 3909 | Economic Union of Belgium and Luxemburg and Spain. |
| 3913 | Finland and Norway. |
| 3916 | Estonia and Latvia. |
| 3924 | Great Britain and Northern Ireland and the Netherlands. |
| 3936 | Spain and Norway. |
| 3938 | Norway and Turkey. |
| 3939 | Norway and Turkey. |
| 3940 | Economic Union of Belgium and Luxemburg and Estonia. |
| 3961 | Great Britain and Northern Ireland, India, France, the Netherlands and Siam. |
| 3963 | Bulgaria and France. |
| 3974 | Italy and Norway. |
| 3978 | Great Britain and Northern Ireland and the Netherlands. |
| 3983 | Finland and Turkey. |
| 3995 | General Convention. |
| 4000 | Germany and Finland. |
| 4001 | Germany and Finland. |
| 4002 | Albania and Italy. |
| 4003 | Albania and Italy. |
| 4004 | Albania and Italy. |
| 4005 | Albania and Italy. |
| 4006 | Albania and Italy. |
| 4013 | Bulgaria and Finland. |
| 4018 | Italy and Sweden. |
| 4019 | Italy and Sweden. |
| 4021 | Germany and Canada. |
| 4023 | Germany and Czechoslovakia. |
| 4036 | Sweden and Turkey. |
| 4037 | Norway and Roumania. |
| 4060 | Great Britain and Northern Ireland and Greece. |
| 4067 | Estonia and Latvia. |
| 4068 | Estonia and Latvia. |

*Economic and Financial Conventions
and Conventions regarding Taxes (continued).*

Registration
No.

- | | |
|------|---|
| 4070 | Iran and Union of Soviet Socialist Republics. |
| 4071 | Iran and Union of Soviet Socialist Republics. |
| 4088 | Poland and Czechoslovakia. |
| 4090 | Great Britain and Northern Ireland and Italy. |
| 4098 | Italy and Norway. |
| 4099 | Italy and Norway. |
| 4103 | Italy and Latvia. |
| 4110 | Belgium and Norway. |

Hunting and Fisheries.

Registration
No.

- | | |
|------|-----------------------------|
| 3979 | Hungary and Czechoslovakia. |
|------|-----------------------------|

General Relations.

Registration
No.

- | | |
|------|---|
| 4069 | Iran and Union of Soviet Socialist Republics. |
|------|---|

Property, Rights and Interests.

Registration
No.

- | | |
|------|--|
| 3988 | Great Britain and Northern Ireland and Iraq. |
|------|--|

*Delimitation of Frontiers, Frontier
Traffic and Similar Questions.*

Registration
No.

- | | |
|------|--|
| 3953 | Dominican Republic and Haiti. |
| 3994 | Estonia and Latvia. |
| 4022 | Commonwealth of Australia and the Netherlands. |
| 4026 | Ecuador and Peru. |
| 4027 | Poland and Roumania. |
| 4028 | Poland and Roumania. |
| 4087 | Brazil and Great Britain and Northern Ireland. |

Transit.

Registration
No.

- 3972 Germany and Austria.
- 3987 Finland and Hungary.
- 4034 Germany and the Netherlands.
- 4084 The Netherlands and Switzerland.

Tonnage Measurement.

Registration
No.

- 4012 Great Britain and Northern Ireland and Norway.

Waterways and Inland Navigation.

Registration
No.

- 4042 Roumania and Yugoslavia.

Administrative Questions.

Registration
No.

- 3948 Germany and Denmark.
- 3958 Germany and Denmark.
- 4074 Brazil and Poland.

*Social and Labour Questions and Questions
concerning Refugees.*

Registration
No.

- 3947 Germany and Denmark.
- 3952 General Arrangement.
- 3954 Sweden and Czechoslovakia.
- 3959 Sweden and Switzerland.
- 4014 Denmark and Sweden.
- 4043 Austria and Sweden.
- 4096 Egypt.

Sanitary Questions.

Registration No.	
3907	Argentine Republic and Denmark.
3937	Australia and French Indo-China.
4007	Albania and Italy.
4011	France and the Netherlands.
4072	Iran and Union of Soviet Socialist Republics.
4080	General Convention.
4086	Brazil and Sweden.

Intellectual and Artistic Relations.

Registration No.	
3920	Chile and Spain.
3921	Spain and Peru.
3933	Bolivia and Spain.
4085	Brazil and Uruguay.
4113	Poland and Roumania.

*Postal, Telephonic, Telegraphic and
Radiotelegraphic Conventions.*

Registration No.	
3905	Bulgaria and Union of Soviet Socialist Republics.
3911	Germany and Union of Soviet Socialist Republics.
3914	United States of America and Colombia.
3927	China and Malaya.
3931	Egypt and Malaya.
3932	Greece and Palestine.
3950	Estonia and Finland.
3955	United States of America and France.
3977	France and Palestine.
4024	Great Britain and Northern Ireland and China.
4040	Denmark and Union of Soviet Socialist Republics.
4045	Latvia and Sweden.
4048	General Convention.
4049	General Arrangement.
4050	General Arrangement.
4051	General Arrangement.
4052	General Arrangement.
4053	General Arrangement.

*Postal, Telephonic, Telegraphic,
and Radiotelegraphic Conventions (continued).*

Registration
No.

4054	General Arrangement.
4077	United States of America and Bahamas.
4078	United States of America and Gibraltar.
4083	Belgium and the Netherlands.
4105	Estonia and Finland.
4106	Estonia and Sweden.
4107	France and India.
4108	Haiti and Jamaica.
4109	Great Britain and Northern Ireland and Free City of Danzig.

Narcotic Drugs.

Registration
No.

3930	France and India.
4100	General Agreement.

The following table gives the number of treaties registered by the Secretariat at the request of the various States during the period from May 19th, 1936, to May 19th, 1937 :

Albania	7
United States of America	17
Australia	5
Austria	2
Belgium	6
Brazil	6
Great Britain and Northern Ireland	37
Bulgaria	3
Canada	3
Colombia	1
Cuba	1
Czechoslovakia	13
Denmark	10
Dominican Republic	1
Ecuador	1

Egypt	8
Estonia	9
Finland	13
France	1
Greece	1
Haiti	1
Hungary	10
India	1
Iraq	4
Latvia	8
The Netherlands	20
New Zealand	1
Norway	16
Roumania	9
Spain	10
Sweden	18
Switzerland	1
Turkey	1
Union of Soviet Socialist Republics	6
Yugoslavia	1

International engagements concluded under the auspices of the League of Nations, deposited with the Secretariat and registered in consequence of their entry into force 2

The Secretariat has also registered many accessions, ratifications, denunciations, etc., concerning Conventions previously registered at the request of various States.

It has also registered further information relating to general Conventions which it had already published.

International engagements are published in the *Treaty Series* in their original languages, with translations into French and English, when they have not been drawn up in one of those two languages.

Up to the present, 172 volumes of about 450 pages each, containing 4,000 treaties, have been published by the Secretariat. Other volumes will appear in the near future.

20.

LIBRARY OF THE LEAGUE OF NATIONS.

The League Library moved during 1936 to the new building due to the generosity of Mr. John D. Rockefeller junior. The collections of books, periodicals, Government documents, etc., had been transported gradually, and so the last part of the removal was undertaken with very little disturbance to the service. The reading-room in the old building was closed on September 15th, 1936, and a new reading-room was opened in the new building on the 17th of the same month. The final part of the removal took place with only one day's interruption of the services for the Secretariat and one day's interruption of the loan and information bureau.

Outside readers studying international questions, and properly recommended, received authorisation, as in the past, to study in the Library. There were 52 of these in September, 19 in October, 37 in November and 15 in December. In 1937, 62 new readers' cards were issued in January, 52 in February, 32 in March, 45 in April, 30 in May and 53 in June. Total new readers' cards in the first six months of 1937 numbered 274.

An important collection of forty-eight original drawings, portraits of delegates, members of the Secretariat and observers and visitors to Assembly meetings, by Miss Violet Oakley, was offered to the Library for its museum collection by an American Committee of Friends of the League of Nations. The Union of Associations for the League of Nations presented the Library with an important collection of books and pamphlets on minorities.

Exchanges of a considerable number of periodicals against League publications were arranged, in collaboration with various Sections of the Secretariat. The number of periodicals regularly received in the Library now exceeds 2,600. The number of annual

publications received is 1,250, of which 250 are law volumes. To these figures have to be added the number of periodical Government publications, which comprise 2,500 annual publications, 1,300 monthly and weekly publications and about 125 official gazettes.

The Mixed Committee for the purchase of books for the Libraries of the League and the International Labour Office has met regularly and succeeded in avoiding duplication in the purchase of books.

Besides the regular printed periodical bibliographies, the following roneographed bibliographies have appeared : list of works on peaceful change (raw materials, population, colonies) ; list of economic and financial periodicals regularly received in the Library ; annotated bibliography on legal questions concerning international loans.

The indexing of the child welfare laws of different countries and of periodical literature on this question was taken up again. A special room for the collections concerning this and kindred subjects was installed, similar to the already existing legal and political, economic and financial, and health rooms.

Collaboration and the exchange of services and publications were established or renewed with the following institutions among others : Bank for International Settlements (Basle) ; Geneva Research Centre ; Institut international de droit public (Paris) ; Institut international de coopération intellectuelle (Paris) ; Institut de droit comparé de l'Université de Paris ; Centre d'études de politique étrangère (Paris) ; Institut des sciences sociales et des relations internationales (Lyon) ; Institut international d'agriculture (Rome) ; International Institute for the Unification of Private Law (Rome) ; Istituto di Politica Internazionale (Milan) ; Royal Institute of International Affairs (London) ; London School of Economics ; New Commonwealth Institute (London) ; New Zealand Institute of International Affairs (Wellington) ; Commission nationale chinoise pour la coopération intellectuelle (Shanghai) ; Foreign Policy Association (New York) ; Pan-American Union (Washington) ; Institute of Pacific Relations (Honolulu) ; Institut für Weltwirtschaft (Kiel) ; Hochschule für Politik (Berlin) ; Institut für Ausländisches öffentliches Recht und Völkerrecht (Berlin).
