

LEAGUE OF NATIONS

Official Journal

SPECIAL SUPPLEMENT No. 46.

RECORDS

3

OF THE

SEVENTH ORDINARY SESSION

OF THE

ASSEMBLY

MEETINGS OF THE COMMITTEES

MINUTES

OF THE

SECOND COMMITTEE

(Technical Organisations)

GENEVA 1926

CONTENTS

	Page
LIST OF MEMBERS	4
AGENDA	6
FIRST MEETING, September 7th, 1926, at 4.30 p.m. :	
1. Speech by the Chairman	7
2. Election of the Vice-Chairman	7
3. Publicity of Meetings	7
4. Agenda and Programme of Work	7
SECOND MEETING, September 10th, 1926, at 5 p.m. :	
5. Welcome to the German Delegation	7
6. Representation of the Hungarian Delegation on the Committee	8
7. Appointment of Rapporteurs	8
8. Work of the Greek Refugee Settlement Commission	8
THIRD MEETING, September 11th, 1926, at 10 a.m. :	
9. Work of the Health Organisation	9
FOURTH MEETING, September 13th, 1926, at 3.30 p.m. :	
10. Work of the Health Organisation (<i>continuation</i>)	14
11. Work of the Health Organisation : Consideration of the Draft Report and Resolution to the Assembly	17
FIFTH MEETING, September 14th, 1926, at 10.15 a.m. :	
12. Representation of the Italian Delegation on the Committee	19
13. Work of the Committee on Intellectual Co-operation	19
SIXTH MEETING, September 16th, 1926, at 3 p.m. :	
14. Work of the Committee on Intellectual Co-operation (<i>continuation</i>)	22
15. Work of the Preparatory Committee for the International Economic Conference	24
SEVENTH MEETING, September 17th, 1926, at 10 a.m. :	
16. Work of the Greek Refugee Settlement Commission : Consideration of the Draft Report and Resolution to the Assembly	29
17. Work of the Preparatory Committee for the International Economic Conference (<i>continuation</i>)	30
EIGHTH MEETING, September 17th, 1926, at 2.45 p.m. :	
18. Work of the Preparatory Committee for the International Economic Conference (<i>continuation</i>)	33
NINTH MEETING, September 20th, 1926, at 10 a.m. :	
19. Question of a Maximum Limit of Expenditure in connection with the Work of the League : Letter from the Chairman of the Fourth Committee	39
20. Progress of the Work of the Committee	39
21. Work of the Preparatory Committee for the International Economic Conference : Consideration of the Draft Report to the Assembly	39
22. Work of the Committee on Intellectual Co-operation (<i>continuation</i>)	42
23. Financial Reconstruction of Hungary	43
TENTH MEETING, September 21st, 1926, at 3 p.m. :	
24. Financial Reconstruction of Hungary : Consideration of the Draft Report and Resolution to the Assembly	43
25. Financial Reconstruction of Austria : Consideration of the Draft Report and Resolution to the Assembly	44
26. Settlement of Bulgarian Refugees : Consideration of the Draft Report and Resolution to the Assembly	45
27. Work of the Financial Committee : Consideration of the Draft Report and Resolution to the Assembly	47
ELEVENTH MEETING, September 22nd, 1926, at 3 p.m. :	
28. Work of the Economic Committee : Consideration of the Draft Report and Resolution to the Assembly	48
29. Work of the Health Committee : Amendments to the Resolution regarding 'the Singapore Bureau of Epidemiological Intelligence'	50
30. Work of the Organisation for Communications and Transit	50
31. Close of the Session	55
ANNEXES	57

LIST OF MEMBERS

<i>Chairman :</i>	Mr. D. FITZGERALD (Irish Free State).
<i>Vice-Chairman :</i>	His Excellency Dr. F. VEVERKA (Czechoslovakia).
<i>Members :</i>	
<i>Abyssinia :</i>	Lidj Makonnen ENDALKATCHOU. M. Kantiba GABROU (Substitute).
<i>Albania :</i>	
<i>Australia :</i>	Mr. A. G. MANNING, M.P. Miss Freda BAGE, M.Sc. (Substitute).
<i>Austria :</i>	His Excellency M. Leo DI PAULI.
<i>Belgium :</i>	M. Fr. VAN CAUWELAERT.
<i>British Empire :</i>	Commander Hilton YOUNG, D.S.O., D.S.C., M.P., or Dame Edith LYTTTELTON.
<i>Bulgaria :</i>	His Excellency M. Vladimir MOLLOFF.
<i>Canada :</i>	The Hon. Philippe ROY, C.P., M.D.
<i>Chile :</i>	His Excellency M. QUEZADA. His Excellency M. VALDES-MENDEVILLE (Substitute).
<i>China :</i>	Dr. Hiu NIEN TSENG. M. C. N. LOU (Substitute).
<i>Colombia :</i>	His Excellency Dr. Esteban JARAMILLO.
<i>Cuba :</i>	His Excellency M. Aristides DE AGÜERO Y BETHANCOURT. Dr. D. F. RAMOS (for Health Questions) and M. Ramiro Hernandez PORTELA (Substitutes).
<i>Czechoslovakia :</i>	His Excellency M. F. VEVERKA. His Excellency Dr. Stephan OSUSKY (Substitute).
<i>Denmark :</i>	M. Holger ANDERSEN. M. Peter MUNCH (Substitute).
<i>Dominican Republic :</i>	Dr. T. Franco FRANCO. M. PARADAS (Substitute).
<i>Estonia :</i>	General Johan LAIDONER. M. Oskar ÖPIK (Substitute).
<i>Finland :</i>	M. C. ENCKELL. M. R. HOLSTI (Substitute).
<i>France :</i>	M. L. LOUCHEUR. M. JOUHAUX. M. Marcel PLAISANT. M. BASTID.
<i>Germany :</i>	Baron von RHEINBABEN. Herr SCHÄFFER.
<i>Greece :</i>	M. Vassili DENDRAMIS.
<i>Guatemala :</i>	
<i>Haiti :</i>	His Excellency M. Alfred NEMOURS.
<i>Hungary :</i>	M. Paul DE HEVESY. M. Georges DE LUKÁCS. M. Antoine ULLEIN (for Intellectual Co-operation Questions).
<i>India :</i>	Khan Bahadur Shaikh Abdul QADIR. Sir C. P. Ramaswami AYYAR and Sir B. K. MULLICK (Substitutes).
<i>Irish Free State :</i>	Mr. Desmond FITZGERALD. Mr. J. P. WALSHE (Substitute).

<i>Italy :</i>	The Hon. Ernesto BELLONI. The Hon. Fulvio SUVICH. M. Massimo PILOTTI. M. LUTRARIO (for Health Questions).
<i>Japan :</i>	His Excellency M. Matsuzo NAGAI. M. Isaburo YOSHIDA and M. S. SATO (Substitutes).
<i>Latvia :</i>	His Excellency M. F. VESMANS. M. P. WELPS (Substitute).
<i>Liberia :</i>	His Excellency Baron R. A. LEHMANN.
<i>Lithuania :</i>	M. O. MILOSZ-MILASIUS.
<i>Luxemburg :</i>	His Excellency M. Emile REUTER. M. Charles VERMAIRE (Substitute).
<i>Netherlands :</i>	Jonkheer W. J. M. VAN EYSINGA. M. J. P. A. FRANÇOIS (Substitute).
<i>New Zealand :</i>	The Hon. Sir James PARR, K.C.M.G. Mr. C. KNOWLES (Substitute).
<i>Nicaragua :</i>	Dr. A. SOTTILE. His Excellency M. T. F. MEDINA (Substitute).
<i>Norway :</i>	Dr. WORM-MÜLLER. Mme. LARSEN-JAHN.
<i>Panama :</i>	His Excellency Dr. E. A. MORALES.
<i>Paraguay :</i>	Dr. Ramon V. CABALLERO.
<i>Persia :</i>	Dr. Edmond PRIVAT.
<i>Poland :</i>	His Excellency M. Henri STRASBURGER. M. M. NIEDZIALKOWSKI and M. TARNOWSKI (Substitutes).
<i>Portugal :</i>	His Excellency Dr. Bethencourt RODRIGUES, or His Excellency Dr. A. C. DE VASCONCELLOS. Dr. Rodrigo RODRIGUES (Substitute).
<i>Roumania :</i>	M. Sextil PUSCARIU. M. Constantin CONTZESCO. Mlle. Hélène VACARESCO. M. Alexandre ZEUCEANO. M. C. RAILEANU. } (Substitutes)
<i>Salvador :</i>	His Excellency Dr. T. Gustavo GUERRERO.
<i>Kingdom of the Serbs, Croats and Slovenes :</i>	M. Ranislav AVRAMOVITCH. His Excellency Dr. G. DJOURITCH (Substitute).
<i>Siam :</i>	His Highness Prince Vopulya SVASTIVONGS. Khun Prasirt MAITRI (Substitute).
<i>South Africa :</i>	Mr. S. JACKLIN.
<i>Sweden :</i>	Baron A. Th. ADELSWÄRD. Dr. J. L. WIDELL (Substitute).
<i>Switzerland :</i>	Colonel Beat Henri BOLLI. M. Daniel SECRETAN (Substitute).
<i>Uruguay :</i>	His Excellency M. Benjamin FERNANDEZ Y MEDINA, or His Excellency M. Enrique BUERO.
<i>Venezuela :</i>	His Excellency M. César ZUMETA. His Excellency M. C. PARRA-PÉREZ (Substitute).

SECOND COMMITTEE
OF THE SEVENTH ORDINARY SESSION OF THE ASSEMBLY
(TECHNICAL ORGANISATIONS)

AGENDA.

1. WORK OF THE ECONOMIC COMMITTEE.
 2. WORK OF THE FINANCIAL COMMITTEE.
 3. FINANCIAL RECONSTRUCTION OF AUSTRIA.
 4. FINANCIAL RECONSTRUCTION OF HUNGARY.
 5. WORK OF THE GREEK REFUGEE SETTLEMENT COMMISSION.
 6. SETTLEMENT OF BULGARIAN REFUGEES.
 7. INTERNATIONAL ECONOMIC CONFERENCE : WORK OF THE PREPARATORY COMMITTEE.
 8. WORK OF THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT.
 9. WORK OF THE HEALTH ORGANISATION.
 10. WORK OF THE COMMITTEE ON INTELLECTUAL CO-OPERATION.
-

FIRST MEETING.

Held at Geneva on Tuesday, September 7th, 1926, at 4.30 p.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

1. Speech by the Chairman.

The CHAIRMAN thanked the Committee for the honour it had paid to him and to his country by choosing him to preside over the work of the Second Committee. He emphasised the importance and wide scope of the Committee's task, but had no doubt that, with the collaboration of all the members, the work entrusted to the Committee could speedily be brought to a successful conclusion.

2. Election of the Vice-Chairman.

On the motion of M. DE AGÜERO Y BETHANCOURT (Cuba), seconded by M. ZUMETA (Venezuela), M. VEVERKA (Czechoslovakia) was elected Vice-Chairman by acclamation, after M. VAN CAUWELAERT (Belgium), whose name had been proposed by M. VEVERKA, had joined the Cuban and Venezuelan delegates in pressing M. Veverka to accept.

3. Publicity of Meetings.

On the motion of the CHAIRMAN, seconded by M. DE AGÜERO Y BETHANCOURT (Cuba) and M. Marcel PLAISANT (France), *the Committee decided that its meetings should, as a rule, be public, but that the officers of the Committee might decide that it should meet in private if any member should so request.*

4. Agenda and Programme of Work.

The CHAIRMAN informed the Committee that it would be called upon to deal with the following questions on the Agenda of the Assembly :

13. Report on the Work of the Economic and Financial Organisation, including the Financial Reconstruction of Austria, the Financial Reconstruction of Hungary, the work of the Greek Refugee Settlement Commission, etc.

14. International Economic Conference : Report on the Work of the Preparatory Committee.

15. Report on the Work of the Organisation for Communications and Transit.

16. Report on the Work of the Health Organisation of the League.

19. Report of the Work of the International Committee on Intellectual Co-operation.

He did not for the moment see his way to make any definite suggestion as to the order in which the Committee should consider these questions. At the next meeting, the officers of the Committee would make a proposal on this subject, and it would be for the Committee to decide. Since, however, Mr. Howland, Chairman of the Greek Refugee Settlement Commission, was in Geneva, it was desirable that the Committee should begin by considering the report on that subject.

At the next meeting also, Rapporteurs would be appointed to make a preliminary study of each of the questions before the Committee.

The Committee agreed to these proposals.

SECOND MEETING.

Held at Geneva on Friday, September 10th, 1926, at 5 p.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

5. Welcome to the German Delegation.

The CHAIRMAN welcomed the members of the German delegation and expressed his satisfaction at having the advantage of their collaboration.

6. Representation of the Hungarian Delegation on the Committee.

The CHAIRMAN reported that M. de Hevesy, the Hungarian delegate, had informed him that M. Antoine Ullein would act as substitute delegate on the Committee when questions concerning intellectual co-operation were under discussion.

7. Appointment of Rapporteurs.

The CHAIRMAN proposed that the following Rapporteurs should be provisionally appointed:

1. Work of the Greek Refugee Settlement Commission : M. VAN CAUWELAERT (Belgium).
2. Work of the Health Organisation : M. FERNANDEZ Y MEDINA (Uruguay).
3. Work of the International Committee on Intellectual Co-operation : M. Peter MUNCH (Denmark).
4. Work of the Economic Committee : M. Matsuzo NAGAI (Japan).
5. Work of the Preparatory Committee for the Economic Conference : M. LOUCHEUR (France).
6. Financial Reconstruction of Hungary : M. Fulvio SUVICH (Italy).
7. Financial Reconstruction of Austria : M. H. STRASBURGER (Poland).
8. Work of the Organisation for Communications and Transit : Dr. JARAMILLO (Colombia).
9. Work of the Financial Committee : M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes).
10. Settlement of Bulgarian Refugees : Commander Hilton YOUNG (British Empire).

These proposals were adopted.

8. Work of the Greek Refugee Settlement Commission.

The CHAIRMAN said that the Committee had the advantage of the presence at the meeting of Mr. Howland, Chairman of the Greek Refugee Settlement Commission. He was sure the Committee would be glad to hear him give a statement of the work done.

He expressed, on behalf of the Committee, regret at the resignation of Mr. Howland, who had filled the post of Chairman of the Commission with conspicuous ability and devotion.

Mr. HOWLAND, Chairman of the Greek Refugee Settlement Commission, then read a statement on the progress of the work of settlement during the past two years (Annex 1).

The CHAIRMAN expressed the thanks of the Committee to Mr. Howland for his interesting report.

M. VAN CAUWELAERT (Belgium) congratulated Mr. Howland and the Greek Refugee Settlement Commission on the report submitted and on the humanitarian work which they had done.

He noted that, in the statement by Mr. Howland, it was announced that the majority of the refugees (about half a million) had been established in Macedonia. In this connection, he would like to ask whether any restrictions had been made in establishing these refugees in one district or another, especially in frontier districts, in Greece, and whether any difficulty had arisen from the local populations.

Mr. HOWLAND said the conditions were somewhat similar to those which obtained at the time of the first migrations of the Huguenots into England and the Netherlands. The English, on the whole, received the French refugees very well, notwithstanding the fact that the London tradesmen were aggrieved by the competition of the French and prepared a Bill to prohibit that competition, that Bill being introduced into Parliament by Sir Walter Raleigh. An interesting point in that connection was that the passage of the Bill was prevented by the Cecil of his time, one of Queen Elizabeth's statesmen, an ancestor of the Viscount Cecil of to-day.

As regards the more detailed question about the frontier districts, the answer was quite definitely in the negative. No restrictions had been placed upon the freedom of settlement either by the League or the Greek Government. The refugees had been placed along the Serb-Croat-Slovene and Bulgarian frontiers as high on the mountains as there was land for cultivation or pasturage for stock, and, although there had been a little alarm as to what the people on the other side of the mountains might be doing, there had been no serious difficulties of any kind.

M. DENDRAMIS (Greece) expressed his admiration for the report which Mr. Howland had read, and which had shown the remarkable work done. In the name of the Greek people and of the Greek Government, he wished to express his warmest thanks to Mr. Howland, to his collaborators and to the League for the work done for the solution of the refugee problem.

The CHAIRMAN again thanked Mr. Howland for the résumé which he had given of the splendid work done. He would ask M. van Cauwelaert to prepare a draft resolution to be presented to the Committee at a later date.

THIRD MEETING.

Held at Geneva on Saturday, September 11th, 1926, at 10 a.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

9. Work of the Health Organisation.

M. FERNANDEZ Y MEDINA (Uruguay) read the following report :

“ I have followed for several years now the development of the Health Organisation, and my colleagues will certainly remember the long and interesting debate which took place on this subject last year and the series of proposals which were made by various delegations. The report of our Health Organisation and that of the Secretary-General furnish us with an account of the action taken by the Health Committee in pursuance of the recommendations of the Assembly with regard to the various questions involved, some of which are still under examination.

“ It is far from my intention to present you with a detailed commentary on all the branches of the Health Organisation's activity ; all I propose to do is to open the discussion and to draw attention to certain general features of the work.

“ I am particularly struck by its universality. The Committee has succeeded, during the last twelve months, in establishing very close relations with the health administrations of the Far East. We are under an obligation, in the first instance, to the Japanese Government for all that it has done to facilitate the detailed study of its health administration by a group of hygienists appointed by the health administrations of Far Eastern countries, some of whom were the chiefs of those services. Wealth of information, a series of very careful investigations, together with the personal contact established with the Health Administrations of British India, the Philippines, New Zealand, Australia, Siam, French Indo-China, China, the Soviet Republic, the Far East and the Dutch Indies, will render possible a valuable system of collaboration in the solution of common problems.

“ I would remind my colleagues of the speech delivered two days ago in the Assembly by His Highness the Maharaja of Kapurthala, who laid stress on the rôle which the League can play in Asia in its struggle against plague, cholera and other diseases.

“ Our Health Committee has succeeded in establishing a permanent system of collaboration with its Japanese colleagues through the intermediary of a Co-ordination Committee, which draws up monographs every year based upon the research work carried out in Japan. These monographs, which are included in our series of publications, will enable the doctors of the West to become acquainted with the progress of every description achieved in Japan. This system of collaboration is further strengthened by the organisation of an exchange of Japanese and Western hygienists and public health officials, to whom our Health Organisation has given an opportunity of investigating certain problems of special importance to the administrations concerned. This investigation will be carried out both in Japan and in the countries of the West, and will last for a period of nine months.

“ His Highness the Maharaja of Kapurthala laid emphasis, in addressing the Assembly, upon the rôle played by the Epidemiological Intelligence Bureau of Singapore, in whose work all the countries of the Far East co-operate. This first institution of the League of Nations in the Far East serves both to satisfy the immediate needs of the administrations of the Far East, with which it co-operates in the struggle against epidemic diseases, and also to meet the wishes of the health administrations of all countries, whether Members of the League of Nations or not, which are thus enabled for the first time to obtain direct information with regard to epidemics arising in the East.

“ Last year, at this period, 50 ports were in telegraphic communication with the Singapore Bureau ; this number has recently increased and now amounts to 108.

“ The Advisory Committee of our Singapore Bureau is presided over by the head of the Health Administration of British India, while the Vice-Chairmen represent the Health Administrations of French Indo-China, Japan, the Dutch Indies, Siam and China. It enables the Health Committee—which has accepted the task with the consent of the Council—to initiate and co-ordinate investigations and research work bearing upon vaccination against cholera, the endemic centres of this terrible disease, and the measures to be taken to prevent the risk of the outbreak of an epidemic of pulmonary plague in Manchuria. It has also drawn our attention to the desirability of the League's taking an interest in social hygiene problems in the countries of the Far East. I would refer my colleagues to the annual report for full details of this work, which appears to me to be singularly deserving of encouragement and to be peculiarly consonant with the ideas and policy of the League of Nations.

“ In another part of the East, in Persia, we already see, according to a declaration read to the Assembly the other day by the delegate of that country, the successful results of the enquiry which was undertaken two years ago by the Health Committee, and the subsequent steps which were taken to enable a Persian hygienist to spend several months in various Western countries in order that he might take advantage of the experience acquired in the matter of the campaign against diseases.

" It is not, however, only in the East that efforts have been made to encourage further collaboration between health services. An exchange was arranged among medical officers in the colonial services of Senegal, Gambia, Portuguese and French Guinea, the Ivory Coast, Congo, the Gold Coast, Nigeria, Dahomey, Sierra Leone and South Africa, who visited the various colonies during several weeks in groups in order to investigate in the most detailed manner the working of the medical and public health services. According to the report presented to the Health Committee, this journey threw new light on many subjects, seeing that those doctors were meeting each other for the first time, and, clearly, such a mutual exchange of theory and experience gained in particularly arduous conditions will make it possible to apply in other countries the definite results obtained in most of the colonies which were visited. The direct benefit will accrue to the natives. It is of much interest to note that what appears to have been particularly valuable to those taking part in the exchange is the examination of the results obtained by the schools for native male nurses and doctors, and by the treatment in hospitals, according to the common practice, of sick natives.

" On the occasion of this exchange, efforts were made to obtain the views of the sanitary and medical administrations of the colonies as to the desirability of establishing an epidemiological intelligence bureau in Western Africa in pursuance of the recommendation expressed by the last Assembly. As my colleagues have observed in reading the annual report, this question is still under consideration by the Health Committee, which has decided to carry out an experiment at Algiers and proposes to put forward definite recommendations at its October session.

" In Africa, again, the Health Organisation is engaged, through the intermediary of an international commission composed of Belgian, British, French, German and Portuguese experts, in investigating a series of practical and theoretical problems with regard to the distribution and prevention of sleeping-sickness in Equatorial Africa. My colleagues are aware of the great economic and general importance of this research and they will perhaps wish to declare that they are following with keen sympathy the often dangerous work of these scientists in the tropical bush.

" My colleagues will allow me to say quite frankly that I should have wished that the Health Organisation might undertake the same work in Latin America. We have no reason, however, to complain of the efforts which have been made to enable hygienists of Latin America to take part in the various investigations and exchanges, since no fewer than six hygienists have been able to take advantage of this system during the current year. I should like to draw special attention to the importance of the scheme under which a Brazilian specialist was given the opportunity of investigating in Japan, for a period of nine months, the parasitic diseases prevalent among Japanese emigrants to Brazil.

" The Japanese Government and the Health Committee deserve to be congratulated for the proof which they have given of the practical application of the system of exchanges and individual subventions.

" I am happy to observe that the number of the experts of Latin-American countries who take part in the work of the Technical Commissions of the Health Organisation is increasing year by year. I regard it as being of special importance that specialists in the matter of child protection and the campaign against infant mortality should be attached to the group of experts which the Health Committee, in accordance with the recommendation presented by the Netherlands delegation to the last Assembly, has appointed for the study of this problem of prime importance to our countries. "

He concluded as follows :

While on the subject of the collaboration of American countries in the health work of the League of Nations, I should like to point out the powerful attraction which any measures likely to lead to the protection and improvement of the race have for those countries. I think, therefore, that we can rely upon the collaboration of the health experts and Governments of Latin America in questions relating to social medicine (in connection with which I am proud to say Uruguay is regarded as one of the most advanced countries); problems relating to eugenics; physical education; the rapid collection and distribution of epidemiological intelligence on the lines of the work of the Singapore Bureau; the methodology and standardisation of statistics. I am glad to be able to open out such a wide field of investigation and one which is of the utmost interest and promise.

M. NAGAI (Japan) congratulated all who had contributed to such a satisfactory record and called the attention of the Committee to certain points to which the Japanese delegation attached particular importance.

Referring to the conference in Tokio and the subsequent study tour of health officers which had been arranged in Japan last year, under the auspices of the Health Organisation of the League, he welcomed the opportunity which had been afforded to Japan of receiving health experts from China, Russia, the British Colonies, the Philippines, Siam, Indo-China, British India, the Dutch East Indies, Australia and New Zealand, together with the Medical Director of the League and members of his staff. This was, in fact, the first concrete demonstration to the peoples of the Far East of one of the many activities of the League of Nations.

M. Nagai also expressed his appreciation of the plan of collaboration which had been drawn up whereby health experts from Japan were being enabled to visit Europe and those

from Europe to study in Japanese institutes. The publication of the results of Japanese research which was also being undertaken at Geneva would form, he thought, a valuable contribution to European knowledge on many health subjects.

The speaker emphasised the importance of the rapid exchange of epidemiological information, the need for which was particularly felt in the Far East, and called attention to the value of the Singapore Bureau as a centre for the collection and dissemination of such intelligence, which was equally important to the countries beyond Singapore and those on this side of the Straits. The establishment of the Singapore Bureau had been made possible through the generous contribution of the International Health Board of the Rockefeller Foundation, but it owed its organisation to the League, which had also demonstrated its practical value. In the opinion of the Japanese Government, it was necessary now to draw the attention of the Assembly to the future financing of this Bureau; this view had been shared by representatives other than the delegate of his own country, who had attended the meeting of the Advisory Council held in Singapore this year. In their opinion, the time had now come for part, at any rate, of the expenditure of the Bureau to be incorporated in the budget of the League.

M. Nagai therefore moved the following resolution :

“ The Second Committee,

“ In view of the importance of the work of the Singapore Bureau of Epidemiological Intelligence as the first institution of the League in the Far East, and in view of the utility of its work, not only for the Far Eastern countries, but also for other States Members of the League,

“ Recommends that a sum for the expenses of the Bureau be included in the budget of the League for 1927. ”

Sir Ramaswami AYYAR (India) thought that it was expedient, before undertaking fresh responsibilities and mapping out new lines of action, to strengthen and consolidate the present organisation. He emphasised the need for the provision, in the health budget for 1927 and future years, of sufficient funds to carry on the important work connected with the Singapore Bureau.

Under Article 23 (f) of the Covenant, the League was under the obligation of taking steps in matters of international concern for the prevention and control of disease and it was to contribute to the fulfilment of that obligation that the Singapore Bureau had been established. The international aspect was clearly demonstrated by the objects for which it existed, as laid down in the annual report of the Health Organisation.

The speaker desired to pay tribute to the many and varied activities of the Health Organisation and was gratified to notice that the Advisory Council of the Singapore Bureau had recommended that its work must be an essential part of the activities of the League. His reluctance to suggest further encroachment upon the financial resources of the League was minimised by the fact that only a comparatively small contribution would be required. The Rockefeller Foundation had granted a subvention of 125,000 gold dollars over a period of five years; the estimates for 1927 envisaged an expenditure of about 39,763 gold dollars; the deficit to be met, so long as the Rockefeller Foundation's annual contribution was available, was therefore only about 15,000 gold dollars. He did not wish to discourage other philanthropic impulses, similar to that which had prompted the Rockefeller Foundation to make this contribution, but thought that the League should supplement the available funds for the following reasons : (1) that the range and effect of epidemics were universal in character and result, and that research in this connection was therefore of international significance ; (2) that the League, having commenced this work, should shoulder its burden, thus proving the universality of its activities. By this means, the fullest co-operation of distant countries would be guaranteed.

The work done by Major Russell with regard to endemic cholera and responses in other respects to the health activities of the League which had been made by India proved that his country was alive to its own obligations ; the Ross Institute and Hospital for Tropical Diseases, also the School of Tropical Medicine in London, were doing valuable work in connection with those activities. India would like to feel that the League was also helping Asiatic countries in the co-ordination of research. He therefore desired to recommend to the Committee that the budget of the League should include a provision for the activities of the Singapore Bureau, in so far as these were not met by the grant of the Rockefeller Foundation. Should the Committee decide to support this proposal, it would be a further proof that the only limit placed by the League on the range of its work was the combination of an international aspect with essential benefit to humanity.

M. VEVERKA (Czechoslovakia), Vice-Chairman, expressed the complete agreement of his delegation with the conclusions of the admirable report presented to the Committee by M. Fernandez y Medina.

The Czechoslovak Government had also taken very great interest in all health questions, and its proposals to the Second Committee of the previous year's Assembly had been very favourably received. This year, he wished to call attention to the question of physical education, which now formed an essential part of the province of modern public health authorities. More and more attention was being given by public health administrations to the medical

examination of both school-children and adults ; to teaching children how to form habits of personal hygiene ; to the practice of physical exercises both in and out of school ; to the development of organised games for children ; and to the provision of sports and playing fields for adults. Many countries, including his own, where the Sokols had a membership of more than one million, held annual gymnastic gatherings in which very large numbers participated. The development of the Boy Scout movement throughout the world had led to conferences in which delegates from many countries could discuss the best methods of improving the health of young boys by means of physical education, and this movement must have a marked effect upon public health and international relations. The aim of physical education was not only to maintain health and prevent disease but, still more, to introduce positive methods for the improvement of the health of the race as a whole. By medical inspection of school-children and subsequent periodical medical examination of adults, the early stages of disease and avoidable disabilities could be detected, their subsequent development being often thus prevented. In diseases such as cancer and tuberculosis, early diagnosis was one of the most efficacious methods of preventing the spread of the malady. The method now adopted in many countries of inculcating habits of personal cleanliness amongst school-children was showing most beneficial results.

The Czechoslovak Government had always paid particular attention to this problem and had gone so far as to propose the creation of a Ministry of Physical Education. This development not yet being practicable, a special department dealing with physical education had been set up in the Ministry of Health.

A comparative study of health methods and the results of physical education, or certain aspects of physical education, in the different countries would be of the greatest value and should not only stimulate interest in the whole subject but lead to conclusions of far-reaching importance. The initiative on this question had already been taken by the representative of Paraguay, Dr. Caballero, who had proposed, at the fifth session of the Assembly, that the problem of physical education and the means for its general extension on rational principles should be studied by the Health Organisation.

He therefore proposed the adoption of the following resolution :

“ The Second Committee,

“ Considering the importance of physical education as a means of preventing disease and promoting health, and in view of the interest taken in this subject by many countries,

“ Recommends to the Council to invite the Health Committee to include in the programme of its activities the international study of physical education, including school hygiene, and to examine and report on the question whether there are special problems on which it would be advantageous to undertake comparative studies and co-ordinate research and investigations. ”

Dr. RAMOS (Cuba) was glad to notice that the report presented by M. Fernandez y Medina contained a reference to the conference of Latin-American doctors held at Havana some time ago. As a result of that conference, the Director of the Public Health Service in Cuba had proposed that in Havana should be centralised all information concerning public health work in the countries of Latin America. The Committee would remember that, on the proposal of the delegation of Venezuela to the sixth session of the Assembly, the setting up of bureaux within the health administrations of different countries to maintain liaison with the Health Organisation of the League had been recommended. As a result, he himself had been specially appointed by his Government to establish permanent relations between the health administration of Cuba, the Health Organisation of the League and the Pan-American League.

Dr. Ramos had noted with satisfaction the reference of the Rapporteur to the question of eugenics. He desired, in that connection, to move the following resolution :

“ The Second Committee, in view of the ideas presented by M. Fernandez y Medina in the last part of his excellent report, and in conformity with the resolutions of the fifth and sixth ordinary sessions of the Assembly concerning infant mortality and protection of childhood,

“ Recommends to the Assembly to request the Health Organisation to enlarge the scope of the measures which are being taken for the welfare of children so as to include the complete organisation of eugenics and homiculture. ”

M. FRANÇOIS (Netherlands) recalled that the fifth session of the Assembly had entrusted to the Health Committee the protection of children from the health point of view, and that, on the proposal of the Netherlands delegation, it had adopted last year a resolution with the object of securing for the Health Organisation, in the accomplishment of this task, a closer collaboration with the experts on the subject of infant health. He was glad to note the action which had been taken in this direction, particularly the decision to appoint a sub-committee of experts who would soon be meeting at Geneva. He regarded this as a further proof of the

League's determination to obtain the best possible advice with regard to the matters it was called upon to investigate.

Commander Hilton YOUNG (British Empire) welcomed the present opportunity of expressing the thanks of his delegation to the various organisations of the League which were doing such admirable and direct work of a humanitarian nature. As the representative of the British Empire, he was specially interested in the particular prominence given by M. Fernandez y Medina to the health problems of tropical countries. Great Britain, with its vast responsibilities for the inhabitants of the Crown colonies, and particularly for those of mandated territories in tropical regions, must always feel the closest interest in this particular branch of the League's work. He fully agreed with the expressions of appreciation which had been made by the distinguished representatives of Japan and India with regard to the work done by the Singapore Bureau. He agreed that this was international work which should be carried out under the auspices of the League.

Commander Young felt bound, however, to refer to the practical aspect of the Japanese resolution, since last year it had been agreed by the Assembly that the budget of the Health Organisation should be stabilised at the figure of one million gold francs. This had been accepted as a guiding principle and it remained therefore to reconcile the proposal of the Japanese delegation with that principle. He suggested that there should be no difficulty in providing the small sum requested, which amounted to some £3,000, by adjustment in the estimates already prepared. He had been wondering whether it would not be better to signalise the maintenance of the principle of stabilisation by making a trifling alteration in the wording of the resolution, namely, that the last sentence of the Japanese proposal should read as follows :

“ Recommends that provision for the expenditure of the Bureau should be made out of the total sum already provided in the budget of the League for 1927. ”

The speaker had heard with the greatest possible interest the proposal of the delegate of Czechoslovakia, and recognised to the full the wonderful developments of physical culture in that country. Its experience must be of very great value in any investigation which might take place.

The proposition of Cuba, too, was one which pointed directly forward in the path of human progress. He had been considering the relation between such new proposals as these and the organisation of the work of the Health Committee and foresaw a possible danger lest that body of experts should be overburdened with special enquiries and investigations. He would therefore suggest the desirability of always referring new enquiries to the Health Committee itself in the first place, for consideration of the question whether it was possible, usefully and from the international point of view, to carry out such investigations.

From a very close study of the work of the Health Organisation, he was further persuaded that proposals of the kind now under discussion should invariably be examined very closely before being passed to the Health Committee for consideration. The results of such preliminary investigation would be of great assistance to the Health Committee when deciding as to the desirability of the investigation and also in carrying out the enquiry, should it be decided to do so.

Sir Ramaswami AYYAR (India) was prepared to accept the amendment of the British delegate provided that the resolution should clearly ask for a definite credit for the Singapore Bureau to be shown in the budget of the League.

M. Leo DI PAULI (Austria) wished to support the resolution proposed by the delegate of Czechoslovakia and referred to the organised courses of instruction for teachers which were regularly held in his own country, where there was also a Central Institute of Physical Education. Perhaps he might also be permitted to refer to the existence in Berlin of a High School of Physical Education. In both institutions, he was sure, could be found much important information with regard to this subject, which could be placed at the disposal of the Health Committee.

In reply to a question from the Chairman, asking if he were prepared to accept the amendment proposed by the British delegate, M. NAGAI (Japan) thought it best not to make this reservation. In the first place, it appeared to him to be hardly within the competence of the Second Committee, and he further reminded the members of that Committee that, so far, they had only touched upon some of the activities of the Health Organisation. It might be, therefore, that subsequent discussion would enable the position to be seen more clearly. He preferred that his original proposal should stand.

The CHAIRMAN asked the Rapporteur to consult with the Indian, British and Japanese delegates with a view to arriving at an agreed resolution before the next meeting of the Committee. In this connection, he drew attention to paragraph 2 of Rule 14 of the Rules of Procedure of the Assembly, which had been adopted at the third session of the Assembly, and also to Article 19, paragraph 2, of the Financial Regulations.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) thought that the simplest procedure for the work of the Committee would be to print and distribute all draft resolutions before the meeting at which they were to be discussed.

He agreed with all that had been said concerning the work of the Singapore Bureau and, with regard to the resolution proposed in connection therewith, desired to support the procedure suggested by the Chairman.

The proposal to submit to the Health Committee for consideration and report the resolutions presented by the delegations of Czechoslovakia and Cuba seemed to him to be admirable, as this would enable the Health Committee to report to the next Assembly as to the steps which could be taken to give practical effect to the wishes expressed.

Referring to the question of the composition of the new Health Committee, he hoped that, when it was elected, due account would be taken of the principle of geographical representation and to regional resources.

M. Marcel PLAISANT (France) expressed his agreement with the resolutions proposed by the delegates of Czechoslovakia and Cuba and the remarks of the delegate for the Netherlands. He desired to pay tribute to the excellent work which was being done by the Singapore Bureau and mentioned the assistance which was being given, both by the Government of French Indo-China as well as by that of the Dutch East Indies, in transmitting, free of charge, from their wireless stations the epidemiological reports emanating from the Bureau. He deprecated, however, the suggestion that any part of the cost of the Bureau should be met from the budget of the Health Organisation as now estimated for 1927. Up to the present time, the Singapore Bureau had been provided for outside the budget of the League and, for this reason, it seemed to him to be logical that, in proportion as the cost fell upon the League, additional funds should be placed at the disposal of the Health Organisation to meet the expenditure involved. For this reason, and because of the importance of showing the interest of the League in Asiatic questions, he moved the following resolution :

“ The Second Committee,

“ Considering the importance of the work accomplished by the Bureau of Epidemiological Information at Singapore as being that of the first institution established by the League of Nations in the Far East, and considering, on the other hand, the value of its action not only for the countries of the Far East but also for other States Members of the League,

“ Recommends that a credit be inserted in the budget of the League for 1927 to meet the expenses of the Bureau. ”

Dr. CABALLERO (Paraguay) wished to give the strongest possible support to the proposal with regard to physical education and school hygiene. It was a subject which he himself had brought to the notice of the Assembly during its fifth ordinary session in 1924 and he was convinced that the Health Organisation would find in this domain an opportunity of developing its work with great advantage in a new direction.

The CHAIRMAN thought that the general discussion might now be closed and asked the Rapporteur to present at the next meeting a general resolution taking into consideration the various proposals which had been made that morning. He suggested that the French delegate should also join the small Sub-Committee to discuss with the Rapporteur the drafting of an agreed resolution upon the subject of the Singapore Bureau.

FOURTH MEETING.

Held at Geneva on Monday, September 13th, 1926, at 3.30 p.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

10. Work of the Health Organisation (continuation).

The CHAIRMAN submitted the following draft resolution with regard to the Singapore Bureau of Epidemiological Intelligence, which had been drawn up by the Sub-Committee appointed at the preceding meeting :

“ The Second Committee,

“ In view of the importance of the work of the Singapore Bureau of Epidemiological Intelligence as the first institution of the League of Nations in the Far East, and in view of the utility of its work not only for the Far Eastern countries but also for other States Members of the League.

“ Recommends that provision for the expenses of the Bureau should be made in the budget of the League. The provision necessary for 1927 is 25,000 francs. ”

Dr. DE VASCONCELLOS (Portugal), while in agreement with the proposal to insert a credit of 25,000 francs in the budget of the League, stated that he would feel bound to suggest to the Fourth Committee the desirability of providing this amount from economies in some other part of the budget of the Health Organisation.

At the request of the Chairman, Dr. RAJCHMAN (Medical Director) outlined the information which he had given to the Sub-Committee with regard to the budgetary position. The estimates approved for 1926 totalled approximately 988,000 francs. The budget for 1927, now before the Assembly, amounted to 991,000 francs. The entry of Germany not only entailed an additional contribution but also increased expenditure, which, in the case of the Health Organisation, amounted to 20,000 francs. Therefore, a fair comparison between the 1927 estimates and the budget for 1926 showed a reduction in normal expenditure. In view of this, the Sub-Committee had considered that, in proposing an additional credit of 25,000 francs for the Singapore Bureau, there would be no departure from the principle of stabilisation laid down last September.

Dr. LUTRARIO (Italy) described the establishment of the Singapore Bureau as a symbol of the League's interest in the Far East as well as a link in the chain of epidemic prevention. The inclusion of a credit for its upkeep in the budget of the League was, in his opinion, wholly justifiable.

As regarded the stabilisation of the credits granted to the Health Organisation, he would remind the Committee that the reference in the Fourth Committee to stabilisation had been made in a relative sense, and that this stabilisation was subject to two conditions. First, there must be a proportion between the budget of the Health Organisation and the total budget of the League of Nations, so that, in the event of an increase in the total budget of the League, there should be a proportional increase in the Health budget. Secondly, the stabilisation should have reference to the tasks already undertaken by the Health Organisation, and not to the new work which might be entrusted to it. The Committee was, in the present instance, considering a new departure, and, in accordance even with the resolution of the Fourth Committee, a supplementary credit was necessary.

Dr. DE VASCONCELLOS (Portugal) wished to reserve his right to put forward his arguments in the Fourth Committee.

The resolution was adopted and the general discussion was resumed.

In commenting upon the report, Dr. LUTRARIO (Italy) gave a general outline of the development of the considerable work of the Health Organisation, tracing the various items of the programme which had been developed and referring specially to the study of social and other infectious diseases, with the various methods of combating them. He referred also to the efforts made for the unification of statistics, the organisation of collective and individual study tours, the standardisation of sera and biological products, etc. The work of the Malaria Commission deserved special mention. It had enabled much valuable information to be obtained with regard to the incidence of the disease and the campaign for its suppression. Tours had been arranged to consider the problem in different countries and under varying conditions. A study was being made at that moment of the value, for health purposes, of the great works of reclamation and of problems in connection with the deltas of the great rivers. Investigations were being pursued on the secondary alkaloids of quinine. The influence of climatic and meteorological conditions on the existence and development of the disease was being examined and laboratory research—an extremely interesting field—was not being neglected.

Dr. Lutrario was in sympathy with the proposal of the Czechoslovak delegation to include physical education in the Health Committee's programme, but quoted from his experience to show that a distinction must be drawn between physical exercise, which was beneficial, and violent forms, which were productive of considerable harm to health.

Baron VON RHEINBABÉN (Germany) reminded the Committee that Germany's co-operation in the activities of the Health Organisation was not commencing with the entry of that country into the League but that, realising to the full the importance of international collaboration in so important a field, German experts had for some considerable time been placing their services at the disposal of the Health Committee, and German health officers had participated in the various study tours which had been organised. It was obvious, therefore, that Germany would now be all the more ready to place at the disposal of the League all its rich experience and knowledge in this domain.

The German delegate confirmed the information which had previously been given as to the existence in Germany of a powerful private organisation for the promotion of athletics and physical education. He was convinced that the German High School for Physical Culture would willingly co-operate with the Health Committee, should it be decided to undertake the investigation proposed by the delegate of Czechoslovakia.

Mme. LARSEN-JAHN (Norway) wished very warmly to support the proposal of M. Veverka with regard to physical education and, particularly, school hygiene. Medical inspection of

school-children was being systematically carried out with great success in Oslo. Useful information with regard to the development of physical education in Norway could be placed at the disposal of the Health Committee.

The Hon. Philippe Roy (Canada), himself a member of the medical profession for more than twenty years, desired to emphasise the particular interest which Canada, as an immigration country, had in the epidemiological service of the Singapore Bureau. This work he considered to be essentially international and, therefore, any expenditure in connection therewith was a fair charge upon the budget of the League. This argument, however, Mr. Roy did not consider could be applied to the proposal made by the Czechoslovak delegate, and for this reason he felt it his duty to protest against any expenditure being incurred by the League in carrying out such an enquiry. This must not be interpreted as denoting any lack of interest in the object of the resolution, since physical education merited particular attention on the part of the health administrations of all countries. The mission of the League of Nations was not to cure all the ills of humanity nor to pay from its budget the cost of all investigations and enquiries likely to lead to this end; rather was it for each Government to take the responsibility for making its own studies on such a subject, as had already been done, for example, by Czechoslovakia and by Canada.

M. NAGAI (Japan), in supporting the proposal of the Vice-Chairman, reminded the Committee that half a century ago school hygiene, gymnastics and sports generally were unknown in Japan. To-day, his country was able to appreciate the improvement in the general health of the people which could be traced to the good results of such exercises and the value of medical examination of children. Japan would very much appreciate an exchange of views with Western countries on this question and would like to place at the disposal of those who were investigating the matter material which was available in that country as a result of the work of its Research Board of Physical Training.

Dr. RAMOS (Cuba) was of opinion that the study of any health problem was an international question, whereas the application of the results of such study was a matter for each separate country to undertake. In support of his argument, he quoted from that part of the report of the Health Organisation dealing with the enquiries made by the Cancer Commission. Dr. Ramos desired, therefore, to give his support to the proposal of the Czechoslovak delegation.

M. FERNANDEZ Y MEDINA (Uruguay), on behalf of the Uruguayan delegation, called attention to the increasing importance of nutrition from the point of view of the production, the health and the improvement of the race. As an example of recent research in this direction, he quoted the expert investigations made in Japan, referring also to the work done by his own country in connection with cold storage as a means of preserving the purity of foodstuffs.

M. Medina proposed the following resolution :

- “ The Second Committee,
- “ Having taken note that the International Economic Conference's plan of enquiry is to include an examination of the problems of nutrition (document A.24.1926.II),
- “ Points out the interest which would attach to the supplementing of this enquiry by a study of the problem from the standpoint of race improvement. This study should take into account the work of the Health Organisation regarding infant mortality as well as the reports by the Japanese Institute of Research into Nutrition Problems comprised in the publications of the Health Committee. ”

Commander Hilton YOUNG (British Empire) interposed to ask whether he should, at that stage of the proceedings, propose an amendment in the wording of the resolutions which had been distributed.

The CHAIRMAN said that an opportunity would arise when the draft report of the Rapporteur to the Assembly was being discussed.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) declared himself to be in favour of the resolutions which had been proposed and thought that these need involve no additional expenditure. He referred to the resolutions proposed by him and passed by the Assembly the previous year, as a result of which certain proposals had been submitted to the Health Committee for examination on condition that they entailed no charge upon the budget of the League. He would like to see the results of these proposals.

He described the three resolutions of the Cuban, Czechoslovak and Uruguayan delegations as logically forming the various items of a complete programme of individual health control.

M. Marcel PLAISANT (France) reminded the Committee that whereas, at the commencement of its discussion on the work of the Health Organisation, it had been pointed out that the credits in the budget of that organisation might be insufficient to provide for existing institutions, yet proposals were now being made which must, he thought, inevitably involve

additional expenditure. While entirely in sympathy with the end which such resolutions had in view, he thought it desirable to insist that they should not commit the League financially.

M. Plaisant emphasised also the necessity for giving due consideration to special national points of view in studying those problems which could usefully be investigated from an international point of view.

M. FERNANDEZ Y MEDINA (Uruguay), Rapporteur, mentioned that, before presenting not only the resolution for which his delegation was responsible but also the other resolutions included in the general one now before the Committee, he had taken the precaution to obtain from the Bureau the assurance that these would not entail expenditure beyond that which had already been foreseen. No date had been fixed for the termination of the enquiries proposed and the Health Organisation could therefore undertake each study at such time as was most convenient and in such measure as was permitted by the budget. The Rapporteur agreed with M. Plaisant that national peculiarities and traditions should be respected, and he did not think that there could be any danger of this point being lost to view in any investigations which the Health Organisation might be called upon to undertake.

11. Work of the Health Organisation : Consideration of the Draft Report and Resolution to the Assembly.

The following draft resolution was read :

“ The Assembly,

“ Having taken note of the reports dealing with the work of the Health Organisation (documents A.6, A.6 (a), and A.17), records with satisfaction that this work is becoming increasingly universal,

“ Expresses its gratification at the work undertaken and the results obtained by the Health Committee and its organs as well as by the various experts entrusted with special missions, and wishes to express its sympathetic interest with the scientists of the International Commission on Sleeping-Sickness, who are conducting their sometimes dangerous enquiry in Equatorial Africa.

“ The Assembly notes with satisfaction the close collaboration established with the sanitary and medical authorities of Japan as a result of the interchange and the conferences held in that country ; and with the sanitary administration of other Far Eastern countries, through the intermediary of the Advisory Council of the Epidemiological Intelligence Bureau of the League at Singapore ;

“ And notes in particular the plan of research work and special enquiries into health problems of the Far East in which the administrations of British India, China, the Dutch Indies, French Indo-China, Japan, the Philippine Islands and Siam have promised their assistance ;

“ And requests the Council to refer the resolutions proposed by the Cuban¹, Czechoslovak² and Uruguayan³ delegations to the Health Committee for consideration.”

M. Marcel PLAISANT (France) suggested that the last sentence of paragraph 1 should read :

“ Notes with satisfaction the growth and increasing usefulness of that work, with its tendency to universality. ”

Adopted.

Commander Hilton YOUNG (British Empire) was of opinion that, in considering the possibility of entrusting to the Health Committee enquiries such as those now being discussed, without involving new expenditure, the Committee was taking too optimistic a view. The members of the present Committee were not themselves experts in such subjects. They should refer all such proposals to expert opinion as represented by the Health Committee and leave that opinion free to decide upon the desirability of the proposed enquiry. He felt it to be essential that the hands of that Committee should not be tied in advance. He ventured, therefore, to suggest that paragraph 5 of the resolution should read :

“ And requests the Council to refer the resolutions proposed by the Cuban, Czechoslovak and Uruguayan delegations to the Health Committee for consideration as to the practicability and desirability of taking action in these directions.”

¹ “ The Second Committee, in conformity with the resolutions of the fifth and sixth ordinary sessions of the Assembly on the subject of infant mortality and the protection of children, requests the Council to ask the Health Committee to consider to what extent it could, at a suitable time, enlarge its scheme of international enquiry to include other problems of eugenics.”

² “ The Second Committee, considering the importance of physical culture as a means for preventing disease, and in view of the interest which numerous countries take in that question, asks the Council to instruct the Health Committee to include in the programme of its work the international investigation of physical culture, including scholastic hygiene, and to decide what special problems may necessitate a comparative study and a co-ordination of national research work and national enquiries.”

³ “ The Second Committee, having taken note that the International Economic Conference's plan of enquiry is to include an examination of the problems of nutrition (document A.24.1926.11), points out the interest which would attach to the supplementing of this enquiry by a study of the problem from the standpoint of race improvement. This study should take into account the work of the Health Organisation regarding infant mortality as well as the report by the Japanese Institute of Research into Nutrition Problems comprised in the publications of the Health Committee.”

M. FERNANDEZ Y MEDINA (Uruguay), Rapporteur, appreciated the intention of the British delegate but thought the amendment would weaken the resolution. He would prefer to insert at the end of his report the reservation suggested by Commander Hilton Young.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) agreed with the Rapporteur and asked the British delegate not to insist on his amendment. This would only result in the Health Section having to reply affirmatively to the inevitable question whether or not each enquiry was practicable and useful.

Dr. RAJCHMAN (Medical Director) reminded the Committee that in the preceding year seven resolutions on health questions had been presented to it by seven different delegations and that in each case it had been decided to refer the proposal to the Health Committee, on condition that no additional expenditure was incurred. He recommended the same procedure this year.

M. FERNANDEZ Y MEDINA (Uruguay), Rapporteur, suggested the addition of the following paragraph at the end of the draft report :

“ The Second Committee, in adopting the various resolutions proposed, does so with the intention of leaving to the Health Committee freedom to study the possibility and advisability of giving effect to the same, it being understood that such investigations will entail no expenditure beyond what is provided for in normal budgetary credits. ”

Commander Hilton YOUNG (British Empire) explained that his intervention had been not so much from the point of view of financial commitments as from a desire to leave to the Health Committee the responsibility of deciding if each enquiry were advisable or not. He noticed that the Cuban and Uruguayan resolutions, as framed, left this decision to the Health Committee. Would the Czechoslovak delegate be prepared to accept a very slight amendment in the resolution which he had proposed, namely, the substitution of the words “ to consider the inclusion of ” in place of “ to include ” ?

M. VEVERKA (Czechoslovakia) was quite willing to accept this amendment.

M. FERNANDEZ Y MEDINA (Uruguay), Rapporteur, also agreed, but wished to emphasise the full liberty of action to which he was entitled as a delegate with regard to recommendations to the Assembly.

Dr. RAMOS (Cuba) pointed out that the Cuban resolution now made no reference to “ homiculture ”, although this had been mentioned in the original resolution presented by him.

M. Marcel PLAISANT (France) suggested the substitution of the term “ culture humaine ” instead of “ homiculture ”.

Dr. RAMOS (Cuba) thought that this would not convey the meaning desired.

M. VAN CAUWELAERT (Belgium) suggested “ culture physique humaine ”.

Dr. RAJCHMAN (Medical Director) was of opinion that the trend of the discussion on this point had indicated sufficiently clearly the intention of the resolution of Dr. Ramos. That being so, would not Dr. Ramos agree that the term “ eugenics ” adequately expressed the idea ?

Dr. RAMOS (Cuba) agreed.

In reply to a question from M. Nagai (Japan), the CHAIRMAN stated that the resolution with regard to the expenditure on the Singapore Bureau had already been adopted and would go to the Fourth Committee ; reference to that Bureau would appear in the Rapporteur's report to the Assembly.

The amendment to the Czechoslovak resolution proposed by the British delegate was adopted and the resolution was adopted as a whole.

The Committee then considered the draft report to the Assembly on the work of the Health Organisation (Annex 2).

This was adopted, with a slight textual alteration in the paragraph referring to the Singapore Bureau¹.

The CHAIRMAN desired, on behalf of the Committee, to express its thanks to the Rapporteur for the able way which he had performed his task. He would suggest that M. Fernandez y Medina should be asked to present to the Assembly the Committee's report and resolution with regard to the work of the Health Organisation.

Agreed.

¹ For the final text of the report, see Annex 15 to the Verbatim Record of the Seventh Ordinary Session of the Assembly. Official Journal, Special Supplement No. 44.

FIFTH MEETING.

Held at Geneva on Tuesday, September 14th, 1926, at 10.15 a.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

12. Representation of the Italian Delegation on the Committee.

The CHAIRMAN announced that Dr. Lutrario, Italian delegate on the Permanent Health Committee at Paris, had been specially appointed member of the Italian delegation to the seventh session of the Assembly to take part in the Second Committee's work.

This communication was noted.

13. Work of the Committee on Intellectual Co-operation.

M. MUNCH (Denmark), Rapporteur, said he would confine himself to drawing attention briefly to the essential parts of his report (Annex 3).

An examination of the documents distributed to the Committee showed that the Committee on Intellectual Co-operation had not only continued the work begun before the sixth session of the Assembly but had undertaken new work of very great importance.

The Paris Institute, which had been formed owing to the generosity of the French Government, had only been working for a few months, but it was already clear that this Institute was going to contribute materially to giving a solid foundation and an added precision to the work of intellectual co-operation and that its Director and his colleagues had succeeded in conferring upon it an impartial and international character.

The Polish and Czechoslovak Governments had promised regular contributions to the Institute amounting to 100,000 French francs and 15,000 gold francs respectively. It was to be hoped that this example would be followed by other Governments or by institutions possessing the necessary funds ; in this way, the scope of the Institute's activities would be enlarged and its international character emphasised.

Another important feature was the beginning of an organisation for teaching youth the aims of the League of Nations and the value and need of increasing intellectual co-operation. A Sub-Committee of experts had been set up for this purpose and had already formulated two series of recommendations and suggestions.

Another new feature was the organised work undertaken in the sphere of arts and letters, and a Sub-Committee to deal with these subjects had been set up last January.

He also desired to draw attention to the activities of the National Committees on Intellectual Co-operation and to the creation of new Committees, notably in the United States and Japan.

The Committee on Intellectual Co-operation attached great importance to the two meetings which had been held under its auspices, that of the Directors of the National University Information Offices and that of the representatives of the International Students' Associations.

The accounts of the work hitherto accomplished showed by their wide scope that it had been possible to define both the aims and the methods of the Committee's activity.

M. LUCHAIRE, Director of the International Institute, said that, logically speaking, an account of the work done at Paris since the beginning of the year by the Institute ought to be an account of the entire work of intellectual co-operation, since, to his great satisfaction, he had found during the last few months that he and his colleagues had been in the closest touch with the great work begun a few years ago by the International Committee on Intellectual Co-operation.

He would therefore confine himself to giving a few explanations with a view to supplementing certain points in the reports. He was glad to think that while, the previous year, he came before the Second Committee in the rather embarrassing position of one asking for a loan—a loan of confidence—to-day he was able to speak of actual results.

Although he did not wish to exaggerate the capabilities of an institution whose means of action were still somewhat limited, it was a matter for great satisfaction that an office had been created which, though still on a modest scale, was permanent. Its task was to prepare for the work of the Committee itself and to study the different problems, or perhaps simply to help to define their true implications, and it could take no action having any practical consequences without the authorisation of the Committee on Intellectual Co-operation.

Even if one only considered the practical possibilities of helping intellectual workers by facilitating their investigations and the diffusion of their discoveries, one was struck by the immensity of the work to be accomplished. The Institute had succeeded in limiting its activities from the outset by following the instructions given by the Committee. If offers of co-operation and support continued to flow in, the Institute would certainly be able to do extremely useful work in a few years' time.

At present, the edifice was on a modest scale, but its proportions were harmonious, and the Director had found devoted and conscientious collaborators in the various countries.

Furthermore, it had been necessary to convince intellectuals in different countries of the utility of the work undertaken and, in particular, to explain that there was no question of regulating intellectual labour, which by definition was free and spontaneous, but of improving the conditions in which it took place by promoting a better understanding between Governments, institutions and individuals. As was to be expected, the Institute had encountered certain prejudices with regard to the very nature of its work; even in France the apprehension had been expressed that an international institution of this kind would hamper, to a certain degree, the free development of thought and of intellectual propaganda in that country. The speaker thought he could say that these prejudices had now practically disappeared.

Over thirty Governments had decided to appoint delegates to the Institute; this had made it possible to establish the most cordial semi-official relations with these Governments. Similarly, relations with the National Committees were becoming more and more close, and it was probable that soon every country would have a National Committee.

The organisation constituted a structural and logical whole. On the speaker's proposal, the Governing Body had recently promoted M. Zimmern to the rank of Assistant Director. He recalled the fact that, from the outset, an official of German nationality had been appointed to hold one of the most important posts, and the Institute had not awaited Germany's admission to the League to invite that country to participate in its work. In addition, an intellectual and financial agreement was on the point of being concluded with the Deutsche Hochschule für Politik.

With regard to the Institute's financial position, he wished to speak with absolute frankness. Thanks to the initial donation of the French Government, the Institute was in existence and its overhead expenses were covered. But when, for example, the International Committee discussed and accepted the principle of a further enquiry with regard to bibliography or scientific nomenclature, it was usually necessary to have recourse to specialists in undertaking a thorough investigation; moreover, the Institute had to hold meetings of experts belonging to a great number of nationalities. Again, it often happened that measures were delayed, which involved the despatch of representatives to certain capitals. The budget, however, was unable to cope with meetings of experts and journeys of enquiry, or with the organisation of an information service to collect statistics of intellectual activity in the different countries. In conclusion, he asked the Committee to note the results achieved and to vote a renewal of funds.

Khan Bahadur Shaikh ABDUL QADIR (India) said that his country attached great importance to the idea of intellectual co-operation as a factor in the development of a true international spirit. Among the illustrious members of the Committee on Intellectual Co-operation he noticed with legitimate pride the name of his distinguished countryman, Sir Jagadis Bose. He also recalled the fact that Sir Atul Chatterjee, the High Commissioner for India in London, had attended the opening ceremony of the Institute in January 1926.

A practical method of co-operation which had been suggested was the loan of books and manuscripts between the libraries of the world. There could be no doubt as to the advantages of such a system, but it must not be forgotten that it had its risks. Some manuscripts were unique and it would, therefore, not perhaps be wise to advocate the adoption of a general system of exchange, but the speaker added that, with the assurance of due precautions against loss or damage, the Government of India would always be willing to render help in this direction by supplying originals or copies after considering the merits of each individual case.

The creation of international vacation courses, inter-university assistance and the education of the young with regard to the importance of international co-operation and the spirit of the League were also objects which would command general sympathy and which India would heartily help to promote. Various pamphlets on the work of the League had been published in India for the use of students. If the League could produce suitable literature for distribution to schools, the Government of India would be prepared to make full use of such propaganda. Personally, the speaker would do all he could to encourage the production of such literature in his country.

As the home of one of the most ancient civilisations of the world, India had a profound faith in intellectual culture and believed that the solution of the great problems of humanity lay in the recognition by the nations of the value of the contributions made by each of them to the progress of mankind and in a better appreciation of the merits of one another.

M. PISCARIC (Roumania) said that his country took a great interest in the work of intellectual co-operation. If France's act of generosity and the example of Poland and Czechoslovakia were imitated, the results of the work accomplished at the Palais Royal in Paris would be most brilliant. This institution, uniting thinkers and writers in cordial collaboration, was destined to become a veritable home of international education.

He was certain that the close co-operation of the different sections of the International Committee would lead to a rapid solution of the present financial problem.

He had already expressed the opinion that the Committee on Intellectual Co-operation would not yield its full results until, in addition to the most competent representatives of science, it associated writers and artists who appealed not only to the intellects but to the hearts of the people. One of the schemes of the Sub-Committee on Arts and Letters which appeared to him most desirable was the proposal to hold a congress on popular arts next year. The

capital of Roumania had been suggested as one of the four cities which might be chosen as the place of meeting ; Roumania would be proud and happy if the choice fell upon Bucharest.

M. FRANÇOIS (Netherlands) said that the attitude of public opinion in his country had been happily modified, as was proved by the recent establishment of a National Committee on Intellectual Co-operation.

Considerable progress had also been realised, both in the Kingdom of Holland and in her overseas possessions, as regards the instruction of youth in the aims and organisation of the League.

The Academy of International Law at The Hague had obtained extremely satisfactory results from study tours and international scholarships.

The report had the full support of the Netherlands delegation, which expressed its best wishes for the development of intellectual co-operation. The appeal made by M. Luchaire would receive in the Netherlands all the attention it deserved.

M. NIEDZIALKOWSKI (Poland) stated that the subsidy given by the Polish Government had a moral rather than a material significance, but he hoped that the amount would shortly be increased. Public opinion followed the development of the work with the greatest interest, and his delegation would vote in favour of the credits and the resolutions, which would increase the influence of the Committee on Intellectual Co-operation.

M. VAN CAUWELAERT (Belgium) considered that the results obtained in a few months, thanks to the energy of the Director, were remarkable and encouraging. The Institute of Intellectual Co-operation was one of the most important organs of the League of Nations ; the constructive work of the international community must be begun in the intellectual and moral spheres.

These results were all the more remarkable, as they had been obtained with extremely slender means. This was not a matter for complaint. It was frequently better for institutions, as for individuals, to be born in comparative poverty and to learn to be satisfied with limited resources. Such paucity of means was a guarantee, especially at the beginning, that the Institute would know how to discriminate between the immediate essential aims and the subsidiary objects. The Institute must guard against the danger of attempting to extend the scope of its activities too rapidly by forming a kind of academy, and assuming the cost, even indirectly, of all the publications which the Sub-Committee on Arts and Letters had in view. It must confine itself to its own special work, which was to protect universal intellectual interests. Its first task concerned authors' rights and more especially the rights of scientific property ; the second essential task was to stimulate the education of youth in the aims of the League ; and, finally, too much encouragement could not be given towards helping the exchange of students, the development of university work and the institution of international scholarships in accordance with Mme. Curie's recommendation. These were the important objects for the promotion of which one must rely upon the generosity of the great philanthropists who had already repeatedly helped in the foundation and development of such work.

Baron VON RHEINBABEN (Germany) thanked M. Luchaire for his friendly references to Germany. Even before becoming a Member of the League, Germany had contributed towards establishing a sincere co-operation amongst the nations ; the great Professor Einstein had taken part in the work of the Committee on Intellectual Co-operation ; a distinguished German professor was at present working at the Institute and German specialists had taken part in the work of several Sub-Committees. Unfortunately, German intellectual life was difficult to weld into a central organisation, the scientific institutions being administered by the various States, while a large number of intellectual workers had not yet been able to come to any decision with regard to the creation of a National Committee. Yet useful international relations had been created outside the League of Nations, and for this reason the constitution of a National Committee had been delayed until now. The Government had the intention of appointing such a Committee at the earliest possible moment and the German delegation would be glad to receive any suggestions likely to establish friendly ties between the organs of the League of Nations and the German institutions.

The Hon. Philippe Roy (Canada) congratulated M. Luchaire on the admirable work he had already done. Intellectual co-operation and economic co-operation were the two main pillars of the League of Nations. The exchanges of students and professors were most important. Canada gave every year about a hundred scholarships for three years for students to travel in Europe. Moreover, in a month's time it would be the first foreign country to open a Home for its students in the university quarter of Paris. National Committees might be very helpful in this respect.

Mme. LARSEN-JAHN (Norway) emphasised the importance of the instruction to be given to youth in the aims and ideals of the League of Nations. The special Sub-Committee of Experts on the instruction of youth had recommended the calling of a national conference of

teachers, who would work in collaboration with the National Committee on Intellectual Co-operation. She would use all her influence to have this plan carried out in her own country.

It was essential that the Sub-Committee of Experts should be placed on a permanent footing and that it should be constituted so that different national views should be represented. From that point of view, its present composition was not very satisfactory. The importance of instructing not only boys but girls in the aims of the League had been recognised. It was therefore illogical that there should only be one woman amongst the twelve delegates, and she proposed that the Committee should call upon a larger number of women.

Dame Edith LYTTLETON (British Empire) supported this suggestion and expressed the hope that women would in future be more adequately represented on the Sub-Committee.

M. Leo Di PAULI (Austria) expressed the hope that the Institute would not only continue to receive offers of help but also the funds necessary for its development. It had been his intention to submit a motion for the provision of scholarships which would allow students to stay at Geneva during the Assemblies in order to follow the work of the League. As the adoption of such a resolution would involve expenses in excess of the limited budget, he made the proposal in the form of a suggestion. No opportunity must be neglected for carrying out an intense propaganda in the universities, where the future of the League of Nations was now being prepared.

Colonel BOLLI (Switzerland) associated himself with the congratulations and thanks addressed to the Director of the Institute. The Swiss delegation recognised the great advantages of holding the Congress of Popular Art in the capital of Roumania. He pointed out, however, that the Federal authorities intended to organise an exhibition of popular Swiss art and might usefully collaborate in the great task of intellectual co-operation if the Congress met at Berne during that exhibition.

The discussion was adjourned until the next meeting.

SIXTH MEETING.

Held at Geneva on Thursday, September 16th, 1926, at 3 p.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

14. Work of the Committee on Intellectual Co-operation (continuation).

Baron ADELWARD (Sweden) expressed his country's sympathy with the work. Sweden had recently set up a National Committee, which was endeavouring to find authors who could write textbooks to instruct pupils and teachers concerning the aims and ideals of the League. Mme. Selma Lagerlöf was engaged in writing a book with this object.

Miss BAGE (Australia) hoped that in a few years there would be a large number of international fellowships for students. The Australian Federation of University Women had already achieved considerable success in this direction : and the great shipping companies allowed three members of the University a free voyage every year. Unhappily, the total number of fellowships was so far only fifteen for twenty thousand students. There was very important work to be done in that direction, for exchanges of that kind constituted one of the best means of promoting mutual understanding between peoples.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) said that his Government was keenly interested in all the work done in the field of intellectual co-operation, and particularly in the work done in regard to the questions of the exchanges of students and fellowships. In this connection, he would point out that his Government, although it had five universities in the country, had a large number of students living abroad.

He especially thanked the French and British Governments, which after the war had kindly received, at their own expense, a number of Serbian students. He reminded the meeting that, on September 28th, 1922, the Assembly had, on his proposal, passed a resolution designed to stimulate co-operation on the basis of international solidarity, in order to procure books, scientific documents, models or diagrams for the universities and schools of the countries devastated by the war; he hoped that, through the personal influence of individual delegates and the action of the Secretariat of the League, that resolution might at length begin to be carried into effect.

He also emphasised the importance of international interchanges of professors and students for great nations as well as small.

M. SUVICH (Italy) fully appreciated the importance of intellectual co-operation. Every initiative in the sphere of intellectual culture must flow from the nation itself, and national initiative must not have its impetus or development hampered by the international movement. This was not, of course, an immediate danger, but it was essential, from the outset, not to be carried away too much by any kind of idealism, however praiseworthy.

One of the most important questions was that of the exchange of students between different countries. Italy had arranged special courses for foreign students, with exemption from taxes and with travelling facilities.

He particularly congratulated and thanked the Director of the Paris Institute for the steps which the Governing Body had taken in the light of the experience gained from the first year's work, and hoped that these efforts would be continued on practical lines.

M. PORTELA (Cuba) stated that a National Committee had been formed in his country, which would co-operate actively and regularly with the Paris Institute.

One of the main objects was to secure co-operation among libraries, with a view to providing an information service for the public. Co-operation by all the existing libraries in the common work would undoubtedly have valuable results; the maintenance of close relations with the central Institute might contribute to the organisation of an international library, which would disseminate its acquisitions and would render most valuable services to research workers.

The International Law Association of Cuba was making special efforts to establish close intellectual and scientific contact with the League in connection with legal and social questions.

Another most important point was the translation of scientific and literary works; some check might be kept on this by specially qualified persons, without the Institute being called upon to defray the cost of a publication.

Finally, he informed the Committee that a fellow-countryman of his, M. Odero, had formed a unique collection of iconographical documents; he hoped that the Institute would be able to give this work its moral support, and to accept M. Odero's proposal to place it at the disposal of the Institute.

Dame Edith LYTTTELTON (British Empire) felt that everybody owed a debt of gratitude to France for the generous help it had given the Committee on Intellectual Co-operation. She emphasised the exceptional value of the co-operation of so eminent a scientist as Sir Jagadis Bose, who had studied the nervous system and circulation of plants, and made many discoveries. He might be specially fitted to deal with the delicate vibrations of the human mind!

She then referred to the supreme importance of the instruction of children. The appointment of a Sub-Committee of Experts in this connection had resulted from the adoption of a resolution which she had moved in the 1923 Assembly. Her Government was displaying active sympathy with the movement for establishing students' fellowships, and Cecil Rhodes, as she believed, had been the first to establish them on international lines on a large scale. The next edition of a book for the use of teachers in England would contain a special section dealing with the aims of the League of Nations, and the British Government was ready to convene a Conference of Local Education Authorities with this object.

In the name of the British delegation, she moved the following draft resolution:

“ The Assembly, having carefully considered in its Second Committee the report of the Sub-Committee of Experts on the instruction of children and youth in the aims and objects of the League of Nations, urges the Governments of the States Members of the League to give this report their sympathetic consideration, and to take the measures necessary to give effect to all or any of its recommendations which may be found suitable for adoption in their respective countries. ”

M. Marcel PLAISANT (France) was glad to note that the Institute had now entered upon a stage in which some estimate could be formed of the results achieved.

Of the various questions which had been considered, he proposed to deal only with that of scientific property; he reminded the Committee that he had asked for additional enquiries to be made in scientific and industrial circles in Germany and America.

He was glad to observe that the representatives of more than sixteen countries had expressed the opinion that the Institute had always scrupulously adhered to its international character. These declarations entirely put an end to certain apprehensions which had arisen at the time of the foundation of the Institute. The Institute was international in aims, staff and direction. Unhappily, its international character did not yet appear in its budget. He thanked the Polish and Czechoslovak Governments, as also the German Government, which had promised a considerable grant through the Hochschule für Politik, and he hoped that other Governments would follow their example.

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

15. Work of the Preparatory Committee for the International Economic Conference.

M. LOUCHEUR (France), Rapporteur, recalled the terms of the resolution passed by the Assembly in 1925 :

“ The Assembly,

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

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

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

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

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

Following this resolution, the Council had decided to appoint a Preparatory Committee, and had itself agreed upon a list of experts who were to serve on that Committee.

The first meeting of this Preparatory Committee had been held at Geneva in the previous April. The Chair was to have been taken by M. Gustave Ador, but, as his state of health had prevented him from occupying that position, the work of the Preparatory Committee had been directed by M. Theunis.

A report had been presented on the work of the first session of the Preparatory Committee, and the Council, at its meeting on June 8th, 1926, had discussed that report. In the course of the discussion in the Council, he (M. Loucheur) had had occasion to answer certain questions put by M. Theunis, and the French, British, Italian and Czechoslovak representatives had spoken in succession.

He suggested that M. Theunis, as Chairman of the Preparatory Committee, should be asked to make a statement as to the work done during the first session, in order that the Second Committee might satisfy itself that that work came properly within the scope of the resolution adopted at the sixth session of the Assembly.

M. THEUNIS, Chairman of the Preparatory Committee, began by reminding the meeting that the Preparatory Committee had been deprived of the able and experienced services of M. Gustave Ador as Chairman because M. Ador's health had prevented him from taking part in the work, though he had particularly high qualifications for it.

The Committee consisted of some forty persons, of twenty-two or twenty-three different nationalities, many of whom were scarcely acquainted with one another and had never had occasion to discuss the subject.

With the agreement of some of his colleagues, he (M. Theunis) had thought it desirable to begin with a general discussion. At least half the members of the Preparatory Committee had given their views concerning the nature of the work the Committee had to do and concerning the difficulties which stood in the way of any improvement of the economic situation.

The Committee had thus, in some sort, surveyed the whole economic life of the various nations, and, as so often happened, it had been found necessary to proceed from the general to the particular. The Committee had then split up into a number of Sub-Committees, on whose composition agreement had been reached in spite of the difficulties arising out of the necessity of paying due regard, in making an equitable distribution of the members of the Committee among the Sub-Committees, to the differences of nationality and of qualifications which had guided the Council in its selection.

The general discussion had fallen into three groups of questions :

1. Agriculture, Finance, Population.
2. Industrial production.
3. Trade and Markets.

In the Sub-Committees also, each of the members had drawn particular attention to the unsatisfactory character of the situation either in certain countries or in certain lines of business, and each had indicated what questions should, in his opinion, be considered.

That initial stage of the work might seem of little value, but it was nevertheless necessary because, in questions of such vast scope, it was essential to begin by clearing the ground and allowing every view to be freely expressed, since they could be sorted out afterwards. A long list—too long—of all the desirable changes in the world had thus been drawn up.

The task of the Preparatory Committee was to prepare—in the widest sense of the term—for the future International Conference, or, in other words, to draw up its programme of work and decide upon its composition and its date of meeting.

The difficult task of drawing up a programme necessarily consisted, in the main, in finding in this immense list of questions (all of which were important) practical bases for the work of

the Conference, which was to be held under the auspices of the League and was intended to suggest remedies for international troubles wherever the possibility of improvement and the expediency of League intervention were admitted.

Accordingly, the Preparatory Committee was bound to discard all the subsidiary points in the programme in order that the Economic Conference should not be drawn into useless discussions but should be guided towards work of definite import and practical conclusions.

As regards the selection of questions, attention was paid to the necessity of collecting certain information. It was realised, however, that it was not desirable to carry out a general enquiry demanding several years' work, the results of which, in the present troubled and changing times, might be completely out of date when they were ready. What was necessary was to collect the available information in a form suited to the objects in view. The Secretariat of the League of Nations and the International Labour Office had been instructed to collect this information without, for the moment, making any discrimination.

The composition of the Economic Conference and the date of its meeting depended in the main on the establishment of the programme. To what extent would the future Conference be able to make recommendations, pass resolutions, lay down certain principles and recommend the appointment of Sub-Committees to deal with precise and definite questions? No formal instructions had been given to the Preparatory Committee on this matter.

The point which had particularly struck him was the influence which a suitable preparation of public opinion must have on the work both of the Preparatory Committee and of the International Economic Conference. This was a matter of the utmost importance; public interest must be aroused; the public must appreciate the utility of the Conference and must feel that it will have definite results in an amelioration of the present situation and will not merely lead to the passing of unanimous but vague resolutions—because in the latter case the Conference would have failed in its object.

The public must be made to feel that the ills from which the world had been suffering for years past could be diagnosed. Two things were, however, necessary—physicians and a willingness on the part of the patient himself to comply with their instructions.

According to his experience, although many persons agreed as to the desirability of the proposed Conference, others were still sceptical, distrustful and even suspicious. For that reason, it was necessary that each person should, in his own country and circle, engage in propagandist work and seek to explain the object in view. This object was no imaginary one; it was so important that everyone should play his part in the effort to achieve it. Only in this way would it be possible to bring about an improvement in the situation.

The work of the Preparatory Committee was no more than a first attempt; it could not be said that it constituted a definite programme or even a draft programme. What was particularly wanted was a list of all possible subjects of information, for even if, after examination, the Preparatory Committee reduced the number of subjects to be discussed by the Economic Conference, and the Special Committee of the Council approved such reduction, it would not necessarily follow that all the points examined or touched upon were irrelevant and ought to be entirely disregarded, since, if there were a subject of investigation in respect of which it might be said that everything was interdependent, it was certainly world economics.

* All the questions enumerated by the Preparatory Committee were interdependent. That did not mean that the Conference ought to examine them all. On the contrary, it was essential to choose among them a certain number of subjects for discussion. That other secondary or accessory subjects would crop up was clearly unavoidable and must be expected, but it might be useful to discuss these secondary questions, which were not without their influence on the general situation.

This would constitute the great difficulty of the second session of the Committee to be held on November 15th, and he desired to repeat that the list of subjects was not in any sense a preliminary draft of the agenda of the Conference, or a list of the questions with which the Preparatory Committee considered that the League of Nations was competent to deal. The object of the list was merely to classify the information which would be required.

The Preparatory Committee must endeavour, in order that the necessary discrimination and classification of the agenda should be logical, to present a complete exposition of the economic situation as it stood in the different parts of the world, and, in particular, to mention a concrete point, of the situation in certain main industries.

Some of the questions which might be included in the agenda were suitable for international discussion, while others were not. In this connection he would refer to the question of the study of the rôle of the middleman and of the differences between wholesale and retail prices. This was a question which was national in character; it was governed by the economic structure of the nation concerned, and was in no way suitable for international intervention, or, consequently, for action by the League. It had, however, been considered useful in certain quarters to collect information on this subject because, in examining the state of an industry, for example, it might be desirable to obtain a knowledge of national factors in order to appreciate their importance in relation to other international factors, and in that way avoid arriving at false conclusions.

A question could not be judged exclusively according to what took place in a particular country; the situation in other countries must be considered and it must be known whether certain factors were not to be explained by specifically national reasons. This did not mean

that there could be no intervention of any sort in national economic organisation, but merely that these various contingencies must be taken into account.

Several of the most eminent members of the Preparatory Committee had emphasised the importance of preparing the ground for an International Conference in the most careful manner, believing that the loss of time which might be caused thereby was only apparent and that the work of research and selection could not, without inconvenience, be carried out at the Conference itself.

The work of preparation was complex, difficult and thankless. It was not enough merely to collect information of a statistical and general order. The work of the Preparatory Committee at its next session would mainly consist in an enquiry as to the importance and character of the information in question, with a view to discovering as far as possible its significance and the conclusions to be drawn from it.

It would be necessary to examine the opinions expressed by various experts, which had been transmitted through the intermediary of the members of the Committee and of the various organisations consulted in the matter.

The second session of the Preparatory Committee would begin on November 15th next. It had not been possible to hold this session earlier, as the first had only been held in April 1926. In view of the complexity of the problem and of the mass of information to be collected, it would scarcely have been possible to hold a second session before the Assembly, as it would have had to be held in the middle of the holiday period, and there would not have been sufficient time to collect information.

The most difficult question to solve in the course of the next session of the Preparatory Committee would be that of the agenda to be recommended to the Council. Difficulties were inevitable, for however objectively the members of the Committee might approach the subject, they were nevertheless men who belonged to certain circles and who, in consequence, were inclined to consider the points at issue from a special standpoint and to be impressed by the difficulties which affected more particularly the country of which they were nationals.

It followed that everyone was disposed to regard some particular question as more important than the rest, and that everyone might hold his own views as to the possibility of the League of Nations taking any action in the matter at all. Each of them would have to sacrifice to some extent his personal opinions and to apply that spirit of conciliation which prevailed in the deliberations of the League.

Discrimination could, of course, be applied in different ways. Questions might be classified according to their international character or according to their stage of development, or, again, according to whether they were purely economic and not political. That, however, was not enough; the discrimination must also take into account another consideration, namely, what the exact character of the coming International Economic Conference was to be. Was the Conference to be composed of official representatives of the different countries or of experts from each country appointed on the recommendation or with the consent of the Governments?

It was obvious that, if the members of the Conference were official delegates of their Governments, they would necessarily be more strictly bound by considerations of national interest and political expediency. They would not have the right to conclude conventions even *ad referendum*. If the members of the Conference were merely experts recommended, approved or selected by their Governments, the agenda of the Conference could be wider and more elastic.

Furthermore, if it were desired that the Conference should enable world opinion to find expression on the question whether it was desirable to study a particular subject, it might be found necessary, after the general Conference, to summon conferences of experts, as the League of Nations had done with success on previous occasions.

He would remind the Committee, in this connection, of a statement by M. Hymans in a report which was approved by the Council on December 14th, 1925. He regarded the passage in question as constituting a very good guide. The substance of M. Hymans' remarks was that the Conference itself should not be strictly governmental in character. It would not be an assembly of responsible delegates invested with full powers for the purpose of concluding conventions; it would rather, in the opinion of M. Hymans, constitute a general consultation, in the course of which, as was the case at the Brussels Financial Conference, a programme and doctrines could be freely put forward without reference to the immediate transformation of the conclusions into international engagements.

The discussion must be free, so long as it remained in close relation to the questions which formed the subject of the Conference, viz., the present general economic situation of the world, and the possibility of improving it, and so establishing universal peace.

It was not, therefore, proposed to conclude definite conventions, as to do so would be out of keeping with the semi-official character of the members of the Conference and with the diversity of the subjects to be examined. If the discussions rendered it possible to contemplate the conclusion of conventions, these would be elaborated at subsequent Conferences of a more specialised character.

The agenda of the main Conference would be much shorter and simpler than the somewhat formidable list of subjects referred to at the first session. Certain headings would have to be chosen in order to prevent undue vagueness.

There were two questions which clearly dominated all the others: commercial policy—the tariff policy of the different countries—and industrial organisation in its international aspects.

The first of these questions was solely within the competence of the Governments. It therefore came within the sphere of the international organisation of the League, which, to

mention one subject, had already successfully organised a Conference on the Simplification of Customs Formalities, and was proposing a new one on the question of the suppression of import and export prohibitions and restrictions.

The consideration of the last-mentioned question constituted to some extent the counterpart, from the economic point of view, of the work which the League of Nations was engaged upon at the present time in respect of military disarmament, for it was really a question of economic disarmament.

Industrial organisation implied contact with private organisations, with the business world and with workers' organisations. The manner in which the League could associate itself with this work and the procedure to be followed in order to encourage certain industrial investigations were very difficult and delicate matters. Many interests were involved. Some of them at first sight appeared to be opposed to each other, though he was not prepared to admit this, for, both from the economic and general points of view, it was often wrongly supposed that interests were opposed to each other, and such opposition as there was was often exaggerated. Apart from and indeed above the opposition of individual interests there was always a general interest, which should bring together those concerned and be decisive. The question was, nevertheless, one requiring careful handling.

As regards the date of the proposed International Economic Conference, it was somewhat premature to speak of it. It depended upon the progress of the preparatory work which was to be resumed on November 15th at a session which might last one or two weeks. It must be subject to the resolutions which might be passed and the opinions, agreements or disagreements which might be arrived at. Account must be taken, in fixing it, not only of the progress of the preparatory work but of the atmosphere prevailing at the time.

To succeed, a Conference of this magnitude must be convened at a favourable moment. He had drawn attention to this last April, when it had been contemplated that it might be convened at the end of the year. It had to be admitted that, when the proposal to hold an International Economic Conference was made at the Assembly, Europe was passing through a relatively favourable period as regarded financial and monetary conditions. Certain questions had been settled in many countries; elsewhere, there were hopes of attaining a speedy settlement of the great financial questions, particularly the question of stabilisation.

Unfortunately, in the first months of that year a retrogressive tendency had been noticeable in this respect in certain countries.

He was of opinion that certain economic measures of an international nature, which might be recommended in a period of stabilisation and financial and monetary calm, would never be carried into practice if they were submitted to the world at a time when exchanges, for instance, were seriously disorganised.

Independently of the stage of the preparatory work, a favourable period for convening a Conference should be selected in order to avoid disappointment. The choice would have to be made by the Council of the League on its own responsibility.

The diversity of the nationalities, powers and personal responsibilities of the members of the Preparatory Committee was a very fortunate thing. He felt that this diversity constituted a guarantee of practical objectivity in the resolutions which the Committee might arrive at by almost unanimous consent. Indeed, the Committee included persons who represented various countries and various classes, officials accustomed to discuss treaties of commerce, pure economists, industrialists who were in the habit of regarding questions from a strictly practical point of view, and former statesmen.

The Committee had a somewhat ungrateful task before it. It would be difficult to eliminate certain questions without causing some discontent: There had already been more than a hint at one meeting of the Council of the possibility of a minority appealing against the decision of the majority.

Endeavour must be made at all costs to avoid losing the way in the terrible maze of economics.

As regards the question of finance, he thought that it formed part of the economic problem. In this connection, there were the recommendations of the Brussels Conference, which had been accepted and which might render it unnecessary to revert to this subject, particularly as the recommendations embodied rules of a general nature to be applied to individual countries. Theoretically at any rate, every country could in the matter of pure finance effect its own salvation, whereas in economic questions such a solution was not possible. Salvation lay in co-operation and a realisation of the community of nations. That was what rendered the economic question more complex than the financial question.

M. LOUCHEUR (France), Rapporteur, said he would not like to allow M. Theunis' statement to pass without thanking him very sincerely for the very interesting explanations he had given.

He would reserve the right to reply to this statement when the opinion of the delegates had been heard. He would, however, like to make one reservation in order to make sure that the Committee should not stray from the point.

M. Theunis had mentioned three principal items which the Preparatory Committee was examining: (1) the programme of the Conference; (2) its composition; (3) the date of its meeting.

Touching the composition of the Conference, he felt bound to make certain reservations with regard to the statement of the Chairman of the Preparatory Committee. He wondered whether a Conference composed on the lines suggested by M. Theunis might not be in some danger of becoming a sort of academy of economics. He would explain his views on this point later.

Baron VON RHEINBABEN (Germany) pointed out that the discussion with regard to the International Economic Conference had arisen in the League of Nations at a time when Germany was not yet a Member of the League, and consequently it had been unable to take part in the decisions. Three German members, however, had co-operated in the preparatory work for the Conference, namely, M. Trendelenburg, M. Lammers and M. Eggert. He was glad to avail himself of this opportunity to state that he fully agreed with the general lines which had been followed up to the present and with the views and suggestions put forward by M. Theunis.

The work accomplished by the Preparatory Committee showed that it was fully aware of the importance of its decisions. Its task was difficult but of fundamental importance, for the success and future activity of the whole Economic Conference depended on the manner in which the preliminary work was carried out. The first duty which the Committee had undertaken was to define the questions to be dealt with and collect the data necessary for the examination of these questions.

Astonishment might be felt at first at the comprehensiveness of these data. But if the matter were examined further, it would be seen that the extent of the investigations was due to the very nature of the problem and was explained by the interdependence of the various economic questions. In addition, the Committee was hardly in a position to set any further limits to the subject, for that would have been incompatible with the practical idea which formed the basis of the whole Conference.

He was happy to note that the Committee had not limited its task to defining the work to be done, but had already devoted considerable attention to grouping the data required for the Economic Conference. He wished to bear testimony to the fact that the International Labour Office had rendered most valuable assistance.

The Committee had rightly regarded as indispensable data the reports and statistics of the various countries and large economic groups. The Committee was also on the right path when it decided to discuss these documents with the economic experts of the various countries and representatives of the various branches of production, with a view to verifying their accuracy. It was fortunate that this procedure had been adopted, for it made it possible from the outset to establish intimate contact between economic experts in the various countries and the branches of production.

It could not be foreseen at present whether, in its future work, the Preparatory Committee would have to examine certain problems more closely and set aside others. There were some points with which most of the problems were more or less connected in some way or another. The particular importance of certain questions showed, however, how dangerous it was to form any preliminary opinion in these matters. It would be dangerous to attempt to decide what should be the subjects to be dealt with by the Economic Conference. From what had already been seen, he thought the Committee might have every confidence in the tact of the Preparatory Committee and might be sure that it would choose the proper path. The procedure to be followed in cases in which the Preparatory Committee was not unanimous, or in which there might be a majority and a minority, was not a question which the Committee need consider at present.

In the course of the Preparatory Committee's work, certain of its members had already reached an agreement on numerous points—in particular, with regard to the fact that the extent of world industrialisation was one of the essential causes of the present crisis and that, to meet the situation, increased consumption through the rationalisation of production and the adaptation of prices to the purchasing power of the masses were desirable; while it was also admitted that private agreements between similar industries in different countries might be of great help until such time as the power of consumption should become equal to the power of production. Moreover, it had also been agreed that industrial nationalism and exaggerated industrial protectionist policies must be overcome if a division of labour were to be obtained amongst the nations in conformity with the conditions of production. But in these questions it was much easier to reach an agreement on principles than to establish a definite arrangement with regard to the details of application.

The decisions reached might be carried out in quite a different manner in the various fields of economic activity. Agriculture—the importance of which had been rightly emphasised by the Preparatory Committee—was, in this respect, in a position different from that of industry, and, again, the steps which would have to be taken, in connection with industry, would vary according to the branches concerned. It would be for the experts of the various countries to discuss these questions together and exchange views in order to secure an agreement. This would be one of their principal duties, and, it was to be hoped, one of the main successes of the Economic Conference.

The value of the general principles which might be laid down by the Conference, however, should not be under-estimated even if the enunciation of such principles were not immediately followed by practical measures. The information with regard to certain economic questions which world public opinion might thus obtain would certainly be important. The effect of such discussions on public opinion had been evident after the Brussels and Genoa Conferences, when all nations abandoned the State control set up during the war and allowed the immutable law of supply and demand to make itself felt once more. A world public opinion prepared to accept certain principles would be of great help to Governments when the time came for the latter to take action. The latter would thus be in a position to impress upon their Parliaments the importance of laws based on these principles. In particular, they would be strong enough to resist popular pressure and war-cries incompatible with these principles.

He therefore had the most absolute confidence in the Preparatory Committee's work, which he hoped would be brought to a successful issue as rapidly as circumstances would permit.

In his opinion, however, it would be the duty of the several Governments to assist the Preparatory Committee to the best of their ability. They could do so in two ways. In the first place, they could collect all the necessary data and thus make the Committee's task much easier. The moment for rendering help of this nature was particularly favourable, so far as Germany was concerned, since a thorough enquiry was about to be conducted into the state of the German economic system. For various reasons, it was necessary to institute such an enquiry at the present moment in order to ascertain what the position of Germany was after the difficulties of the war and the inflation period. The results of this enquiry would no doubt be of some interest and value for the Preparatory Committee's work. There was another duty which should claim the Governments' immediate attention, and that was to prepare public opinion and create an interest in their own countries for the Economic Conference.

The fact that this Conference would itself not lead to the conclusion of conventions binding upon the various Governments made it especially important to create an atmosphere of confidence between the nations and their leading men. That was an imperative necessity. In Germany, fortunately, representatives of the industrial and agricultural world as well as of labour had gladly placed their services at the disposal of the Conference. Quite recently, the German industrialists and the more important German syndicates had made it clear that they were convinced supporters of the policy of international economic co-operation. Their manifesto had created a considerable stir in the German Press.

Lastly, he desired to draw the Committee's attention to the connection between the future Economic Conference and the policy to be pursued in the interval by the several Governments and the various economic groups. Any measures which could be taken immediately to apply the principles of the Conference should not be postponed till after the latter had met. The international agreement reached in the steel industry and the provisional commercial treaty with France were examples of the application of these principles, so far as Germany was concerned. The proverb *primum vivere deinde philosophari* did not mean that theory and practice were mutually exclusive.

Mme. KLUYVER (Netherlands), who was taking the place of M. François, said that, after having read the Preparatory Committee's report and heard M. Theunis' statement, the wide scope of the Economic Conference could be fully appreciated. Nobody could have any illusions as to the difficulty of the work, but there was no reason to be discouraged.

It was very desirable that, in preparing the work of the Conference, overlapping should be avoided. The Preparatory Committee—to which the delegation of the Netherlands paid tribute—when requested to collect the demographic information mentioned on page 10 of the report, had consulted the Health Section, which in its turn had applied for this information by means of circular letters to the national statistical offices of the various countries. Yet all this information was already available in the publications of the International Statistical Institute or in that Institute's archives. Such a procedure involved a considerable waste of time for the Preparatory Committee as well as for the statistical offices, which were required to do the same work twice over.

If it were desired to check figures which had already been published, it would be well to use the services of the International Institute, which was the central organ for these questions.

The procedure adopted by the Preparatory Committee and by the Health Section did not seem to be entirely compatible with the resolution of the second session of the Assembly to the effect that the League of Nations should, when necessary, make use of the statistics which could be obtained from the international statistical offices and organisations. In the interest of the League of Nations and in conformity with the resolution adopted by the Assembly at its second ordinary session, it would be well if the League's organs did not ask national administrations to do superfluous work.

The Netherlands Government and public opinion in that country would continue to follow with the greatest sympathy the work undertaken by the Preparatory Committee of the Economic Conference.

SEVENTH MEETING.

Held at Geneva on Friday, September 17th, 1926, at 10 a.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

16. Work of the Greek Refugee Settlement Commission : Consideration of the Draft Report and Resolution to the Assembly.

The CHAIRMAN said that, as the report had been distributed some time previously, it might, he thought, be taken as read (Annex I a).

M. VAN CAUWELAERT (Belgium), Rapporteur, said he wished to make two modifications in that report :

1. To omit the last part of the first paragraph from the words: "the Committee learned . . ." (see page 62). It would be preferable to omit this phrase because it might give rise to

useless discussion. It would be sufficient to mention in general terms the generosity with which the establishment of the refugees had been carried out.

2. The phrase: "It is obvious that . . . certain circumstances touching the internal and external situation and policy of the borrowing country . . ." should be altered to: "It is obvious that . . . certain conditions must be realised to ensure the success of the operation." (See page 63.)

The Rapporteur had not intended to refer especially to economic and financial conditions. The sentence as it was originally drafted might have given rise to a misunderstanding.

M. DENDRAMIS (Greece) thanked the Rapporteur for his excellent summary of the results obtained and the prospects for the future. He also thanked him for the modifications he had made in the text.

He was anxious to point out that, if the Greek refugees had been installed almost all over the country, without any restrictions, it was because no one had felt the need to formulate such restrictions; there was no reason, moreover, for making them.

The report, as modified by the Rapporteur, was approved¹.

17. **Work of the Preparatory Committee for the International Economic Conference** (continuation).

M. VAN CAUWELAERT (Belgium) stated the point of view of the Belgian Government with regard to the Economic Conference and recalled the fact that his Government had been glad to support the proposal made by M. Loucheur to hold a general Economic Conference as soon as possible.

He explained that, in the first place, the extremely general nature of the work of the Preparatory Committee and the vastness of the problems involved in the first discussion had made him fear that the Committee had exceeded the limits set for it by the Second Committee and the Assembly last year; but he had been fully reassured by the explanations of M. Theunis.

He thought that the Economic Conference should meet before the next session of the Assembly of the League of Nations. With regard to the composition of the coming Conference, he agreed with M. Theunis that the delegates to that Conference should not be the mandatories of their Governments but experts, free to express their opinion, according to their personal conviction and according to their own judgment, on economic circumstances and events.

The work of the Economic Conference should be authoritative. It should determine in a clear and precise manner the goals to be aimed at in the development of the economic life of nations in order to arrive at a sounder and more normal situation and one more favourable to peace.

He feared that, if the Conference were composed of Government delegates, the reservations they would be bound to make in stating their opinions would cause some embarrassment and retard the work of the Conference. It was obvious that it should not merely seek an ideal aim without indicating the means of attaining it. It should also deal with present conditions and the obstacles to be overcome in the policy recommended. It should, however, carry out this work in perfect freedom, for the work of what would be known as the final Conference would only constitute an intermediary stage.

M. Theunis had very rightly emphasised the absolute necessity for preparing public opinion. Indeed, unless the opinion of manufacturers, merchants and financiers were adequately prepared, it was obvious that the Governments could not take action. If it were desired that public opinion should be suitably enlightened, if it were desired that public opinion should realise the dangers of the present situation and understand the disadvantages hidden under the apparent advantages of certain Customs tariffs, there must be some authority to show clearly what reforms were necessary. It might be hoped that public opinion would be ready to listen to the advice which would be given to it. Indeed, it might be noted with genuine satisfaction that, despite the post-war situation, which was still abnormal, it dared to face the necessary reforms without prejudice. The representatives of various Governments and even responsible statesmen declared publicly that it was necessary to diminish, if not to abolish completely, the Customs frontiers which, at the present moment, divided the countries. That was obviously a good sign, and, when the Conference was in a position to give general directions of indisputable value for all nations, it might be hoped that public opinion would invite the various Governments to take the necessary measures in order to carry out, as far as possible, the plan drawn up by the Conference.

After the first Conference it was absolutely necessary that a further Conference should meet, this time composed of Government delegates, who would endeavour to agree as to the formulas to be adopted. But this did not mean that the Governments should remain indifferent in the meantime. On the contrary, they might follow the methods laid down by the permanent Committee of the League of Nations which was dealing with economic matters, the work of which he considered admirable. But, while this work was extremely interesting, it was obviously only of a fragmentary nature, to be carried out by a committee of experts, as M. Theunis had said.

He would not venture to advise the Preparatory Committee with regard to the choice of problems. M. Theunis himself had stated that, of the three groups of problems which the

¹ For the final text of the report, see Annex 3 to the Verbatim Record of the Seventh Ordinary Session of the Assembly, *Official Journal, Special Supplement No. 44*.

Committee was to examine, obviously that of exchanges and that of industrial production were most important. It seemed to him that, of these, the problem of exchanges first called for attention.

Finally, he proposed, on behalf of his Government, that the Preparatory Committee should draw up as soon as possible a programme of a practical nature and that the Economic Conference should meet before the next Assembly.

M. JOUHAUX (France), speaking as a member of the Preparatory Committee for the Economic Conference, seconded the statements made by M. Theunis with regard to the complexity of the problem and the difficulties arising both out of its consideration and the solution to be found as regards the crisis itself.

The problem was complex, but a solution must be sought resolutely. Nobody, however, would be simple enough to think that, by mentioning all the economic questions—the interdependence of which had been recognised—when the problem was being examined, it would be possible to find practical solutions for them all. And yet it was necessary to consider every side of the question, for it was not possible to find a solution for one part unless the whole was taken into account, not only from the national but also from the international point of view. At the present moment, indeed, economic problems were no longer purely national in character. He thought that, in this way, some of the difficulties might be overcome, that national effort might be reduced and that the results obtained would be more stable.

What was the position at the present time? Efforts were being made by all countries to stabilise their currency, the success of some being counterbalanced by the failure of others; international financial instability and economic disequilibrium still subsisted in the world, together with the permanent causes of the present crisis. It was obviously against these permanent causes that an attempt should be made to react.

As this problem should be studied in connection with the unemployment crisis which now existed or had existed in nearly all countries, it had been recognised as essential that the solutions proposed by the International Labour Office for the problem of unemployment should be co-ordinated with the solutions proposed for the exchange problem and for the problems of production and monetary stabilisation. Without this co-ordination it would be impossible to achieve the desired result.

Obviously the problem was a vast one. There were questions which would have to be defined; there were points which formed the crux of solutions which had to be found. An attempt to find rational, logical and practical solutions of these essential problems was plainly the A B C of the work entrusted to the Preparatory Committee. M. Jouhaux would point out at once, however, that neither the Preparatory Committee nor the Conference could stop short at the questions which had arisen, because those questions depended upon others which again were dependent on others or had others that were dependent on them.

He would warn the Committee against decisions of too restrictive a nature which would not correspond to necessities and would not allow of as extensive a discussion as would be necessary to make it possible to find solutions for the problems. Public opinion was not prepared for the study of these questions. It knew vaguely that economic problems existed and that they must be solved, but it did not know how those problems could be solved. It must be owned, *a priori*, that public opinion was frankly opposed to the path which it was proposed to follow. It was opposed to all trusts and consortiums, whether national or international. This fact must be borne in mind. If public opinion must to a certain extent support the Conference in order to make it successful, this hostility must be taken into account, the public must be given the indispensable guarantees of supervision, without which it was not possible, in any country, to disarm public opinion any more than political opinion. It was for this reason that it was impossible for the Conference to be entirely limited to experts. It was not possible for it to be merely an academic conference for the exchange of ideas, thus only satisfying certain particular interests to the detriment of the general interest.

Emphasis should be laid on the fact that supervision would be exercised over the organisations to be instituted, and that this supervision would protect the interests of the consumer against the interests of the producer, which were sometimes opposed to them. It was not for the first time that the interests of the producer were opposed to those of the consumer. Industrial groups had often practised a form of Malthusianism, of which the consumer was the victim, and any post-war repetition of such a situation should be avoided. If it were otherwise, the Committee would have done something which was both futile and dangerous—futile because it had not followed the course indicated, dangerous because it would have roused public opinion not only against the decisions of the Economic Conference but against the League of Nations itself.

This was such a serious consideration that it should be borne in mind. It was the reason for the view held by the whole of the French delegation, including M. Loucheur, that a Conference of experts alone could, on the one hand, satisfy public opinion and, on the other, arrive at the desired results. A diplomatic Conference in this sphere would not be successful. The delegates should have fairly complete freedom, the problems should be considered apart from certain particular interests, which would have to yield to the general interest, the latter being the prime condition of the Conference.

M. Jouhaux thought that the proposed Economic Conference should be composed in the same way as the International Labour Conferences, on which there were representatives of the Governments, of industry and of labour. Other elements should be added, particularly

representatives of finance. Such a gathering would in no way be a diplomatic conference, whose right of discussion would be limited.

Finally, this Economic Conference should not result in the drawing-up of conventions which would be binding on the Governments, but should make recommendations which would compel the Governments to apply the decisions taken, and involve their responsibility, the latter point being an indispensable guarantee for public opinion, which the Conference should make an effort to win over.

The Conference should endeavour not to arrive in a single session at industrial agreements for all the industries mentioned by the Preparatory Committee as being sufficiently developed from an international point of view but to establish general principles which would form the basis of special agreements, to be concluded later under the supervision of an organisation set up by the Conference. It would be dangerous to proceed otherwise. There would be reason to fear that the countries would begin to rationalise their industries and standardise their products, which, instead of diminishing the economic struggle going on at present, would only accentuate it.

If an effort were to be made on international lines, it should be with regard to economic questions. Moreover, was it not enough to deal with one only of these great crucial questions which constituted the economic structure of the nations ?

Speaking of the most-favoured-nation clause, the French delegate observed that this constituted a progress. But it would be a dangerous progress if international agreements were not concluded, for it would be to the advantage of some countries and to the detriment of most. An effort must be made to solve not the problems in themselves but the difficulties to which they gave rise ; this was far more difficult because it often necessitated an examination of the economic organisation of each of the countries and raised serious and delicate questions.

It was for this reason that, while not embarking on an undertaking of too vast a scope, the Conference should nevertheless act in such a way as to co-ordinate the central points of the economic problem and to give public opinion the indispensable guarantees which would gain its sympathy.

To involve the responsibility of States as far as might be necessary, to allow action to be taken, not to believe that a general and final result would be reached, to endeavour to determine the principles according to which the problems might be solved by the parties concerned, but under the supervision and guidance of an international organisation, which might be called the Higher Council of international economic life—such was the task the Economic Conference should set itself.

M. THEUNIS (Chairman of the Preparatory Committee) wished first to mention a special and delicate point which specially concerned him. When he was called upon by the Special Committee of the Committee to the Council to report to the Council on the work of the first session of the Preparatory Committee, it was his duty, as a substitute for M. Ador, to explain what had been done and to ask the Council for some suggestions, for advice, concerning what remained to be done.

He had been led, by force of circumstances, by his very surroundings, to go a little further in the present Committee and to give his personal opinion on two of the important points which the Preparatory Committee still had to investigate.

The fact that the Committee as a whole had been in general agreement with him seemed to show that he had not been too rash when speaking of the programme of the Conference and when he had suggested that the agenda of the Conference should be limited to certain questions which he had described as "pivotal", seeing that other important or accessory questions might arise out of the former.

He thanked the speakers who had expressed their appreciation of the draft which had been outlined by the Preparatory Committee, and especially M. Loucheur, who had been one of the promoters of the Conference.

The encouragement with which he had met was a necessary stimulus, because those who had planned the work of the Preparatory Committee, and especially its Chairman, had been dismayed at the confidence which had been placed in them in view of the vastness of the work they were undertaking.

M. Theunis then referred to the three main questions on the agenda : the programme for the Conference ; its composition ; and the date of its meeting. He would not return to the question of the agenda, to which he had referred at sufficient length in his first speech. As regards the question of the composition of the Conference, he was glad to state that it had been possible to arrive not at a compromise but at a full agreement. To speak of experts and official delegates of the Governments was only a play on words, for the shades of meaning between these expressions were very vague and he quoted himself as an example : Sent as an expert to the Economic Conference at Brussels, he had subsequently become Finance Minister and was nevertheless still considered as an expert. Properly speaking, there was no distinct border-line between the two missions.

The question of the composition of the coming Conference therefore appeared to him to be settled.

As regards the date for the Conference, he agreed that it should be held as soon as possible, because the whole world was awaiting it eagerly and had great expectations as to the work it would accomplish. He was, however, glad to see that the text of the proposed resolution fixed no definite date. He thought it would be better not to prejudge what the Preparatory Committee would say at its session in November.

In conclusion, he urged the necessity for creating a sympathetic atmosphere and for arousing interest in the Conference. The work of the League of Nations too often met with distrust or scepticism. This was true both as regards political and economic problems. Everyone ought therefore to endeavour to create this atmosphere, and he hoped that all enthusiastic supporters of the League of Nations would not fail in this duty.

The CHAIRMAN, paying tribute to the statements made by M. Loucheur and M. Theunis, said he would refrain from summing up the discussions, as he was convinced that these two statements contained sufficient matter to serve as guiding principles for the coming Conference.

M. LOUCHEUR (France) read the following resolution (modified text) :

“ The Assembly is happy to note that the Council has given effect to its decision of December 15th, 1925, by constituting a Preparatory Committee for the Economic Conference.

“ It realises that the general economic situation of the world calls more imperiously than ever for an effort towards international co-operation, and makes it yet more necessary that the Economic Conference should be held.

“ The Assembly therefore hopes that the Committee will actively push forward its work, so as to enable the Economic Conference to be convened as soon as possible. ”

He promised to draw up his report so that it could be discussed on the following Monday and laid before the Assembly on the Tuesday.

Baron ADELWARD (Sweden) considered the resolution too vague and unsubstantial. It appeared to him that, after two days' discussion, other definite factors might have been inserted in the text, and he would like to amend it.

He thought that it should be possible at that juncture to add to the resolution a few words stating definitely that the Conference would be held before the next Assembly. He did not wish to insist on the programme itself, but he considered that the last paragraph should be worded as follows :

“ The Assembly therefore hopes that the Committee *will concentrate on certain points* and actively push forward its work so as to enable the Economic Conference to be convened *before the next session of the Assembly.* ”

He concluded by saying that these additions would make the resolution much more substantial and significant.

The CHAIRMAN informed the Swedish delegate that the Committee would consider any amendments to the resolution on the following Monday.

He thanked M. Theunis and the Rapporteur and declared the meeting at an end.

EIGHTH MEETING.

Held at Geneva on Friday, September 17th, 1926, at 2.45 p.m.

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

18. Work of the Preparatory Committee for the International Economic Conference (continuation).

M. MOLLOFF (Bulgaria) pointed out that two proposals had been made : the first was that a Conference of specialists or experts should be convened ; the second, made by M. Jouhaux, was that the Conference should include representatives of the States, industry, labour and certain other elements. These two proposals were not incompatible.

He had great confidence in the experts. M. Theunis might be requested forthwith to define the points on which the Conference would have to express an opinion, for it was important that the resolutions to be adopted should not be in contradiction with the clauses of certain treaties.

After this preliminary work of the Conference of experts, the Conference, composed as M. Jouhaux had indicated, might be convened. Whereas the Conference of experts could only state evident facts, the second Conference would be in a position to offer more practical solutions. It was important to put an end to the economic disorder which existed throughout the world, particularly in Europe, and thus to work effectively for the final pacification of the various States.

M. Molloff concluded by proposing, first, that a Conference of experts should be convened to define the questions to be considered, account being taken of the clauses of the treaties in force and other existing Conventions ; and then that a second Conference should meet, composed as M. Jouhaux had indicated.

M. DE VASCONCELLOS (Portugal) said that he was distinctly in favour of a Conference including representatives of States. It was not desirable to pass from a Conference of experts, namely, the Preparatory Committee, to another Conference of experts.

If the object in view was to obtain practical results, the first Conference, which would follow the Preparatory Committee, should therefore include delegates of States who, if they were not authorised to adopt final resolutions, should at least be able to carry the matter one step further towards the achievement of results. Moreover, these Government delegates might also be experts; that had been the case at the Brussels Conference.

As regarded the programme of the Conference, the Portuguese delegate said that, as representative of a country which had succeeded by its unaided efforts in stabilising its currency, and which was still suffering from the measures it had been forced to adopt, he would like the question of currency stabilisation to be included among the items to be discussed by the Conference.

As regarded the date of the Conference, he thought that it would be preferable to fix this in agreement with the Secretariat and the Preparatory Committee.

M. SUVICH (Italy) thought that the question had not been presented in an entirely satisfactory manner when the character of the Conference had been discussed; it had been suggested that the alternative lay between a Conference of experts and a Conference of official representatives of Governments.

On account of the far-reaching nature of the discussions, the persons taking part in this Conference should possess high qualifications both in regard to economic and financial questions and the organisation of labour; but it was hardly possible, for this purpose, to conceive of a Conference of politicians, diplomats and officials unless these persons were themselves specialists and experts.

The experts who would be called upon to take part in the Conference should, in his opinion, be appointed by the Governments. In this way, the Governments themselves would, to a certain extent, be bound to put into practice the general principles which the Conference might adopt.

He regarded this suggestion as a simple recommendation submitted to the Preparatory Committee and the Council, who should be left the greatest possible latitude as regards both the composition of the Conference and the date on which it should be convened.

M. NIEDZIALKOWSKI (Poland), after referring to the two formidable crises which Poland had experienced, an economic crisis and a financial crisis—the latter being scarcely over—said that his country was convinced of the necessity of a common effort by all nations, on the basis of an international economic programme, in order to maintain a successful struggle against the economic consequences of the war.

The essential problem with which it was necessary to deal at the moment was that of the organisation of the future Conference.

As between the two conceptions, a Conference of experts and a Conference of official Government representatives, he definitely supported the view expressed by his friend, M. Jouhaux. The conception of experts was wide, and it was possible to look upon the Preparatory Committee as playing the part of a Conference of experts.

The nations were placing their hopes in the International Economic Conference; the Conference therefore ought to be organised so that the great masses of the people would be represented in the same way as the great economic interests.

Undoubtedly, a miracle must not be expected. There was no hope of discovering as by enchantment a method of such efficacy as to enable all the serious international difficulties to be solved. Nevertheless, the International Economic Conference should arrive at certain practical solutions which, without being final, would constitute a definite advance towards the end of the post-war crisis.

This first step could only be accomplished if the Conference were attended by representatives of the general public and of the great interests already represented—like the International Labour Conference which M. Jouhaux had quoted as an example.

The Economic Conference ought not merely to consist of experts who would exchange ideas. That would not suffice to maintain the confidence of the people. Popular confidence played a great rôle not only in political life but still more in economic life and in the solution of financial problems.

In conclusion, he supported, on behalf of the Polish delegation, the conception of the Conference formulated by M. Jouhaux on behalf of the French delegation.

Dr. Esteban JARAMILLO (Colombia) said that, according to the various reports which had been submitted, the questions at issue were as follows:

Ought the Preparatory Committee to make a selection among the many questions broached by it at its first session, or ought it to consider all these questions when drawing up the programme of the Economic Conference?

Ought the Economic Conference merely to affirm certain general principles and draw up a kind of economic decalogue, as the International Conference at Brussels had done, or ought it, while not neglecting to lay down general principles, to reach more definite conclusions and to elaborate, in respect of certain important points, draft protocols or international agreements?

As regards the famous Brussels Conference, he observed that it would probably be necessary to modify some of the conclusions which it had adopted, and to repeat other very important ones, which the Governments of various countries had unfortunately not always taken into account.

Should the Conference be composed of Government representatives bound by precise instructions from their Governments, or should economic representatives of each nation be

summoned, as experts, with full liberty to undertake a thorough discussion and to carry the matter to a successful conclusion ?

As regarded the date of meeting of the Conference, should the date which had originally been fixed be advanced, or should it be postponed ?

He did not propose to put his personal views before the Committee on these various questions, first, for lack of time, and, secondly, because he wished to retain full freedom of judgment in the matter of the criteria relating to these subjects—which would probably be discussed in the Preparatory Committee.

He would merely emphasise the necessity of examining these questions very carefully in advance if it were wished to ensure the best possible results for the Conference. The success and rapidity of the work would mainly depend upon the decision which would be taken with regard to the programme of the Conference. If a modest programme were drawn up, if it were decided that the sole object of the Conference would be to formulate general recommendations, the work could be accomplished in a fairly short time ; if, on the other hand, it were proposed to enlarge the programme, to draw up agreements and protocols on certain questions, the work would be much more difficult and would take much longer.

Unfortunately, economic questions offered too much scope for verbiage, each person thinking that he had wonderful ideas to put forward. As the German delegate had truly remarked, it was very easy in this domain to elaborate general theories, but very difficult to arrive at practical results.

He hoped, nevertheless, that, when faced by the great problems of the present day, there would be fewer speeches and an endeavour would be made, in the light of reason, to arrive at satisfactory solutions.

The Latin-American countries had not the same difficulties to contend with as those of Europe ; they had others, however, and the assistance of the League of Nations might be of great use in solving them, since the very idea of the League implied collaboration between peoples. The representatives of the countries of Latin America would always show the keenest interest in the work of the economic reconstruction of the world. They would give their assistance, however modest it might be, in arriving at solutions which would be of assistance in modifying the present conditions of economic warfare between the different countries—economic warfare which might one day develop into sanguinary conflicts.

M. LEO DI PAULI (Austria) said that, in view of the experiences of the last few years, he realised that it was necessary first to prepare the ground, to determine with precision and clarity the general lines of the programme—those which would have the most influence on Governments and public opinion. The Governments could do nothing unless they had public opinion with them.

He thought that it would be much easier to substitute a Conference of Government representatives for a preliminary Conference of experts than to do the opposite. Moreover, in many cases, the experts who would be called together would, in fact, be members of the Governments or men possessing influence with the Government of their country.

In view of these considerations, he definitely approved the idea of a Conference of experts. It would be for them to pave the way for the realisation, without excessive upheaval, of the objects in view.

He had felt great satisfaction in hearing Baron Adelswärd, the Swedish delegate, express the hope that Customs tariffs would one day be lowered. Some of them constituted insurmountable barriers at the present time. He referred in this connection to the fact that Austria had possessed up to 1924 a Customs tariff far lower than that which had been in force under the Austro-Hungarian Monarchy. Successive rises had, however, proved necessary as the inevitable consequence of the lack of success met with by Austria in her attempt to persuade other countries to follow her example. Austria's advocacy of free trade remained " the voice of one crying in the wilderness ".

This example emphasised once again the international character of economic problems and the necessity of solving them on an international basis.

The Austrian people placed its hopes in the success of the Economic Conference. That people, which had just passed through a hard school of misfortune and economic blunders, was already convinced that the chaos throughout the world could only be overcome by means of an International Economic Conference.

M. LOUCHEUR (France), Rapporteur, wished it to be understood that he was not expressing his country's official view, which had been so clearly and eloquently explained in that Committee by M. Jouhaux that there could be nothing to add.

Even though differences of opinion had arisen, there was one point on which everybody seemed to be agreed—that the work undertaken should be carried to a conclusion.

Germany's views had not so far been given because at the time of the last session she had not been a Member of the Assembly. Her views had been expressed at the previous meeting by Baron von Rheinbaben, to whom he offered his thanks. M. Loucheur reminded the Committee that, during the sixth session of the Assembly, he had stated that any attempt at the economic reconstruction of Europe, any endeavour to reach any kind of solution, would have been vain in the absence of German co-operation.

It was not for the Second Committee to set itself up in the place of the Council and the Preparatory Committee. It was met to determine whether the Council had carried out the Assembly's decision, and whether the Preparatory Committee was working on the right lines.

He desired to pay a tribute to the great ability of M. Theunis and his devotion to the common task. Three points stood out from the report: (1) the programme of the Conference; (2) its composition; (3) its date.

As regarded the programme of the Conference, certain members might have been intimidated by the long list of questions in connection with which the Preparatory Committee had suggested making preliminary enquiries. The very clear explanations given by M. Theunis seemed to have dispelled these fears. As no criticism had been offered, the natural conclusion was that there was unanimous agreement on the Preparatory Committee's programme. He reminded the meeting that, in the course of a speech made last year during the sixth session of the Assembly, he had said, when suggesting the summoning of an Economic Conference:

“ The difficulty will perhaps lie not in stating what the programme should include but rather what it should not. Economic questions are so vast that, clearly, if we attempt to go too far in certain directions, if we attempt to draw up too comprehensive a programme, we shall almost certainly fail and the Conference will degenerate into a purely academic debating society. ”

When, at a meeting of the Council in June, M. Theunis had asked whether he was entitled to eliminate a certain number of questions, he had been told that he was. The discussion which had taken place in the Second Committee had shown that the work was progressing on the right lines.

Turning to the second point—the composition of the Conference—M. Loucheur thought that, notwithstanding the differences of opinion, everybody was essentially agreed on this question. Nevertheless, he desired to reply to the remarks made by Commander Hilton Young and the Australian delegate.

He did not agree with the British delegate that the Conference should do nothing more than give utterance to essential truths. One of his teachers had often said that essential truths grew on every bush, but that the important thing was to be able to pick out those which could be realised in practice.

The Australian delegate had said that, if official Government representatives—Finance Ministers, for example—had been sent to Brussels, nothing would have been done. When, however, he came to look at the records of the Brussels Conference, he found the list of delegates and was surprised to see how many of them were Finance Ministers.

He had heard the work of the Brussels Conference praised in the Second Committee. The inference was that the work done had been on the right lines, and he hoped that the work of the Economic Conference would be the same. He recalled a declaration embodied in the Minutes of the Brussels Conference to the effect that “ the members of the Conference, numbering eighty-six in all, though appointed by their respective Governments, have met as experts and not as spokesmen of any official policy ”, and the following passage from M. Hymans' report to the Council: “ One point in respect of which there appears to be unanimous agreement, and on which I feel sure it is essential to insist, is this : it would seem that the Conference is not to have a *strictly* government character ”. The word “ strictly ” was of some importance, because it showed at once that the Conference would consist of experts, and he would leave it to each member to define that word according to his national point of view. As M. Jouhaux had put it, the Conference would not be a diplomatic Conference for the preparation of a Protocol to be accepted and signed by the Governments.

In conclusion, he would deal with the question of the date of the Conference. In the resolution he had submitted to the Second Committee, he did not ask the Committee to express any definite view as to the date of the Conference, but a hope was expressed that the League of Nations should not give the impression of acting too slowly. It was true that, if the work of the final Conference were not carefully prepared, it might prove a failure, and that time which might appear sometimes to have been lost had in fact been very well employed. Nevertheless, in business as in politics, there must not be too much delay.

M. Loucheur was not in any way reproaching the Preparatory Committee. It had a great work to do and it had already begun to make the necessary selection. M. Theunis had announced at the previous meeting that the next session of the Preparatory Committee would begin on November 15th. He (the Rapporteur) hoped that the Economic Conference could therefore be held next spring. In the resolution which he submitted to the Committee he merely asked the latter to express the wish that the Conference should take place at the earliest possible moment. It was essential to show that it was desired to reach a conclusion. M. Loucheur was frightened by what was happening in the world. Agreements were being concluded, but they were not being drawn up in accordance with the general rules which the Conference would lay down, and it was therefore to be feared that they would meet with opposition in various quarters. It was desirable, therefore, that the plan of general reconstruction should be drawn up as rapidly as possible.

He had been surprised to hear the objection again put forward that present financial troubles were not very favourable to the immediate meeting of an Economic Conference, the results of which might be contrary to the realities of the moment. It might be asked, however, whether this was not moving in a vicious circle. Who could say that certain monetary troubles which were in evidence in various countries were not the exact consequence of economic troubles? It was extremely difficult in this matter to distinguish between cause and effect. Consequently, he felt that no ground must be yielded before this objection. Clearly, it must be left to the Council of the League to summon the Conference when it thought fit. In his opinion, the sooner it was summoned the better.

In conclusion, he thanked the Preparatory Committee and its Chairman, M. Theunis, for the important work which had been undertaken and which was being carried out with such success. The Economic Conference must live; he felt confidence in the results which it would produce and he would finish his speech by repeating the words pronounced last year by M. van Cauwelaert: "This great work must be undertaken with confidence and faith".

Commander Hilton Young (British Empire) said that the International Economic Conference had aroused great hopes in all the countries of the world. The little seed that M. Loucheur sowed last year had grown into a fine plant, which he hoped would soon produce flowers and fruit.

With regard to the actual character of the Conference, he agreed that it should be a Conference of experts rather than a Conference of the official representatives of Governments. This more elastic and comprehensive character would be natural in view of the manner in which the idea of the Conference had originally been conceived. Indeed, at the beginning the only proposal had been to convene a committee of experts. If this point of view were to be modified, it would be necessary to alter the whole course of the preparatory work, and possibly begin that work all over again.

He pointed out in turn that the Council had decided that the Conference should not be composed of official representatives provided with full powers, but rather of experts.

The agenda of the Conference as it had been drawn up was that of a Conference of experts and not of Government representatives.

If it were desirable, however, in order to ensure the success of the Conference, to alter this disposition, he admitted that the experiment might be made. Nevertheless, he felt that the Conference would be more likely to be successful if it consisted solely of experts, who would not deal with relations between States but would simply consider problems of political economy as such.

It was necessary first to elucidate the main facts, as the Belgian representative had said; subsequently, an attempt must be made to put them into practice. Only then would it be possible to convene a Conference of Government representatives.

M. Jouhaux seemed to propose a hybrid Conference, which should include both Government representatives and experts. Personally, he did not see how such a Conference could do any useful work.

It was not quite correct to state that a Conference of experts would not possess the confidence of the public. In any case, the first Conference need not necessarily take into consideration this point of view, which would become a more urgent problem with later Conferences dealing with the practical application of the economic facts established by the first Conference.

This first Conference of experts would meet under the auspices of the greatest authority in the world—the League of Nations.

Commander Hilton Young fully agreed with M. Theunis' argument: to ensure the success of the Conference it was necessary to avoid questions of a local nature and deal only with purely international questions of a universal character. The Conference should avoid the danger of losing itself in questions which were not of this nature. Those which concerned the relations *inter se* of special groups—for example, the grouping of States of so peculiar a nature that no other was found in history, *i.e.*, the States forming the British Empire—could not really be called universal questions.

Finally, the speaker stated that, with a reservation as to observations which might still be made, he agreed with M. Theunis as to the need for allowing sufficient latitude in fixing the date of the Conference.

Baron ADELWARD (Sweden) wished to revert with some emphasis to a point touched on by the Belgian delegate, M. van Cauwelaert: the suppression of Customs tariffs.

Customs barriers between nations were the fundamental cause of the European economic crisis. The effective remedy consisted, therefore, in the suppression of Customs duties. If frontiers were completely open to the free circulation of goods, to communication between individuals, the great difficulties under which the economic life of Europe was labouring would rapidly diminish and finally disappear. This result would lessen also the risk of war, because, fundamentally, economic questions were most often, if not always, at the root of armed conflict between nations.

In the course of a recent tour in America, the speaker had found his conviction confirmed that Customs barriers were really the fundamental causes of the economic crisis. This fact had become even more obvious in Europe since the war. The new countries created since the war tended to isolate themselves, thinking thus to favour their national commerce and industries.

The idea of the suppression of Customs frontiers was welcomed by all who were competent in economic matters. Public opinion, however, was not yet sufficiently prepared. That was the only difficulty of a psychological order, easy to overcome if care were taken to enlighten the masses of the people.

The suppression of Customs duties could only be achieved gradually. It might be realised at the end of a period of ten years, and then Europe would be as prosperous economically as America.

In the intervening period, difficulties of a fiscal and industrial nature would inevitably be encountered; but they would not be as serious as might appear from a superficial consideration of the question, and, above all, they would gradually disappear in proportion as the general economic situation improved.

It was important at the present juncture to enlighten public opinion as to the real cause of the trouble, in order to make it understand what was the only effectual remedy. With this in view, he hoped that, in its draft resolution to be submitted to the Assembly, the Committee would deal frankly with that point. The best way to enlighten public opinion was to state clearly where the evil lay.

Mr. LATHAM (Australia) thought that the importance of the problem was not merely European but world-wide, and that it affected the mutual relations of all countries. Its various aspects were highly complicated, and, if the Conference's investigations were to cover all the subjects mentioned by the Preparatory Committee, he was afraid it would have to follow the course of human life from the cradle to the grave. Some people said that only after studying all the questions that were connected with the economic life of the nations of the world would it be possible to obtain a general idea of the economic problem, and the Preparatory Committee's report might be said to form an index to world political economy. His own view was, however, that, if all these subjects were to be exhaustively investigated, it would be very difficult to induce the public to accept the idea of the Conference, because it would be felt that such an investigation could not yield any tangible result during the present generation.

For that reason, he had been very glad to hear M. Theunis say that it was for the Council to determine the scope of the Conference's work, and that, although so many questions had been touched upon in the Preparatory Committee, the object had merely been to collect as much information as possible.

He was grateful to M. Theunis for having dispelled a misunderstanding as to the nature of the questions with which the Conference would deal; it was clearly understood that they would be questions of an international character.

He agreed with those delegations which thought that the Conference ought to be a meeting of experts and not of politicians or Government delegates. The satisfactory results of the Brussels Conference had been due, he thought, to the fact that it was not a Conference of persons invested with responsibility but of men who had been able to express their views quite freely without being influenced by political considerations.

In regard to the date of the Conference, he did not think the Committee should fix it yet.

Khan Bahadur Shaikh ABDUL QADIR (India) thought it was important to draw a very clear distinction between the international and the national aspects of the question.

National security depended largely on economic peace, but he thought that the problems to be studied were so immense that a purely theoretical consideration of them and a laying-down of simple principles could hardly lead to the goal towards which the Conference would desire to move. It was necessary to be guided by realities; but it was necessary to make a general study of the economic situation of the world in order to be able to select points on which agreement could be reached. The Conference must have perfectly definite objects in view.

With regard to the position in India, some of the problems that arose in that country were quite peculiar to it, but at the same time the study of those problems might be of some value to the rest of the world.

He agreed with the British delegation as to the character of the Conference, which he thought should be a Conference of experts.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) wished to explain the point of view of his country as regards the character of the future Economic Conference. He wished particularly to emphasise the fact that public opinion in the Kingdom was much preoccupied with the Conference, and that any propaganda on this subject was therefore unnecessary.

He supported the idea of a Conference of experts appointed by Governments.

He had seen from M. Theunis' admirable report that some twenty countries had been represented on the Preparatory Committee by some forty experts, but he feared that that number of experts might be too small, because it was impossible for one man, or even several men, to be acquainted with all the problems affecting a nation's economic and financial activities.

The method suggested by M. Jouhaux seemed to him too arbitrary, both as regarded the composition, quality and nature of the Conference, since it would involve the establishment of an international organisation responsible for the action to be taken on the Conference's resolutions and would also entail the supervision of the execution of those resolutions. He himself thought that that system was too rigid.

Referring to the Swedish delegate's speech, M. Avramovitch did not think there could be any question, for the moment, of abolishing Customs examination on entering and on leaving a country. In his view, the most that could be asked at the present juncture was the abolition of Customs examination on leaving a country and the removal of the multifarious annoyances which travellers crossing the frontiers of even the most civilised countries had to endure.

In conclusion he hoped :

(1) That the number of experts attending the meetings of the Preparatory Committee would be increased;

(2) That the Minutes of the meetings of the Preparatory Committee should be more detailed in order that the Committee might obtain fuller information on the principles outlined by the delegations;

(3) That, before being placed on the agenda, questions raised by States should be submitted to the Council of the League for approval, and that a sufficient number of members, the same for all countries, should be summoned to attend the International Economic Conference.

NINTH MEETING. .

Held at Geneva on Monday, September 20th, 1926, at 10 a.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

19. **Question of a Maximum Limit of Expenditure in connection with the Work the League : Letter from the Chairman of the Fourth Committee.**

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

“ I have the honour to inform you that, at its fourth meeting, held yesterday afternoon, the Fourth Committee adopted the following resolution :

“ ‘ The Fourth Committee :

“ ‘ Noting the tendency of the budget of the League to increase, and considering that, in the present financial state of most countries of the world, every effort should be made to resist this tendency,

“ ‘ Is of opinion that, as a preliminary to the discussion of the details of the budget and as a general guide to their consideration, it is desirable, without putting obstacles in the way of the development of the League, to keep in view a maximum limit of expenditure, with the object of securing that the contributions of individual States shall not normally in future exceed their contributions for the current year. ’

“ Copies of this resolution should be communicated to other Committees concerned with measures involving expenditure. ”

20. **Progress of the Work of the Committee.**

The CHAIRMAN said that it would be desirable for the Committee to conclude its work in three meetings. As numerous questions remained to be considered, he proposed, in order to complete the work, to limit speeches to ten minutes, including translation.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) was of opinion that it was desirable to expedite the work of the Committee, but that they must not go to the opposite extreme and appear thus to justify certain statements in the Press suggesting that, even in the case of the most important questions of such interest to everyone, such as the economic and financial questions, etc., dealt with by the present Committee, the Assembly played, so to speak, a merely formal part and that everything was done by the Council and the permanent Committees. Full time should therefore be given for discussion when important questions were being considered.

The CHAIRMAN, in reply, stated that the members would, of course, always have the option of speaking for more than ten minutes if they felt that they had important communications to make to the Committee. He begged them in that case to advise him at the beginning of their speech ; but, as a general rule, speeches would be limited to ten minutes. ,

21. **Work of the Preparatory Committee for the International Economic Conference : Consideration of the Draft Report to the Assembly.**

M. LOUCHEUR (France) read his report (Annex 4).

He said that the Swedish delegate had written to ask him to alter the last paragraph of the draft resolution to read as follows :

“ The Assembly therefore hopes that the Committee will actively push forward its work and concentrate on a few principal points, so as to enable the Economic Conference, composed of experts appointed by the Governments, to be convened before the next session of the Assembly. ”

M. Loucheur added that, in drafting his report, he had done his utmost to meet the desires of the Swedish delegate, and he therefore asked him to accept the text of the resolution he had submitted.

Commander Hilton YOUNG (British Empire) was prepared to adhere to the resolution proposed by the Rapporteur, but could not so readily accept the Swedish amendment.

Referring to a passage in the report in which it was stated that there would be objections to calling upon experts appointed for their personal qualifications, he said that such experts might also be practical men and arrive at practical conclusions. For his part, he saw no objection to a Conference of experts, but the idea of a mixed Conference filled him with apprehension. It would be difficult to conceive of a Conference at which some nations would have diplomatic representatives and others would only be represented by experts. All the members of the Conference must possess the same powers. Nor was it possible to conceive of delegations which had received instructions both to represent national policy and to arrive at economic truth. Would these delegations be composed of experts who were at the same time diplomatic representatives, or would they be formed by diplomatic representatives whose mission it was at the same time to arrive at economic truth? How would it be possible, under these circumstances, to give the delegations the necessary instructions?

M. LOUCHEUR (France), Rapporteur, deemed it necessary to have the courage to say whether they were in favour of an International Economic Conference or not. Did they or did they not desire practical results? A Conference of experts appointed by the League of Nations would only be productive of a new decalogue without any practical result. The French Government would be opposed to a suggestion of that nature.

He asked the British delegate whether he thought the Governments should appoint their own representatives at that Conference. M. Loucheur himself contemplated a Conference to which the Governments would be invited, and they would choose what delegates they pleased.

Commander Hilton YOUNG (British Empire) was also of opinion that the representatives at that Conference should be appointed by the Governments; but, the delegations having been appointed, it remained to be settled what instructions they would receive.

M. LOUCHEUR (France), Rapporteur, replied that their instructions should be as elastic as possible, so that the questions might be dealt with in the most international manner. But that would depend upon a purely moral obligation undertaken by the Governments.

Baron ADELWARD (Sweden) expressed his gratitude to M. Loucheur for having taken his proposal into account. He noted that the report contained all that the Swedish delegation had suggested in its amendment. The question now arose whether the summary of the results of the Committee's discussions should simply figure in the report or be introduced into the resolution to be submitted to the Assembly. Resolutions, of course, generally became much better known to the public. He asked the Committee to give an opinion on this point.

With regard to the remarks of the British delegate, he could hardly understand how the latter could accept the report and yet reject the Swedish proposal, in view of the fact that the report submitted by M. Loucheur contained all the elements of the Swedish amendment.

He was inclined to agree that the convening of the Conference might be contemplated for next year, though he had proposed that it should take place before the next session of the Assembly.

M. Leo DI PAULI (Austria) seconded the proposal of the Swedish delegate.

M. LOUCHEUR (France), Rapporteur, to satisfy the delegate of the British Empire, proposed a slight modification in the text submitted. He suggested that the first paragraph of page 4 of the report should run: " . . . Some delegations would find objection to calling upon . . . " instead of: " . . . There would be objections to calling upon ". He further proposed that, in the second paragraph of page 4 of the English text: " . . . and the members who will be designated by the Governments " should take the place of: " . . . and the representatives appointed by the Governments ".

He would reply very clearly to the Swedish delegate on the points he had raised, the more so because he also would have liked certain points in the resolution voted by the Committee to be more definite. There were sometimes advantages, however, in stating in a report things which could not be clearly expressed in a resolution. This method had often been employed in the League of Nations, and that was why he had followed it.

In the first place, the Swedish delegate had asked that the resolution should mention that the work of the Committee was to be concentrated on certain main points. He (the Rapporteur) had no objection, but he would ask what those main points were; even if an answer could be given, he doubted very much whether everyone would agree with it. He thought, therefore, that it would be wiser to keep to the words of the report and to leave the Preparatory Committee,

which was to meet in November, to make a selection from the lengthy list of questions which had already been drawn up.

Secondly, the Swedish delegate suggested that the Conference should be composed of experts appointed by Governments. On this point, also, he would prefer to retain the terms of the report, because a different interpretation might be placed on the word "experts" in different countries. At the Brussels Conference, for example, there was no doubt that the competence in financial matters of several persons appointed by their Governments as experts might seem questionable. It would therefore be difficult, without defining the word "experts", to introduce it into the resolution with the additional sentence proposed by the Swedish delegate.

Lastly, M. Loucheur would reply to the third point raised by the Swedish delegate, regarding the fixing of the date of the Conference. If it were desired to give the world an impression of strength and industry, the Economic Conference should, he thought, meet next spring. However, as the responsibility for taking this decision had been left to the Council, they should allow it full liberty and have confidence in it.

In conclusion, the Rapporteur begged the members of the Committee to accept the text which he had proposed.

Commander Hilton YOUNG (British Empire) accepted the proposed amendment, which he found entirely satisfactory.

M. ANDERSEN (Denmark) said that, in spite of the observations of the Rapporteur with regard to the third point in the Swedish amendment, he feared that the public was under the impression that the Economic Conference would not be convened soon enough. The French delegate himself last year had rightly emphasised the close connection between the economic situation of Europe and the problem of security and the reduction of armaments. The Third Committee, at its meeting two days before, had received very favourably a draft resolution submitted by M. Paul Boncour to the effect that the Disarmament Conference should meet before the next session of the Assembly. Consequently, he proposed the maintenance of the third point in the Swedish amendment.

Baron ADELWARD (Sweden) was glad that the Rapporteur also held the view that the Conference should be convened next spring.

M. Loucheur had said that there might be disagreement as to what the "principal points" were. He himself thought that the same difficulty might arise as regards the expression "a small number of essential questions", which was to be found in the report. It might also be asked what kind of experts it was intended to refer to in the report as regards the composition of the Conference. The report stated that there would be objection to calling upon experts appointed purely for their personal qualifications and that, on the other hand, a diplomatic Conference was not what was desired. He was not convinced by M. Loucheur's arguments and he did not see what danger there could be in saying in the resolution what had already been said in the report. He thought that the whole difference of opinion was due to the fact that the resolution had been drawn up before the end of the Committee's debates and that the report had been drawn up afterwards.

Sir Arthur SALTER (Director of the Economic and Financial Section of the Secretariat) observed that the preparations for the Conference would be rendered more difficult if a date were announced which had to be altered later. The Preparatory Committee still had certain tasks to perform. It seemed preferable, therefore, not to fix a date yet but merely to say "as soon as possible". He also thought that it would be better if the Committee expressed its view in the report rather than in the resolution.

Mr. MANNING (Australia) expressed his appreciation of the report, which augured well for the success of the Conference. As regards the composition of the Conference, he shared the opinion of the British delegate that the representatives appointed by the various Governments ought not to receive imperative instructions but should be able to express their views freely.

He was of opinion that the Second Committee could not examine at length the questions to be dealt with by the Conference but ought merely to approve the report, which contained an excellent summary of what had been done up to the present and expressed the wishes of the Committee as regards future work. He hoped that the Swedish delegate would accept the report; failing that, the Committee could but adopt it by an overwhelming majority.

Baron ADELWARD (Sweden) said that he feared that he had been misunderstood. He desired to state that he approved the report. He maintained, however, the views which he had already expressed.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) expressed approval of the report but suggested to M. Loucheur that, out of deference to the Assembly and for the sake of greater clearness, the first paragraph of the resolution should be amended as follows: "The Assembly notes that the Council has given effect . . ."

M. LOUCHEUR (France) accepted this amendment.

M. SUVICH (Italy) expressed approval of the report, which he regarded as excellent.

In his opinion, the problem of the composition of the Conference would in practice solve itself, for it was clear that Governments would designate experts and would select those who were most competent.

With regard to the date of the Conference, he noted that several delegates had expressed the hope that it would take place before the Assembly of 1927. He was of opinion that the insertion in the report of a formula somewhat as follows ; " before the next session of the Assembly if possible ", would add nothing as regards the urgency of the question to which the Committee had referred. He thought that it would be preferable to accept the report and draft resolution in the form in which they had been drafted by the Rapporteur.

Mlle. VACARESCO (Roumania) expressed approval of the report.

M. VAN CAUWELAERT (Belgium) approved the report and the resolution. He suggested to M. Loucheur, however, a modification on page 4 of the report : In the second paragraph, to amend the expression " . . . the representatives . . . must not be too closely ", etc., as follows : " . . . the representatives appointed by the Governments must not be hindered by their official responsibilities in the examination of the problem submitted to the Conference ". The object of this amendment would be to take into account the observations of the British delegate.

M. LOUCHEUR (France) accepted this amendment.

The CHAIRMAN put to the vote the report and the draft resolution, *which were adopted*¹. He then expressed his thanks to the Rapporteur for his work and invited him to submit his report to the Assembly on the following day on behalf of the Second Committee.

22. Work of the Committee on Intellectual Co-operation (continuation).

Dr. HIU NIEN TSENG (China) expressed his thanks and congratulations on behalf of the Chinese delegation to M. Luchaire and M. Munch.

The Chinese delegation was glad to note the progress that had been made. In view of the importance of the question, the intellectual co-operation organisation should be universal in character ; it would gain in authority and prestige if all the civilisations of the world were represented on it.

He therefore renewed the declaration made on several occasions by his predecessors.

Sir Ramaswami AYYAR (India) said that one of the best methods of instructing youth was to be found in the utilisation of the Scout movement, which inspired children with the idea that the essential object of life was to render service to the whole of humanity. India, which was composed of a number of different races and castes, warmly supported this movement, which was productive of the best humanitarian results.

M. VALDES-MENDEVILLE (Chile) congratulated M. Luchaire, who was conducting with great devotion an Institute which was the result of the traditional generosity of France. His country had been one of the pioneers of the work of co-operation by submitting proposals in 1921 for the standardisation of legislation relating to intellectual work—proposals which had again been taken up since then, as a convention on copyright was about to be concluded. His country had also encouraged the instruction of youth in the ideals of the League of Nations and had raised in the Assembly the question of the Boy Scouts. Seeing that the League of Nations had funds at its disposal for works of special interest, it was only logical that it should also have money available for the work of intellectual co-operation, which was of universal interest. He very much hoped that all Governments would follow the example given by Poland and Czechoslovakia.

Mlle. VACARESCO (Roumania) congratulated M. Luchaire on his activity and did so all the more sincerely in view of the fact that she had been able to follow its beneficial results at close quarters. She hoped that all States would support this work by following the example of Poland and Czechoslovakia.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) emphasised the desirability of adopting once more the resolution passed by the Assembly on September 28th, 1922 ; he reminded his hearers that the object of this resolution was to procure scientific books and documents for the universities of countries which had been deprived of them as a result of the war.

M. OPRESCU (Secretary of the Committee on Intellectual Co-operation) observed that the Council had, by virtue of this resolution, already made certain arrangements in the case of Austria and Hungary, and, further, that the institutions in the various countries had already been brought into touch with each other on several occasions.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) noted this, but observed that the main object of the resolution was to help the countries which had suffered most from the war ; and Serbia, like parts of Roumania and Poland, was in that position. He would be very glad, both from a humanitarian point of view and for the sake of propaganda on behalf of the League, if certain countries possessing modern libraries and valuable teaching apparatus, models, pictures, etc., would consent to give some of it to countries that were not so well off. Austria and Hungary in particular had some admirable lithographs.

M. MUNCH (Denmark), Rapporteur, said he would make an addition to this effect in his report. Further, in accordance with the proposal by M. Valdes-Mendeville, he would include in the report the second part of the Austrian delegation's resolution.

M. Leo DI PAULI (Austria) wished to emphasise the fact that the resolution of the Austrian delegation as now submitted by the Rapporteur no longer entirely corresponded to its first

¹ For the final text of the report, see Annex 4 to the Verbatim Record of the Seventh Ordinary Session of the Assembly, Official Journal, Special Supplement No. 44.

intention, which had been to open a way to Geneva for students of countries in a precarious economic situation. These countries were often those which had most suffered from the war, and where, in consequence, moral disarmament still encountered certain obstacles.

M. MUNCH (Denmark) submitted the following draft resolutions :

“ The Assembly approves the Intellectual Co-operation Organisation as at present constituted—with the International Committee and its Sub-Committees, the National Committees and the International Institute. It considers that this organisation now provides a mechanism capable of strengthening the intellectual relations between nations and improving the conditions of intellectual work in the world. It notes with satisfaction the assurance given by the Governing Board of the International Institute to the effect that that institution is so conducted as to ensure perfect equality of treatment between all nations. It draws the attention of all the members of the Assembly to the felicitous step taken by Poland and by Czechoslovakia, which, following France's generous action, have granted a subsidy to the International Institute.

“ Further, the Assembly wishes to emphasise the practical character and the expediency of the plans for international intellectual co-operation which the Committee and the Institute are at the present moment proceeding to carry out. It lays particular stress on the importance of the following plans : the convening of a congress of popular art ; creation of an international museums office ; union of libraries of all countries in order to facilitate research by the public ; analytical co-ordination, by means of international collaboration, of the bibliographies of the various sciences.

“ The Assembly, having carefully considered in its Second Committee the report of the Committee of Experts on the Instruction of Children and Youth in the Aims and Objects of the League of Nations, urges the Governments of the States Members of the League to give this report their sympathetic consideration and to take the measures necessary to give effect to all or any of its recommendations which may be found suitable for adoption in their respective countries.

“ The Assembly invites the various States to consider, and to ask the competent institutions to examine, the possibility of establishing scholarships for university students whereby they would be enabled to visit Geneva both before and during the annual sessions of the Assembly in order to obtain first-hand knowledge of the work of the League of Nations. ”

The draft resolutions were adopted.

23. Financial Reconstruction of Hungary.

Mr. TYLER (former Deputy Commissioner-General of the League of Nations in Hungary) gave a summary of his report (Annex 5). He particularly emphasised the value of certain measures. The principle of concentrating State funds in the National Bank might be regarded as one of the keystones of the financial reconstruction of Hungary. The Bank had followed a wise policy ; the financial years 1924-25 and 1925-26 had yielded considerable surpluses, and one year after the scheme came into operation it had been possible to devote considerable sums to productive expenditure which had long been required, and also to alleviate certain excessive fiscal burdens. Commercial treaties providing for reductions in tariffs had been or were being concluded with several countries. Unemployment had fallen by 25 per cent in the past two years, and the harvest prospects were satisfactory. The loyal co-operation of the Government had been an important factor in the success achieved.

The CHAIRMAN thanked Mr. Tyler, and asked the Rapporteur, M. Suvich (Italy), to embody in his report certain particularly important remarks of Mr. Tyler's. The new text of the report might be discussed at the next meeting.

TENTH MEETING.

Held at Geneva on Tuesday, September 21st, 1926, at 3 p.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

24. Financial Reconstruction of Hungary : Consideration of the Draft Report and Resolution to the Assembly.

M. SUVICH (Italy), Rapporteur, read his report (Annex 5a).

M. DE HEVESY (Hungary) thanked the League of Nations on behalf of his country for its valuable aid in the work of financial reconstruction. He also thanked M. Suvich for his

admirable report and Mr. Tyler, former Deputy-Commissioner-General of the League of Nations at Budapest, for his statement, which had been marked by such wisdom, understanding and friendliness.

On behalf of his Government, he accepted the resolution proposed by the Rapporteur, and thanked the latter for the passages expressing a very just appreciation of Hungary which he had already embodied in his first report.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) also congratulated M. Suvich on his admirable report. His country attached great importance to the financial reconstruction of Hungary and was particularly pleased with the results obtained. He recalled the fact that the Kingdom of the Serbs, Croats and Slovenes had surrendered certain rights to reparations for the benefit of Hungary and had already concluded economic conventions with that country—in particular, a convention on communications and transit which he thought would soon be ratified by the two Governments and would form the basis of other conventions intended to create better relations in the interests of the two countries.

The report and resolution submitted by the Rapporteur were adopted.

The CHAIRMAN thanked Mr. Tyler and M. Suvich (Italy) on behalf of the Committee for their interesting statements, and requested the Rapporteur to submit his report and resolution to the Assembly at the meeting on Thursday morning.

25. Financial Reconstruction of Austria : Consideration of the Draft Report and Resolution to the Assembly.

M. STRASBURGER (Poland), Rapporteur, read his draft report and resolution (Annex 6).

M. Leo DI PAULI (Austria) thanked the Rapporteur for the admirable way in which he had performed his task. The praise given in the report to the efforts of Austria was the more gratifying as it was well deserved, owing to the heavy sacrifices to which the Austrian people had consented. He would refer to the great Austrian statesman Mgr. Seipel, who, in the prosecution of this task with which his name would always be associated, had shed his blood.

Austria was most grateful to the League of Nations, which had given it so much assistance, and felt a legitimate pride in having justified the trust reposed in her.

The Austrian people were conscious of the fact that, in working for the financial and economic reconstruction of their country, they had not only contributed in a large measure to the economic stability of Central Europe, as was said in the report, but that they had also contributed to the prestige of the League of Nations.

The Austrian delegation accepted the draft resolution and associated itself particularly, on behalf of the Austrian Government, with the last paragraph, in which thanks were expressed to those countries which had assisted Austria in carrying out the plan.

M. VEVERKA (Czechoslovakia), as the representative of a neighbouring and friendly country, wished to congratulate the Austrian people most heartily on its achievement. He fully concurred in the resolution submitted.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) also wished to associate himself with M. Veverka's remarks. His country since the war had always endeavoured to co-operate on friendly terms with Austria, and he hoped that their relations would continue to grow closer. An agreement between the peoples of Central Europe could not fail to have a good effect on the prospects of general peace.

M. Marcel PLAISANT (France) observed with satisfaction that, while the League of Nations was ready to undertake fresh tasks, it could also bring old ones to a satisfactory conclusion.

He congratulated the Rapporteur on his report. He recalled the fact that, last year, he had, on behalf of the French Government, expressed the hope that the Commissioner-General's duties would soon be terminated and that Austria could enjoy a larger measure of freedom. He noted with satisfaction that no difficulty had been encountered in complying with this wish.

He ventured to draw the Rapporteur's attention to two drafting amendments which should be made in the French text: On the first page, in the first paragraph, the word "terminaison" should be replaced by the word "expiration". On page 3, first paragraph of the French text, the word "utilisations" should be replaced by the word "autorisations".

On behalf of the French Government, M. Marcel Plaisant congratulated the Commissioner-General and the Financial Committee of the League of Nations on the admirable manner in which they had performed their task. He paid a tribute to the Austrian people, who had accepted severe but necessary sacrifices. Austria had displayed qualities which showed that it was fully conscious of its destiny.

The French delegate also suggested that the first part of the resolution should be amended to read as follows:

"The Assembly has taken note of the Council's resolution of June 9th, 1926, whereby the functions of the Commissioner-General of the League in Austria came to an end on June 30th last."

M. SUVICH (Italy) associated himself with the congratulations and recommendations of the previous speakers. He was glad to note that the Assembly's discussions of last year with regard to the cessation of control in Austria had led to this result. He hoped that Austria, in whose economic reconstruction the Italian Government had displayed constant interest, would recover as soon as possible from the economic crisis through which she was at present passing. It was true that Austria's case was not a peculiar one; the economic crisis was general, and it was for this reason that the convening of an International Economic Conference had been proposed, and had aroused such great hopes.

The League of Nations, despite the termination of the Commissioner-General's duties, was still very interested in the economic situation of Austria—in the first place, because an economic crisis could influence the financial situation in which the League of Nations was interested and, secondly, because the League, having made an effort to ensure the financial reconstruction of Austria, desired that its work should bring lasting peace and prosperity to the Austrian people.

Khan Bahadur Shaikh ABDUL QADIR (India) expressed Asia's congratulations on the results obtained in the reconstruction of Austria. This question no doubt was not of direct concern to India, but, owing to the spirit which the League of Nations was inculcating, that country was beginning to understand that the economic position of one State had effects on the whole world. This idea had been expressed over six hundred years ago by a Persian poet, who had said that all mankind were limbs of one body, and that, if one of these limbs suffered, the others could not remain in comfort. The same applied to the different countries of the world, and everything that occurred in one of them had its reaction on the others.

Commander Hilton YOUNG (British Empire) associated himself with the Indian delegate's congratulations. Great satisfaction had been felt in Great Britain at the successful conclusion of the work of the League of Nations in co-operation with the Austrian people. He took the opportunity to congratulate the League at the same time on the work undertaken in Hungary. The results achieved through the co-operation of the forces of the League with the best elements in these two countries were magnificent.

M. LEO DI PAULI (Austria) warmly thanked the different speakers for their cordial remarks with regard to Austria. These remarks would be greatly appreciated in his country, particularly as all the difficulties had not yet been surmounted. Reconstruction was not synonymous with prosperity, and, although the doctors had left the patient's house and declared him cured, the convalescent was far from having recovered his strength, which had been undermined by disease. To complete his cure he needed fresh air and exercise and the company of friends. He had every confidence in his country's development precisely because it was surrounded by loyal and powerful friends. He would not fail to communicate to his Government their words and good wishes, for which he thanked the delegations on behalf of the Austrian people and Government.

*The report and the draft resolution as amended by the French representative were adopted*¹.

The CHAIRMAN requested M. Strasburger (Poland), Rapporteur, to act as Rapporteur to the Assembly, and thanked him for his work.

26. Settlement of Bulgarian Refugees : Consideration of the Draft Report and Resolution to the Assembly.

Commander Hilton YOUNG (British Empire), Rapporteur, read his report on the settlement of Bulgarian refugees (Annex 7).

M. MOLLOFF (Bulgaria) had much pleasure in expressing the gratitude of his Government and of his country for the work accomplished by the League of Nations and its organs in a comparatively short space of time, and in congratulating the Rapporteur for the very lucid manner in which he had described this work in his admirable report.

The work of the settlement of Bulgarian refugees was only in its first stage. As representative of the Bulgarian Government, he had been called upon to follow the application of the recommendations made by the Financial Committee and later approved by the Council of the League of Nations. Certain difficulties had arisen, but the work had been undertaken in the firm conviction that it would not only be of great humanitarian value and lead to the pacification of certain districts of the Balkans but, by helping Bulgaria to settle her refugees, would also consolidate her financial situation.

Although the work was only beginning, it was already bearing fruit. Advances had been granted and there was reason to hope that the remainder of the plan would be carried out within the period of two years contemplated by the League of Nations.

In conclusion, he noted with satisfaction that grave and delicate questions had been settled in the most friendly manner, thanks to the assistance of the Financial Committee, of the Council of the League of Nations and of the representatives of the Governments. He accordingly accepted the terms of the report and of the resolution.

M. DENDRAMIS (Greece) said that, as representative of a country neighbouring on Bulgaria which had co-operated with the Kingdom of the Serbs, Croats and Slovenes and with Roumania

¹ For the final text of the report, see Annex 11 to the Verbatim Record of the Seventh Ordinary Session of the Assembly, *Official Journal*, Special Supplement No. 44.

in accomplishing this task, he felt he could express satisfaction as regards the results achieved, and could signify Greece's approval of the resolutions submitted. Greece hoped that, apart from its humanitarian aspect, the settlement of the Bulgarian refugees would contribute to improving the relations between the Balkan countries and would establish lasting peace in that part of the world.

As regards the restrictions mentioned in the report, the Greek delegate pointed out that, when the question of Greek refugees had come up for discussion, a similar reference to certain restrictions had at his request been omitted from the report drawn up by the Belgian representative. No restrictions had been imposed on Greece because none had been requested.

The situation was not the same on this occasion. Restrictions had not been imposed on Bulgaria; they had been agreed to by that country and approved by the Council. To retain in the report the paragraphs referring to the restrictions would be incompatible with the decisions taken by the Council and accepted by the Bulgarian Government. In support of these observations, he quoted a passage from the Financial Committee's report.

This question of restrictions had been discussed before the Council and had not yet been settled. It would therefore be preferable not to mention it in the report and to omit the relevant passages therein.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) said that the question concerned not only the Kingdom of the Serbs, Croats and Slovenes as a neighbour of Bulgaria but also every other country, for, when the economic and social situation was settled in Bulgaria, the outstanding political problems would also be solved.

The speaker went on to say that he agreed with the Greek delegate's observations. The question of the Bulgarian refugees and that of the Greek refugees were quite different. The Greek refugees were people who had come from a great distance, from Asia Minor, and were not interested in what was happening beyond their frontiers. No apprehensions could therefore be entertained in regard to their settlement near the frontiers.

This was not the case in regard to the Bulgarian refugees, neither so far as their character or their aspirations were concerned. The Financial Committee and the Council had confirmed the view that the settlement of the Bulgarian refugees near the frontiers might give rise to serious inconveniences of a political character. For this reason certain restrictions had been contemplated on the request of the neighbouring countries. What would happen if the resolution adopted by the Council of the League of Nations were now suppressed by the Assembly as a consequence of the adoption of the recommendation of the Rapporteur, and if these refugees desired, as a result, to settle near the frontiers and began to take an interest in what was happening on the other side? These settlers might even imagine that they were regarded with special favour by the Assembly of the League of Nations, and that they would therefore enjoy a privileged position in the pursuit of a mischievous policy.

He would ask the Rapporteur to agree to the omission proposed by the Greek delegate. This proposal did not mean that he desired to place any obstacle in the way of the settlement of the Bulgarian refugees. On the contrary, he wanted them to be settled satisfactorily, but they must be settled in conformity with the conclusions of the Council of the League of Nations. He merely wished to avoid obstacles to good relations with the neighbouring countries in the interests of Bulgaria herself as well as in the general interest.

Commander Hilton Young (British Empire), Rapporteur, said that, if no one had any objection, he was prepared to agree to the omission proposed by the Greek and Serb-Croat-Slovene delegates.

M. MOLLOFF (Bulgaria) had no objection to the omission of the paragraphs dealing with the question of the restrictions.

In reply to the Serb-Croat-Slovene delegate, he said that the Bulgarian refugees had no aspirations beyond the frontiers. The majority of them were people changing their residence in virtue of the existing treaties after the liquidation of their property. If there were certain elements of the kind to which M. Avramovitch had referred, these only constituted isolated cases.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) said he was happy to have heard this declaration at that important meeting and he took note of the Bulgarian delegate's statement. He hoped that even those elements to which M. Molloff himself had alluded, and which were known to everyone, had no aspirations beyond the frontier and would not henceforth create any difficulties between the two countries.

Commander Hilton Young (British Empire), Rapporteur, proposed that, after the words "with the neighbouring countries" should be added: "and with the reparation authorities whose consent was necessary in order to provide securities for the new loan". (See page 78.)

The amended text, he explained, would give a better historical picture of the fact that, in the Bulgarian loan, great care had been taken to protect investors against exchange losses and, in particular, to protect the Bulgarian exchange against any sudden burden which might be thrown upon it owing to the accumulation of interest and amortisation of the loan and big reparation payments.

Khan Bahadur Shaikh ABDUL QADIR (India) congratulated the Rapporteur on his admirable statement. The League of Nations could be proud of the results achieved in the financial reconstruction of Austria and Hungary. The work done by the League of Nations in the last few years would undoubtedly do much to disarm the opposition which it still encountered. In addition, this work would undoubtedly help towards the general reconstruction which still remained to be accomplished.

*The report and resolutions were adopted*¹.

The CHAIRMAN thanked Commander Hilton Young (British Empire) on behalf of the Committee for his remarkable report and asked him to submit the latter together with the resolution to the Assembly at its meeting on Thursday morning.

27. Work of the Financial Committee : Consideration of the Draft Report and Resolution to the Assembly.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes), Rapporteur, read his draft report (Annex 8).

M. STRASBURGER (Poland) congratulated the Rapporteur on his excellent report.

As the financial reconstruction of Austria and Hungary and the question of Bulgarian refugees had been considered separately by the Committee, certain persons might be inclined to think that the problems dealt with in M. Avramovitch's report were of minor importance. That would be a wrong impression. The question of double taxation, for example, was a highly important one and was of interest to all States Members of the League of Nations. Poland attached very special importance to the financial restoration of the Free City of Danzig. Danzig constituted Poland's sole access to the sea. This port was likely to undergo a considerable expansion and at the present time the traffic at Danzig had increased by 100 per cent in comparison with pre-war figures. There could therefore be no doubt that the financial restoration which had been undertaken would enable Danzig to play her part as an economic intermediary between Poland and other countries.

At its London session, the Financial Committee had suggested to Poland that it should guarantee the Free City, from the Customs receipts, a minimum sum of 14 million gold francs annually. He was glad to be able to inform the Committee that the negotiations had been completed and that an agreement on the subject had been signed that day between Poland and Danzig. He therefore requested the Rapporteur to be so good as to make the necessary alterations in his report.

He was in entire agreement with the resolutions submitted and, in particular, with the one relating to the Free City of Danzig. He sincerely hoped that the Financial Committee would be able to propose the issue in the month of December of a loan for the Free City. There could be no doubt that, in the interval, Danzig would take the requisite measures. He hoped that, at the next session of the Assembly, it would be possible to congratulate the Financial Committee on the work done at Danzig, in the same way as it was now possible to congratulate it on the work done in Austria and Hungary.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) thanked the Polish delegate for his kind reference to himself.

He noted with satisfaction the conclusion of the Treaty between Poland and the Free City of Danzig. The relevant passage in his report might now be redrafted as follows : " . . . budgetary equilibrium, have already resulted in a settlement satisfactory to the two parties ". (See page 80.)

He also pointed out that an amendment should be made in the second line of the second sentence of paragraph I of the resolution. It should read : " When the Free City has effected. . . " instead of : " . . . now that the Free City had effected. "

M. Marcel PLAISANT (France) congratulated the Rapporteur.

He wished to know whether the publication mentioned in the report, *Memorandum on Public Finance*, was a fresh work which the Secretariat had in preparation (See page 81).

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) replied that it referred to a new edition of the *Memorandum on Public Finance*. In order to give effect to the observations of the French delegate, the text might be drafted as follows : " The Secretariat has also now in course of preparation a new edition of the *Memorandum on Public Finance*. "

Dr. JARAMILLO (Colombia) congratulated the Rapporteur on his admirable work.

He wished to point out that the draft resolution was worded in such a way that it was the Second Committee and not the Assembly which " took note ".

He also wished to suggest that paragraph III of the resolution should be drafted more clearly and should bring out more strongly the great importance of the question of double taxation and fiscal evasion, in which field the League of Nations had done such remarkable work. Expression might perhaps be given to the wish of all the members to see an end put to the present deplorable situation as regards this matter by means of an agreement between the countries.

¹ For the final text of the report, see Annex 12 to the Verbatim Record of the Seventh Ordinary Session of the Assembly, *Official Journal*, Special Supplement No. 44.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes), Rapporteur, in reply to the delegate of Colombia, said that, as soon as the Committee had approved the report, the word "Assembly" would be substituted for the words "Second Committee" in the resolution.

In regard to the Colombian delegate's second remark, the Rapporteur would be glad to consider it if M. Jaramillo would submit the text of his amendment.

D^r JARAMILLO (Colombia) said that he had merely intended to put forward a suggestion. The wording of the new draft of the third paragraph of the resolution might be settled later. He had only wished to convey his idea to the Rapporteur.

The CHAIRMAN asked the members of the Committee whether he might consider the report as adopted with the amendments as suggested.

The report was adopted.

The CHAIRMAN asked whether the members of the Committee had any observations to make in regard to paragraph I of the resolution.

Paragraph I was adopted¹.

The CHAIRMAN asked the same question in regard to paragraph II.

Commander Hilton YOUNG (British Empire) thought that the wording of the last sentence of paragraph II seemed to imply that the Financial Committee did not work with sufficient zeal. The sentence might be amended to read as follows: "It will welcome the submission of practical proposals at an early date."

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) replied that the sentence was only intended to draw the attention of the Financial Committee to the urgency of the question. The amendment suggested by the delegate of the British Empire would weaken the recommendation conveyed by the sentence. He added that no one could cast doubts upon the zeal of the Financial Committee.

Commander Hilton YOUNG (British Empire) withdrew his amendment in view of the Rapporteur's explanations.

The CHAIRMAN asked whether he might consider paragraphs II and III as adopted.

Paragraphs II and III of the resolution were adopted.

The CHAIRMAN asked M. Avramovitch to be so good as to act as Rapporteur of the Second Committee to the Assembly on the work of the Financial Committee.

He thanked him for the work which he had done.

ELEVENTH MEETING.

Held at Geneva on Wednesday, September 22nd, 1926, at 3 p.m.

Chairman : Mr. Desmond FITZGERALD (Irish Free State).

28. Work of the Economic Committee : Consideration of the Draft Report and Resolution to the Assembly.

M. NAGAI (Japan), Rapporteur, read his report (Annex 9) and submitted the following draft resolutions :

" The Assembly,

" (1) Again states its conviction that commercial relations would be greatly improved by the conclusion of an international convention for the abolition of import and export prohibitions and restrictions.

" It notes with satisfaction the progress which has been made, thanks to the efforts of the Economic Committee, towards the realisation of the recommendation made by the 1924 Assembly.

" It notes the Council's resolution to convene, for this purpose, at as early a date as possible, a Conference of representatives of the Governments of States Members and non-Members of the League of Nations, and expresses a most earnest hope that this Conference's work will be crowned with success.

¹ For the final text of the report, see Annex 13 to the Verbatim Record of the Seventh Ordinary Session of the Assembly, *Official Journal, Special Supplement No. 44.*

“(2) It notes with satisfaction that the Protocol established in 1923 is still making its influence felt in the direction of a wider recognition of commercial arbitration, and that the Economic Committee has recently begun to consider the possibility of preparing an additional act, the object of which will be to ensure the execution of arbitral awards given abroad.

“(3) It records the fact that the number of ratifications of the International Convention for the Simplification of Customs Formalities is increasing and notes that this international act has had a beneficent influence on the conclusion of certain treaties of commerce.

“(4) It observes with satisfaction that most of the methods suggested by the Economic Committee to ensure more effective protection against unfair competition have, in most cases, been embodied in the new provisions of the Convention of the Union for the Protection of Industrial Property revised at The Hague in November 1925.

“(5) It follows with interest the enquiries being conducted by the Economic Committee with regard to measures for the repression of false Customs declarations ; the standardisation of legislation with regard to bills of exchange and cheques ; the unification of economic statistical methods ; the protection of the buyer against worthless goods ; and the Committee’s research work regarding the causes of excessive fluctuations in economic activity.”

M. BASTID (France) only wished to touch upon two points in the report—the abolition of import and export prohibitions and restrictions, and the execution of arbitral awards.

On the first point, he stated that the Economic Committee’s draft convention had been approved by all the French associations interested. The French Government therefore thought it highly desirable that the draft should be given effect by a diplomatic Conference as soon as possible ; and, as it was a question of concluding a convention, the Conference in question should be summoned without waiting for the International Economic Conference.

On the second point also France was in general agreement with the Economic Committee’s draft. France had always been in favour of extending the principle of arbitration, and had promptly ratified the Protocol of 1923, had brought her legislation into harmony with it, and had passed a law in 1925 recognising the validity of the arbitration clause in disputes between French nationals. She was therefore entirely in favour of the principle of executing arbitral awards.

Sir Ramaswami AYYAR (India) said that his Government was in sympathy with the principle of freeing trade from the obstacles set up by prohibitions and restrictions. Those which remained in force had reference mainly to trade in India and applied to goods on which the duties were high in proportion to bulk. Public opinion in India felt, with reason, that India should not be bound by conditions that were not binding on other countries with which she had trade relations.

The Indian delegation, therefore, was in agreement with the terms of the Economic Committee’s report. It considered that freedom of trade was an essential factor in economic restoration, but felt that the projected Conference ought to examine carefully a number of points of detail, with special reference to India’s conditions and to the problems that arose from her geographical and commercial situation.

M. ZUMETA (Venezuela) reviewed what had been done to protect the foreign buyer. The question had been raised at the third session of the Assembly, and, as a result, the Economic Committee had been asked by a resolution adopted by the Assembly during its fourth session to examine the possibility of international action ; on the motion of the Rapporteur, the 1924 Assembly had passed a resolution urging that the arrangements provided in certain countries for examining and testing goods before exportation should be developed and extended, and that their existence should be brought to the knowledge of foreign buyers. The Secretariat had since completed its documentation, and the Assembly during its sixth session had expressed a desire that the investigation should be actively pursued.

As M. Zumeta had just shown, the Assembly had always been interested in this question, to which it attached great importance, and he desired to know when the information obtained could be published, since the report of the Economic Committee to the Assembly did not give any precise information on the subject.

M. HEER, representative of the Economic Committee, said that the Secretariat’s enquiries had not always been easy, and were in any case slow and complicated ; nevertheless, a great deal of information had been collected, and its publication would be most useful. Various circumstances, notably the additional work which had fallen on the Secretariat in connection with the preparatory work for the Economic Conference, had made it impossible to submit the information in question to the present Assembly, as had been hoped.

Every effort would, however, be made to publish it as soon as possible. If necessary, the Economic Committee could give a definite undertaking to issue a provisional edition before the next Assembly ; every country would be invited to send in, before a specified date, any amendments it wished to make in the part of the work which concerned it. This method would have the further advantage of enabling valuable information to be obtained from certain countries which had so far given none.

M. ZUMETA (Venezuela) thanked M. Heer for the information he had given. He noted with satisfaction that the results of the investigation would be published before the next

Assembly. He asked the Rapporteur to draw attention in his report to the facts to which M. Heer had just referred.

Commander Hilton YOUNG (British Empire) expressed his high appreciation of the successful results achieved in connection with the simplification of Customs formalities, and congratulated the Economic Committee upon the admirable work it had done in the matter of false Customs declarations. On the question of import and export prohibitions and restrictions, he agreed that that matter should be pushed forward without waiting for the general Economic Conference. With regard to the question of arbitral awards, he wished to repeat that the British Empire was entirely favourable to that work, and that it was the British Government's intention to give all possible assistance in bringing it to a successful conclusion.

He congratulated the Economic Committee on the encouraging results of the work it had done, jointly with the Committee on Intellectual Co-operation, in the matter of the protection of scientific property.

*The report and resolutions were adopted*¹.

29. **Work of the Health Committee : Amendments to the Resolution regarding the Singapore Bureau of Epidemiological Intelligence.**

The CHAIRMAN announced that the Fourth Committee had that morning accepted the credit of 25,000 francs proposed by the Second Committee for the Singapore Epidemiological Intelligence Bureau, but that, owing to changes which had been made in the budget of the Health Organisation, it had not been necessary to increase the total budget by as large an amount as 25,000 francs. The draft resolution adopted by the Second Committee should therefore be amended as follows :

“ The Assembly, in view of the importance of the work of the Singapore Bureau of Epidemiological Intelligence as the first institution of the League of Nations in the Far East, and in view of the utility of its work not only for the Far Eastern countries but also for other States Members of the League, decides that provision for the expenses of the Bureau should be made in the budget of the League for 1927. ”

The amendment was adopted.

30. **Work of the Organisation for Communications and Transit.**

Dr. JARAMILLO (Colombia), Rapporteur, submitted his report on the work of the Organisation for Communications and Transit between the sixth and seventh ordinary sessions of the Assembly (Annex 10).

M. SUVICH (Italy) said that the Colombian delegate's excellent report, which brought out the great importance, for every country in the world, of the work of technical organisation done by the League, suggested one point to him. The Rapporteur complained that the relations between the League and the overseas countries were not close enough, and made certain suggestions in that connection which were wholly justified. For his own part, he thought that it was possible to go a little further and extend the scope of those suggestions. Many political questions mainly concerned the European countries, but there were other very important questions which concerned all the countries of the world. These were, in particular, technical and economic questions, which gave a very clear idea of the practical value of the League's work in the field of international co-operation. It would be highly desirable, he thought, when such problems were considered, to discuss them elsewhere than in Europe. An opportunity of putting this idea into effect would occur on the occasion of the Third Conference on Communications and Transit, and he proposed that that Conference should be held in a non-European country. Financial difficulties would, of course, arise, but they should not prevent the carrying out of this scheme. It was essential not to lose sight of the necessity of developing a spirit of co-operation and bringing the work of the League as directly as possible to the notice of those who were concerned in it. He therefore proposed the following resolution :

“ The Second Committee,

“ Considering that the Third General Conference on Communications and Transit will have to deal particularly with the questions of liaison between the Organisation and countries outside Europe and the best method of extending the success which the Organisation is able to render in connection with the investigation of the main problems of communications affecting relations between continents ; and,

“ Taking into account the difficulties experienced in this connection by the Organisation, which have been referred to in the reports of the Advisory and Technical Committee for Communications and Transit,

“ Expresses the hope that, should the Fourth Committee consider it possible to grant the necessary funds, the Council should convene the Conference in a town outside Europe. ”

¹ For the final text of the report, see Annex 14 to the Verbatim Record of the Seventh Ordinary Session of the Assembly, *Official Journal, Special Supplement No. 44.*

M. ROY (Canada) congratulated the Colombian delegate on his very instructive report. He supported the Italian delegate's proposal that the next Conference on Communications and Transit should be held outside Europe—perhaps in one of the Latin-American countries. This would be excellent as propaganda for the League.

M. LEO DI PAULI (Austria) also thanked the Rapporteur for his excellent work. He agreed with him as to the preparation of an annual summary of the principal work done by the Advisory and Technical Committee.

M. BASTID (France) associated himself with the conclusions of M. Jaramillo's admirable report. He regarded the Organisation for Communications and Transit as one of the foundation-stones of the League. He was very glad to note the success of the Passport Conference, for some improvement in the existing passport system seemed highly desirable.

Nor was France forgetful of the great services which the Communications and Transit Organisation had rendered in the past by drawing up the Barcelona Convention on Navigable Waterways and the Geneva Convention on Maritime Ports. The French Government was proposing to ratify both these instruments. He himself had been Rapporteur on the Barcelona Convention to the Chamber of Deputies which had adopted it; the second Convention was before the Parliament.

Commenting upon certain apprehensions which the Italian member had expressed in the Ports and Maritime Navigation Sub-Committee of the Committee on Communications and Transit, he pointed out that the nature of the French declaration, which had been made in that connection at the last session of the Advisory Committee, was such as to reassure the Italian Government. The declaration was as follows :

“ It should be understood that the declaration made by the French Government at the time of its adhesion, subject to ratification, to the Convention on the International Regime of Maritime Ports in no way constitutes a modification of the terms of this Convention or of its statutes. The declaration merely points out that, if a State availing itself of the provision of Article 12, paragraph I, should not observe, so far as possible, the principles of the statute as laid down in Article 12 itself, and should thereby depart from equality of treatment in favour of its own marine, France will have the power, in conformity with Article 8, of suspending the benefit of equality of treatment in regard to the mercantile marine of that State. ”

This interpretation of the French reservation should, he thought, dispel all apprehensions and remove all misunderstanding.

He reminded the Committee that France had convened a Conference on road traffic. He hoped that the Communications and Transit Organisation would be able to carry on the work done at that Conference by making a careful study of the possibilities of unifying more completely the regulations governing international road traffic.

France expected great things from the next Transit Conference. It had just been proposed that the Conference should be held in a town outside Europe—perhaps somewhere in Latin America. The other continents in general and South America in particular played so important a part, both materially and morally, in the world's affairs that France could not but warmly support the Italian delegate's valuable suggestion.

M. SUVICH (Italy) thanked the French delegate for his explanations. Italy had not ratified the Convention, but it was probable that the explanations given by the French Government would enable the difficulties to be settled.

The Italian Government had highly appreciated the spirit of co-operation displayed by France in making the declaration. He was quite convinced that it would be possible to reach satisfactory conclusions, and, though he could not make any official statement, he hoped that, in the circumstances, the Italian Government would see its way to ratify the Convention on Maritime Ports.

M. BASTID (France), on behalf of his delegation, desired to thank M. Suvich for what he had said.

M. FERNANDEZ Y MEDINA (Uruguay) associated himself with the expressions of thanks to the Rapporteur. He thought it desirable that the Conference should be held outside Europe, and he could but welcome the proposal which had been made.

On the question of the ratification of Conventions, he explained that his Government's failure to ratify was due to domestic difficulties : Parliament had many political problems to solve. He wished, however, to assure the Committee that his Government was most anxious that the Convention should be ratified by both Houses.

M. DENDRAMIS (Greece) was prepared to accept the conclusions of the report and to support the Italian delegate's proposal, for he attached the highest importance to the co-operation of non-European countries. This would be an excellent opportunity for propaganda on behalf of the principles of the League. He wished to thank the Advisory Committee for Communications and Transit for the work it had done.

M. VAN EYSINGA (Netherlands), referring to the Italian delegate's proposal that the Third General Conference on Communications and Transit should be held in a town outside Europe, said he agreed with M. Suvich that everything which might contribute to the establishment of closer relations among the Members of the League was to be welcomed. It was not enough, however, to applaud a good idea ; it was essential to consider how that idea could be put into effect.

He reminded the meeting that, at first, the League had seemed to be pursuing a policy of decentralisation. The Council, in particular, used to hold each session in a different town. Though relations had become closer thereby, expenses had increased. Moreover, the work of the Secretariat had suffered. Subsequently, it had been thought necessary for the proper working of the League, and, in particular, in order to render more effective the work of the Secretariat and for reasons of economy, that meetings of the Council and of the various Committees and Conferences should normally be held at Geneva. For this reason, he considered that the proposal concerning the Third Conference on Communications and Transit ought to be regarded as exceptional, for, if any considerable number of Conferences were to take place outside Europe, the Secretariat would be disorganised. He wished it to be clear that he did not oppose the Italian delegate's proposal, but he desired to show that it ought not to be made a precedent.

Mention was made in the report of a lack of proper liaison between the technical sections and the administrative departments of countries outside Europe. It had been proposed, as a remedy for this situation, that the Third Conference on Communications and Transit should organise an information centre. This suggestion was not included in the Italian delegate's proposal, but it was thought that the same result might be attained by convening the Conference in a town outside Europe. The question was which was preferable, the establishment of an information centre or the holding of the Conference outside Europe, or whether the two measures were desirable.

With the object of estimating the cost, it was also desirable to have some idea in what part of the world the Conference would be held. The Italian delegate had suggested that the Third Conference on Communications and Transit should be held in a town outside Europe in order that better liaison might be established with non-European countries. The Conference was of a somewhat technical kind, and he (M. van Eysinga) doubted whether it was the most suitable for the purpose, seeing that there were other general Conferences in prospect.

M. SUVICH (Italy) said he would endeavour to reply to the questions put by the Netherlands delegate.

He agreed with the latter that the holding of the Conference of Communications and Transit outside Europe should constitute an exception. Moreover, it was the Rapporteur himself who has stated in his report that it was desirable to create closer relations in this respect between the League of Nations and the non-European countries.

In reply to the Netherlands delegate's second observation, M. Suvich said that the Rapporteur himself had spoken in general terms of liaison with the non-European States. It was for this reason that, in his proposal, the speaker had been content to refer to " a town outside Europe ".

As regards the third point, namely, whether the Conference on Communications and Transit was more suitable than another for the desired purpose, he left it to the Secretariat to reply. The Conference on Communications and Transit was a meeting of specialists who had to deal with subjects of a technical character. There did not therefore seem to be any reason why these subjects should not be dealt with at a place other than the seat of the League of Nations.

M. HAAS, Secretary-General of the Committee for Communications and Transit, replying to the Netherlands delegate, said that the fact of convening the Third General Conference of Communications and Transit outside Europe did not render it unnecessary to create an information centre. On the contrary, by bringing together the experts of the different continents, the Conference would make it easier to constitute this information centre.

As regards the second question raised by the Netherlands delegate, M. Haas said that, without deciding exactly where the Conference should be held, the expenditure involved could be fairly accurately calculated, as the difference in cost of transit by sea, even for considerable distances, was not very large.

With regard to the agenda, its character was quite general and was not technical in the sense indicated by the Netherlands delegate. It involved general discussions on all the problems dealt with by the Transit Committee.

Moreover, if the Assembly decided to hold this Conference outside Europe, the Transit Committee, which had not yet definitely decided upon its agenda, would no doubt take this new factor into account and make its agenda as interesting as possible from the point of view of inter-continental relations.

Commander Hilton Young (British Empire) thought that the Netherlands delegate's observations were worthy of careful consideration.

Personally, he had no special remark to make with regard to the first and third points dealt with by the Director of the Transit Section. As regards the second point, he considered that the question of expense should naturally be taken into account but that it was a matter for the Fourth Committee to decide.

The holding of a Transit Conference in a country outside Europe would be of great value, for it was an excellent thing for the League which might be considered as adolescent,

occasionally to breathe a new atmosphere which could not fail to assist its development and to have an invigorating effect. He was therefore in favour of any proposal to hold a Conference in Latin America.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) congratulated the Rapporteur on his excellent work. He agreed with him that the question of communications was at the bottom of all human activities. This question was usually supposed to be a technical one, but it also affected the economic and political spheres; hence its extreme importance.

He was grateful to the Rapporteur for having emphasised the recommendation he himself had already made that communications between the seat of the League and the various capital cities should be improved. He desired to lay stress on this point and suggested that the Transit Section should get into touch with the Conference on Time-tables with a view to securing such improvements.

He asked the Rapporteur to complete his report by emphasising the importance of the Barcelona Conference, where other conventions had also been discussed, although they had not been drafted, as well as the importance of improving Customs and passport formalities, which were most vexatious for those who had no diplomatic passports.

The speaker warmly supported the Italian delegate's proposals, as he believed that a Transit Conference held outside Europe would have excellent results from every point of view.

M. TARNOWSKI (Poland) wished, on behalf of the Polish Government, to thank the Advisory and Technical Committee for Communications and Transit and the Transit Section of the Secretariat most warmly for the valuable assistance given by the Committee of Experts sent by the Advisory and Technical Committee to Poland to the Polish engineers in the difficult work of organising an inland navigation system putting Western Europe into communication with Eastern Europe and connecting the mining centres in Silesia—and even in Czechoslovakia—with the Baltic Sea.

He hoped that the knowledge and experience of the distinguished experts whom Poland had had the pleasure of welcoming would greatly assist the Polish Government in carrying out this scheme, which was of the greatest economic importance not only for Poland but for Europe in general.

M. ZUMETA (Venezuela) said that he was gratified at the warm reception given to the Italian delegate's proposal. He thanked the Committee for the breadth of mind with which it was endeavouring to establish closer relations with the countries outside Europe.

His thanks were all the more sincere in that he, like all his colleagues on the Fourth Committee, realised the spirit of economy which had inspired the examination of the budget with a view to meeting a possible crisis in the finances of the League. Only this morning the Committee had discussed for half an hour a credit of 6,000 francs, while now the Second Committee, in a spirit of generosity, was offering, in order to draw closer the ties with transatlantic countries, a sum of 250,000 francs, representing the cost of a Conference to be held in one of the countries of South America.

Referring to one of M. van Eysinga's observations, M. Zumeta did not think that this could be regarded as an exception, but that, on the contrary, if the Conference on Communications and Transit was held in South America, there was no reason why other Conferences should not be held subsequently in Asia, Australasia or Africa.

In conclusion, the speaker paid a tribute to the excellent report submitted by M. Jaramillo.

M. FERNANDEZ Y MEDINA (Uruguay) said that M. van Eysinga's prudent observations were deserving of the greatest attention. Of the three conferences, that on Disarmament, the Economic Conference, and that on Transit and Communications, it was the last, owing to the small number of delegates of which it would be composed, which would best lend itself to being held outside Europe, as the travelling expenses would be comparatively small. For this reason he was in favour of choosing this Conference.

As regards the meeting place of the Conference, this was a question which would need to be very carefully considered by the Council and by the Secretariat.

As regards the cost, he proposed that a maximum figure should be fixed and that it should be decided that if this sum were sufficient for the organisation of the Conference, it might be held in a non-European country; otherwise, it would have to meet in Europe.

In conclusion, he expressed the opinion that the Conference on Communications and Transit might undertake the consideration of certain new questions in the sphere of communications and transit, such as, for example, the co-ordination of inter-continental radio-telegraphic communications, problems of transit and communications in relation to the Economic Conference, and problems of transit and communications in relation to sanctions provided for in the Covenant.

M. ANDERSEN (Denmark), while endorsing the spirit in which the Italian delegate had put forward his proposal, considered that there was some danger in abandoning the principle of continuity as regards the different Conferences held under the auspices of the League of Nations. Due weight should be given to considerations of economy. He accordingly proposed that the following paragraph should be inserted after the second paragraph in the Italian delegate's resolution:

“ That the Committee will emphasise the fact that, as a rule, the different Conferences called under the auspices of the League should be held at the seat of the League of Nations. ”

He suggested also that the last sentence in the Italian delegate's resolution should be amended as follows :

“ That the Council convenes this Conference in a non-European town *as an exceptional measure.* ”

M. LEO DI PAULI (Austria) called attention to the passage in M. Jaramillo's report concerning the reform of the calendar. Austria being a Catholic country, and the Austrian people being firmly attached to the traditions and customs of its religion, she could not accept a reform of the calendar carried out without the authority of the Holy See. Referring to the Holy See's reply to the letter addressed by the Secretary-General to all the religious authorities, the speaker recalled the fact that M. Jaramillo's report proposed to ask the Assembly to make a recommendation which would carry great weight with the high religious authorities on which the solution of this question depended. He felt that any measure should be avoided which, rightly or wrongly, might be interpreted as bringing pressure to bear upon the Holy See. He ventured to ask the Rapporteur to modify this paragraph in his report.

General LAIDONER (Estonia) entirely concurred with M. van Eysinga's observations and supported the Danish representative's proposal concerning the forthcoming Transit Conference.

M. VAN EYSINGA (Netherlands) thanked M. Suvich and M. Haas for their explanations. Referring to M. Fernandez y Medina's observations concerning the preference to be given to the Conference on Communications and Transit, he remarked that this was only a recommendation, and that the final decision lay with the Council.

He agreed with M. Suvich that the convening of this Conference in a country outside Europe should be regarded as an exception, but he could not agree with M. Zumeta that, when one Conference had been held in Latin America, for example, there was no reason why others should not be held in Asia or elsewhere.

In conclusion, the speaker expressed his approval of the Danish delegate's proposal.

M. FERNANDEZ Y MEDINA (Uruguay) thought that the Committee really could not leave the impression that there was any danger for the League of Nations if a Conference were held outside Europe, as the League's mission was to promote international co-operation throughout the world.

M. SUVICH (Italy) recognised that, as a general rule, it was more convenient for Conferences to meet at Geneva. He asked the Danish representative if he would agree to the following text : “ . . . making an exception to the present practice of holding the Conferences of the League of Nations at Geneva ”. He thought that this proposal might meet with the Committee's unanimous approval.

M. VAN EYSINGA (Netherlands), referring to the Uruguayan delegate's declaration, wished to state clearly that he had never thought that the holding of a Conference outside Europe could represent a danger for the League of Nations. There must be some misunderstanding.

In reply to the Austrian delegate's remarks, he said that from the outset the Committee of Communications and Transit had realised that the question of the reform of the calendar was one which closely affected religious convictions, and that it had always remembered this aspect when considering the problem. Moreover, the way in which the Committee of Enquiry was composed was a clear proof of this fact. The Committee of Enquiry had considered that the reform of the calendar could be divided into two parts : the first, that concerning the stabilisation of Easter and the work connected with it, was very advanced ; the second referred to the reform of the calendar in general.

The speaker recalled the fact that not fewer than one hundred and eighty-five proposals for reform had had to be examined, and he paid a tribute to the remarkable work of co-ordination done by the Secretariat. Personally, he thought that public opinion was not yet prepared to accept this general reform. He referred to the passage in the report which mentioned that the future work would be assisted by the creation of national organs of enquiry, consisting of representatives of the principal interests concerned. As regarded the stabilisation of the date of Easter, the Committee of Enquiry had taken into account the effect such a reform might have on economic life and on education. It specially emphasised the very favourable reception everywhere given by educational circles to the suggestion that Easter should be stabilised. In this connection, it was particularly desirable that the long months which separated the Christmas holidays from the summer holidays should be divided more or less equally.

The report unanimously adopted by the Committee had led to the resolution adopted by the Advisory and Technical Committee to which the Rapporteur had referred in his report. The speaker did not think that, in associating itself with this resolution, the Assembly would be likely to wound the susceptibilities of religious circles in any way.

M. ANDERSEN (Denmark), replying to the Italian delegate, said that, in submitting his amendments, he had desired to support the Italian proposal. He considered that the Committee should do its best to secure the valuable assistance of the countries of South America. He therefore accepted the last wording suggested by the Italian delegate.

M. BASTID (France), on behalf of his delegation, supported the compromise proposed by M. Suvich.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) thought that, with all due respect for the different religious authorities, it was most desirable that the question of the calendar should be settled. He would emphasise the fact that this reform could, naturally, only be carried out with the help of these authorities.

Dr. JARAMILLO (Colombia), Rapporteur, thanked his colleagues for their kind remarks.

In reply to the Austrian delegate's observations regarding the reform of the calendar, he proposed, by way of a compromise, an amendment in his report. Paragraph 3 of the resolution should be deleted and replaced by the following text :

“ That the Assembly notes finally the conclusion of the work of the Special Committee of Enquiry into the Reform of the Calendar and associates itself with the findings and suggestions made by this Committee. ”

The Rapporteur also proposed, as a consequence of this amendment, to omit the second sentence of the paragraph of the report beginning “ The Assembly will no doubt associate itself . . . ” (see page 87).

M. Leo DI PAULI (Austria) thanked the Rapporteur for having accepted his proposals.

The CHAIRMAN then put to the vote the report and the resolution as amended.

The report and the resolution were adopted¹.

The Italian delegate's proposal was put to the vote and was adopted.

The CHAIRMAN requested the Rapporteur to submit the report to the Assembly on Saturday morning.

31. Close of the Session.

The CHAIRMAN thanked all the Rapporteurs who had so admirably reviewed the important work done in the past year by the Technical Organisations and also all his colleagues, old and new, on the Committee who had assisted in bringing its work to a conclusion.

He also thanked M. Quesnay, Secretary of the Committee, and all the members of the Secretariat, whose excellent work he fully appreciated.

M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes) paid a tribute to Mr. Fitzgerald for his courtesy to them all and for the vigorous but nevertheless charming and tactful way in which he had presided over the discussions. He desired to thank Mr. Fitzgerald on behalf of all the members of the Committee. He would like to thank also M. Quesnay, Secretary of the Committee, and the other members of the Secretariat.

¹ For the final text of the report, see Annex 18 to the Verbatim Record of the Seventh Ordinary Session of the Assembly, *Official Journal*, Special Supplement No. 44.

LIST OF ANNEXES.

	Page
1. Work of the Greek Refugee Settlement Commission: Statement by Mr. Howland, Chairman of the Commission	58
1a. Work of the Greek Refugee Settlement Commission: Draft Report by M. van Cauwelaert (Belgium)	61
2. Work of the Health Organisation: Draft Report by M. Fernandez y Medina (Uruguay).	63
3. Work of the Committee on Intellectual Co-operation: Draft Report by M. Munch (Denmark)	65
4. Work of the Preparatory Committee for the International Economic Conference: Draft Report by M. Loucheur (France).	68
5. Financial Reconstruction of Hungary: Statement by Mr. Tyler, Deputy Commissioner-General of the League of Nations at Budapest during the Reconstruction Period	69
5a. Financial Reconstruction of Hungary: Draft Report by M. Suvich (Italy).	73
6. Financial Reconstruction of Austria: Draft Report by M. Strasburger (Poland)	76
7. Settlement of Bulgarian Refugees: Draft Report by Commander Hilton Young (British Empire)	78
8. Work of the Financial Committee: Draft Report by M. Avramovitch (Kingdom of the Serbs, Croats and Slovenes)	79
9. Work of the Economic Committee: Draft Report by M. Nagai (Japan)	82
10. Work of the Organisation for Communications and Transit: Draft Report by M. Jaramillo (Colombia).	84

A.II/1. 1926.

Annex 1.

WORK OF THE GREEK REFUGEE SETTLEMENT COMMISSION.

Statement by Mr. HOWLAND, Chairman of the Commission.

The Refugee Settlement Commission has regularly filed its quarterly reports as required by the Protocol, and the eleventh is in circulation this week. These reports contain the evidence of administrative progress, but they are uninteresting reading, as anyone knows who has had occasion to consult them and as, in their nature, they must be. The Commission has therefore in course of preparation a special report more popular and readable, containing a description of the scope of the work from its beginning to the expected end, containing many observations relevant to the life and establishment of the refugees, and illustrated with photographs. The Commission has felt justified in doing this for two reasons :

It is desirable that the Members of the League of Nations and the world at large should know what an enormous amount of work the League undertook, what progress has been made with that work and how loyally Greece itself responded to the task laid upon her.

The second reason lies in the fact that the work has had a profound effect upon the political, social and economic life of the country. It has been involved with questions of a special and general character, many of them touching the fundamental policies of the Greek Government, and for this reason it deserves the attention of historians, economists and sociologists. It is not possible to give an idea of these elements of the problem in the restrained form required for the usual report.

We begin with the fact that Greece at the time of this migration was a country of approximately 5,000,000 people, and that the refugees, according to the best figures we have, were approximately 1,400,000 in number, or just under 30 per cent of the population of the country into which they poured in a chaotic mass. The situation is therefore as if France or England, after eight or ten years of exhausting war, had been obliged to receive destitute refugees of their own blood amounting to approximately 12,000,000 people and to provide for them dwellings, temporary sustenance and permanent livelihood.

You know the story of the appeal of Greece to the League of Nations, of the part that Dr. Nansen played in exchanging the two populations, of the support given to the project by Lord Cecil in his speeches at the Assembly, of the investigation made by Colonel Proctor, and the plan prepared by Sir Arthur Salter. The Commission, consisting of two Greeks and two foreigners, has an organisation under its control of approximately 2,000 persons, all Greek. In the course of time they have become, by discharges and new engagements, a picked body, functioning skilfully and perseveringly, and it would be interesting for supporters of international effort to see what an *esprit de corps* has developed among them. While my colleague, Sir John Campbell, has worked industriously year in and year out because of his devotion to the task, we may say that, in the main, it has been done by Greeks for Greeks, and that foreigners have served mainly to give their experience and act as guides.

Out of the 1,400,000 refugees, approximately 200,000, mainly city dwellers, had resources of their own. Of the balance of 1,200,000, perhaps 500,000 were city dwellers and 700,000 accustomed to farming life—it is not possible to be very exact with figures on such a scale.

It has been the policy of the Commission from the beginning, in close co-operation with the Hellenic Government, to give the preference in establishment to the farming refugees as being, on the whole, far more productive than the urban commercial classes and therefore promising much greater support in the future for the economic, social and political life of Greece. Full establishment of country people was therefore preferred. The Greeks themselves recognise the merit in this distinction. It has caused as many persons as thought they could maintain themselves in the country to enrol as farmers in order to obtain allotments of cultivable land. In the main they have justified their claims, though the Commission did find one person who had thus obtained land watering his potatoes in time of drought with brine he was transporting from the sea.

* * *

The Greeks in Old Greece, though strongly unified by their allegiance to the Hellenic Idea, represent great diversity of habits and culture owing to the traditional regionalism of the different parts of the country, which in its turn was due to the difficulty of communication except

by sea. The refugee Greeks show the same interesting differences, and an essay could be written upon the causes of those differences. The mountaineers from Upper Anatolia are dignified and austere : the city dwellers of Smyrna and of the towns along the coast are supple-minded, inquisitive, *frondeur*—while they all have the same enthusiasm and unity of race as their compatriots in Attica and the Peloponnesus. The ancestors of some of these people must have come down as fair-haired Hellenes out of the forests of Central Europe; in other cases the first settlers must have been colonists from the cities of Greece proper; I have had men in my office who asserted that they were descended from soldiers of Alexander the Great, who remained in Asia Minor on their way back from the Indian campaign.

A considerable number of them on their arrival spoke only Turkish. Half the inhabitants of the town of Adalia were Greeks who spoke Turkish, because they had been resident there for centuries; the other half was made up of Turks who spoke only Greek, being the next generation after Turks who had migrated there from the Peloponnesus in the last century.

These people, coming pell-mell into Greece, were separated, villages and families being scattered among the different ports to which they were first conveyed. For the first year or so, the main effort was for families to come together and for villages to regroup themselves to satisfy the natural gregarious tendency of the Greek. Even now, the newspapers contain occasional advertisements searching for a lost member of a family. A group once brought together does its best to attain its original unity. There is a settlement near Cavalla in a marshy, malarial district which ought to be promptly removed. The villagers are not willing to go away because they are afraid in that case their community will have to be divided and they would then have a struggle among themselves as to which unit of them should be entitled to the sacred bones of St. Gregory of Nazianzus, who has been the patron saint of the group since the seventh century.

You will be glad to know that almost everywhere the native peasants have been hospitable to these newcomers, and, except for occasional local difficulties over allotment of land where there has been too much crowding, no serious difficulties have occurred. There has been no general opposition to the refugees, no fear of them as competing producers in agriculture or in industry.

It may be interesting in this connection to recall that, at the time of the first migration of the Huguenots into England after the Massacre of St. Bartholomew, and the establishment of their trades in competition, the London tradesmen were so aggrieved by the competition of the French that they prepared a bill to prohibit that competition, and had it introduced into Parliament by Sir Walter Raleigh. An interesting point to notice in this connection is that the passage of the bill was prevented by the Cecil of his time, one of Queen Elizabeth's statesmen and ancestor of Viscount Cecil of to-day.

The spirit of the refugees at first was one of discouragement, even despair. Their physical conditions were at the lowest ebb at which life can be supported, and their psychological state was, of course, in correspondence. But rapidly an improvement took place. As soon as his family was sheltered, his wife and children nourished and the possibility of a livelihood was present to his consciousness, the refugee head of the family took heart and went to work. At Serres, some fifty families were lodged in wooden huts in a windy gorge, and one of our party was pointing with his stick to holes in the roof and walls. The owner said : " That's a small matter—one hole lets in the wind and the hole on the opposite side lets it out ".

At Arakova, the proprietor of a small shop, when asked if he would like to return to Smyrna, replied : " No. I like this place; the olives are good and there's plenty of water. " Sometimes a whimsical answer will be given to a question. On one of our journeys we asked a lazy refugee why he was sleeping in the sun instead of working his field, and he replied : " Sleep in prosperity is lost time, but it is time saved in misfortune. "

* * *

The Hellenic Government, in the Protocol, engaged itself to transfer to the Commission 500,000 hectares of land suitable for the establishment of refugees, counting in a certain proportion of pasture- and forest-land. The Commission has received its full 500,000 hectares and something more, and the Government may be considered to have fulfilled its engagement this notwithstanding the fact that it has itself met with serious difficulties in obtaining the land necessary.

It is fortunate for this work that, since about 1914, Greece has had an advanced agrarian policy instituted by M. Venizelos, and has been gradually expropriating the properties of large landed proprietors and of the monasteries and parcelling them out among the small farmers of the country, who have thus become peasant proprietors. The usual results have

followed this policy, that the land working classes have adopted conservative policies and have supplied a stabilising element in Greek domestic life.

Greece is now about as full as the country will hold. Fortunately, Macedonia was relatively empty at the time of the arrival of the refugees, and most of the country people have been placed there by the Commission.

The first process in the location of the group was the discovery of lands suitable for maintaining a population ; next, the selection of a site available to these cultivable lands ; and, thirdly, the selection of a group whose previous experience had made it competent for the raising of the crops for which the region and the lands available for cultivation were alike suitable. Arrangements on this score have usually been made between either the Commission or the Government, on the one hand, and the chief of a community seeking establishment, on the other, the latter furnishing all the data necessary to satisfy the Commission that the community would succeed in the spot selected.

The Commission has then proceeded to build a village large enough to house the number of families who could be supported in the establishment. The first year, when the refugees were unable to work and the country was scarcely able, out of its own resources, to furnish the means for rapid construction, a contract was made with a German firm to supply a framework for 10,000 houses, and that contract has been completed. After that experimental but necessary endeavour, the building has been mainly done by local contractors, who have employed the refugees in the building of their own houses and have used for that purpose the material available in sufficient quantity in the region—whether dried bricks or mud bricks or stone or cement or what not. Many of the materials have had to be carried over most difficult routes and in the flood season on the backs of mules and donkeys, struggling through rushing streams and over fields of mountain snow.

For the different villages the Commission has been obliged to secure a supply of water. For this purpose, wherever surface water of good quality was not available, it has dug artesian wells with apparatus brought from America, and has succeeded in obtaining an ample supply for each community, the water in every case showing excellent qualities on chemical analysis.

In his manner the Commission has established in Macedonia 116,403 families, approximately 550,000 people ; in Thrace 16,596 families, approximately 75,000 people ; in the other provinces 14,250 families, approximately 62,000 people—a total of 147,249 families, approximately 687,000 people.

These villages, according to the region and the character of the soil, produce wheat—this is of course the largest item of production—other cereals, fruits of all kinds from trees which are beginning to bear, cotton, hemp, roses for the manufacture of attar of roses, vegetables of all kinds from market-gardens, grapes for alcohol or wine, grapes for raisin production, cocoons for the manufacture of silk, and, last but not least, tobacco on a large scale. The Commission has supplied these farmers with seed for all the agricultural products, vine roots from California pasteurised against phylloxera, and is planting large areas in different parts of Greece with mulberry trees for the silkworm growers. The houses vary according to the needs of these different producers, the habits and temperament of the silkworm, for instance, being of far greater importance than the predilection of the owner of the house ; and similarly have built houses for fishermen near fishing grounds and supplied them with boats and places for drying their nets and their fish, etc.

The Commission has also supplied each farming family with a plough animal—mule, ox or buffalo—with a transport animal—pony or donkey—with a plough and harrow and an interest with other families in a wagon for the carriage of supplies and grain. Then the Commission has furnished seed for planting and subsistence for the entire family until the first crop should be gotten in. In addition to this, it has supplied veterinary service for the animals, which were all tested at the time of their arrival in Greece ; some demonstration establishments, where model cultivation is carried on ; and travelling inspectors to aid the refugees in their affairs.

The cost of this establishment per family has been continually pared down by the Commission until it now amounts to £100 per family, £50 for the house and £50 for all the rest of the assistance given.

The refugee farming population seems, on the whole, to be thriving. The people seem well nourished, their flocks and herds have increased, there is a visible air of content and of security about their movements. In one village in Macedonia in April, I found nearly all the men gathered in the evening in a smoky café talking with great enthusiasm, while an ancient member of the group played on wailing bagpipes with his eyes fixed ecstatically upon the ceiling. He was celebrating the successful planting of the seed just prior to a beneficent rain, and the instrument he was playing was the duplicate of one described by Aristophanes.

The refugees have suffered terribly from typhoid and dysentery, but most of all from malaria. Any person who knew about the decimation of the troops in Macedonia during the

war from that dread disease knows what can happen to persons who have not been immunised by residence there. In 1923, out of 14,000 persons in transit in Salonika, there were over 5,000 serious cases of malaria. In some communities the death rate for a short time would, if continued, have amounted to over 40 per cent per annum of the entire refugee number. Nearly all children who were attacked with malaria died, and the ratio of deaths to births in 1923 was 3 to 1. Fortunately, with better living conditions, more nourishment and works of drainage undertaken by the refugees themselves and the establishment of a medical service by the Commission, with the distribution of quinine, a large part of which was given to the Commission by the American Red Cross, the malarial situation seems to be improving rapidly. The number of cases in 1925, out of a "controlled" group of 200,000 persons, was only about half that of 1924, and the birth rate among the refugees now substantially and continuously exceeds the death rate.

Of the 500,000 or 600,000 urban refugees, the Commission has, by its own efforts or with the urban houses begun by the State, completely or partly housed families aggregating between 100,000 and 200,000 persons. These properties the Commission is gradually selling to the refugees, who were asked to buy the houses they occupy, to make a general payment of 2½ to 5 per cent and then to pay the balance in equal instalments running over fifteen years. These urban people are pretty well looking after themselves, establishing various industries or gaining employment in the factories which are growing up around the refugee quarters and seeking refugee labour. It will suffice here to mention only the industry of carpet-making, which in Turkey was carried on largely by those of Greek blood. Both the weavers at the looms and the capitalists and executives of a large part of the carpet industry in Turkey migrated to Greece with the refugees and the industry is now successfully established there. The exportation of manufactured cotton and woollen goods has increased by over 50 per cent since the urban refugees came into the cities of Greece.

It remains to mention briefly the financial situation of the Commission. Out of the £10,000,000 raised by the bankers for the work of the Commission, it has expended, up to June 30th of this year, £7,807,039 15s. 5d. Of the balance of about £2,200,000, a considerable part has been budgeted, and what is left constitutes the reserve fund of the Commission for contingencies and for making a survey of the lands on which refugees have been settled. That the investors' capital is well secured may be seen from the fact that the amount required for the annual service of the loan, interest and regular sinking fund amounts to 292,000,000 drachmæ, while the revenues pledged to the International Service Commission for the protection of the loan produced last year 1,821,904,416 drachmæ, or more than six times the amount necessary for the service of the loan. Besides their receipt of interest and the benefit of a small annual sinking fund, the bondholders also get the benefit for extraordinary amortisation of their bonds of most of the amounts paid by refugees in payment of their debts to the Commission. A beginning has been made on this extraordinary amortisation, and approximately £30,000 of bonds have been redeemed.

It is early to predict the effect of this work upon the social and economic life of Greece. I have indicated that the refugees are industrious, have plenty of initiative in learning ways of bettering their agricultural processes and their condition generally, and give every outward appearance of content. After four or five years one will be able to judge the probable lasting effect upon the welfare of the country. Some evidence of a favourable outcome may be seen from the fact that, in the whole of Greece, there are scarcely any beggars, while such crimes as robbery, violence, theft, pocketpicking and other forms of theft are almost unknown. It is, of course, already evident that there is an enormous increase in agricultural production in the country, while the export figures show that industry has received a strong and, it is to be expected, durable stimulation.

A. II/12. 1926.

Annex 1a.

WORK OF THE GREEK REFUGEE SETTLEMENT COMMISSION.

Draft Report by M. VAN CAUWELAERT (Belgium).

The Second Committee has had before it the section of the report to the Assembly on the work of the Council dealing specifically with the question of the establishment of Greek refugees. It has also had the advantage of hearing a review of the work of the Commission since its inception from Mr. Howland, its Chairman, of whose resignation the Committee has learnt with great regret.

The situation as disclosed by these reports is in many respects very encouraging.

This piece of settlement work was the first of its kind undertaken by the League ; and it was an attempt to tackle a problem without a precedent in history. As the Chairman of the Commission has stated, " it is obvious that the problem presented by the influx of 1,400,000 of refugees into a country small in extent, whose population amounted approximately to 4,700,000, involved for the Greek Government and for the League of Nations a task of great delicacy, the humanitarian character of which is obvious ; only those who have witnessed it can realise the amount of suffering, the misery, sickness and death in all their possible forms, which has occurred among these people uprooted by the war, and even these witnesses have had to make an effort of imagination to realise the proportions of this disaster. "

It will be remembered that the original plan was prepared by the Finance Committee after an enquiry of M. Parmentier and Colonel Proctor in Greece. In order to carry out the settlement work a Commission was appointed, consisting of two Greek members and two members appointed by the Council of the League, and a public loan of £10 million was floated in London and New York. Of this sum, nearly £8 million were expended up to June 30th of this year. Of the balance, a considerable part has been budgeted, and what is left constituted the reserve fund of the Commission for contingencies and for making a survey of the lands on which the refugees have been settled.

The Commission estimates that, of the 1,400,000 refugees, some half-a-million, either because they had independent means, or with help from other sources, have required no aid from the Commission. Some 700,000 have been settled or assisted by the Commission, and some 120,000 (5,000 agricultural families and 20,000 urban families) still need to be dealt with. To complete the installation of those already assisted and to deal with the remainder, the Commission estimates that a further £5 million would be required.

The large majority of the refugees who have so far been settled are agriculturists. The Commission has established in Macedonia 116,000 families, or approximately 550,000 people ; in Thrace 16,596 families, or approximately 75,000 people ; in the other provinces 14,250 families, or nearly 62,000 people—nearly 700,000 people. They have been supplied by the Commission with seed for all agricultural products, including certain products specially adapted to the needs of the country, such as vine roots from California pasteurised against phylloxera, and mulberry-trees for the silkworm growers. Each farming family has received a plough animal—mule, ox or buffalo—and a transport animal—a pony or a donkey. The refugees have also been supplied with ploughs and harrows and each family has received an interest in a wagon for the carriage of supplies and grain. Subsistence and seed for planting also had to be furnished until the first crop could be harvested. In those cases where refugees could not be given shelter in houses left vacant by the exodus of peasants who have now gone to Turkey under the system of exchange of populations, the Commission has had to supply them with houses.

According to information supplied to the Committee, the average cost of establishing a family has been continually pared down until it amounts to £100 per family (£50 for the house and £50 for all the rest of the assistance given). This expenditure is obviously exceedingly moderate.

The work of the Commission was at one time seriously endangered by malaria. The figures quoted by the Chairman of the Commission are exceedingly significant and illustrate well the humanitarian aspect of this piece of work. He states that " in some communities the death rate for a short time would, if continued, have amounted to over 40 per cent per annum of the entire refugee number. Nearly all children who were attacked with malaria died, and the ratio of deaths to births in 1923 was 3 to 1. Fortunately, with better living conditions, more nourishment and works of drainage undertaken by the refugees themselves and the establishment of a medical service by the Commission, with the distribution of quinine, a large part of which was given to the Commission by the American Red Cross, the malarial situation seems to be improving rapidly. The number of cases in 1925, out of a 'controlled' group of 200,000 persons, was only about half that of 1924, and the birth rate among the refugees now substantially and continuously exceeds the death rate "

The urban refugees number between 500,000 and 600,000. Of these the Commission has completely or partly housed between 100,000 and 200,000, who are gradually, at their own wish, buying their houses under an instalment system spread over fifteen years. These urban refugees have established various industries—in particular, the industry of carpet-making, which they brought with them from Turkey.

It is to be noted in general that the refugees have been settled in urban or agricultural districts according to their capacities and according as land and housing has been available. No restriction has been placed on the districts in which they may be lodged ; the Committee learned, for instance, from the Chairman of the Commission that settlement had been made right up into the frontier districts where suitable land was available, and that no serious difficulties of any kind had occurred.

It will be remembered that the land for settlement was to be transferred under the Protocol signed by the Greek Government in 1923 in full property to the Settlement Commission. A number of legal difficulties had to be overcome before the full legal title could be transferred.

It is satisfactory to not that this was accomplished by a *décret loi* published on May 15th of this year.

In this connection there remains, however, a necessary but difficult task for the Commission to perform. There exist no adequate maps in Greece, and a careful survey of the land on which the refugees are settled will have to be undertaken in order that the boundaries of their properties may be fixed. It is obvious that this piece of work is of great importance in creating among them a feeling of security.

The facts contained in the above account speak for themselves; and it is not necessary further to emphasise the manifold significance and value of this piece of work.

On the humanitarian side it has prevented untold misery and distress; on the social and economic side it has greatly strengthened the whole position of the country by turning into productive citizens a large proportion (nearly 25 per cent) of the population who without this help might have become a source of disorder in the country or who would have starved in enforced idleness.

As has been seen, about another £5 million would be required in order to bring the work to a successful conclusion. It is obvious that, as is the case with any other loan publicly subscribed, certain conditions touching the internal and external situation and policy of the borrowing country are required before such an operation can be successful. It is to be hoped that conditions may be such that the money required may become available in due course to complete this piece of work, which has been begun so successfully, and the results of which have so amply justified the association of the League with it.

I beg therefore to propose the adoption of the following resolution :

“ The Assembly :

“ (1) Has learnt with satisfaction that the work of settlement effected in collaboration between the Greek authorities and the Settlement Commission set up under the auspices of the League has made continuous and satisfactory progress during the past year, within the limits of the available funds, which are now nearly exhausted ;

“ (2) Observes that this piece of work is attaining the results expected of it ; more than one-half of the 1,400,000 destitute refugees who have entered Greece have been assisted to establish themselves and have become productive citizens. Apart from the humanitarian significance of the scheme, it is having permanent beneficial results in strengthening the economic life of the country and in promoting social stability ;

“ (3) Expresses the hope that conditions may be such that the money required may become available in due course for the completion of this work, which has progressed successfully under the League's auspices, and the results of which have amply justified the association of the League with it.”

A.II/2 (1). 1926.

Annex 2.

WORK OF THE HEALTH ORGANISATION.

Draft Report by M. FERNANDEZ Y MEDINA (Uruguay).

The report of the Health Organisation of the League and that of the Secretary-General have furnished us with a detailed account of the action taken by the Health Committee in pursuance of the recommendations of the Assembly with regard to the various proposals made last year. We have had one more opportunity of realising the efficiency of the Organisation's work and the progress which has been made in this particular field of League activity, which is undoubtedly among the most interesting and the most generally appreciated by the public.

Attention must first be drawn to the universality of the Health Organisation's work : the Health Committee has succeeded during the last twelve months in establishing very close relations with the health administrations of the Far East. We are under an obligation, in the first instance, to the Japanese Government for all that it has done to facilitate the detailed study of its excellent health administration by a group of hygienists appointed by the health administrations of Far Eastern countries, some of whom were the chiefs of those services. Wealth of information, a series of very careful investigations, together with the personal contact established with the Health Administrations of British India, the Philippines, New Zealand, Australia, Siam, French Indo-China, China, the Soviet Republic, the Far East and the Dutch Indies, will render possible a valuable system of collaboration in the solution of common problems.

Our colleague the Maharaja of Kapurthala has already laid stress in the Assembly on the rôle which the League can play in Asia in its struggle against plague, cholera and other diseases.

Our Health Committee has succeeded in establishing a permanent system of collaboration with its Japanese colleagues, whose work deserves wider recognition, through the intermediary of a Co-ordination Committee, which draws up monographs every year based upon the research

work carried out in Japan. These monographs, which are included in our series of publications, will enable the doctors of the West to become acquainted with the progress of every description achieved in Japan. This admirable system of collaboration is further strengthened by the organisation of an exchange of Japanese and Western hygienists and public health officials, to whom our Health Organisation has given an opportunity of investigating certain problems of special importance to the administrations concerned. This investigation will be carried out both in Japan and in the countries of the West, and will last for a period of nine months.

His Highness the Maharaja of Kapurthala also laid emphasis, in addressing the Assembly, upon the rôle played by the Epidemiological Intelligence Bureau of Singapore, in whose work all the countries of the Far East co-operate. This first institution of the League of Nations in the Far East serves both to satisfy the immediate needs of the administrations of the Far East, with which it co-operates in the struggle against epidemic diseases, and also to meet the wishes of the health administrations of all countries, whether Members of the League or not, which are thus enabled for the first time to obtain direct information with regard to epidemics arising in the East. Last year at this period 50 ports were in telegraphic communication with the Singapore Bureau; this number has recently increased and now amounts to 108.

The Second Committee was accordingly unanimous in accepting the Japanese delegate's proposal, which was strongly supported by the proposal of the delegation of India, that an appropriation should be made in the League budget for the expenses of the Bureau. The Committee fully realised the high importance of the work of the Bureau as the first League institution in the Far East, and the value of its activities not merely to the health departments of the countries in that part of the world but to all the States Members of the League.

The Advisory Committee of our Singapore Bureau is presided over by the head of the Health Administration of British India, while the Vice-Chairmen represent the Health Administrations of French Indo-China, Japan, the Dutch Indies, Siam and China. It enables the Health Committee—which has accepted the task with the consent of the Council—to initiate and co-ordinate investigations and research work bearing upon vaccination against cholera, the endemic centres of this terrible disease, and the measures to be taken to prevent the risk of the outbreak of an epidemic of pulmonary plague in Manchuria. It has also drawn our attention to the desirability of the League's taking an interest in social hygiene problems in the countries of the Far East. The annual report gives full details of this work, which is singularly deserving of encouragement and peculiarly consonant with the ideas and policy of the League of Nations.

The success of the Singapore Bureau has been definitely established and already one can foresee the possibility of setting up other regional bureaux on the same lines, in order to facilitate the collection and distribution of epidemiological and general health intelligence.

No less successful results have been achieved in another part of the East, in Persia, thanks to the enquiry which was undertaken two years ago by the Health Committee and to the subsequent steps which were taken.

It is not, however, only in the East that efforts have been made to encourage further collaboration between health services. An exchange was arranged among medical officers in the Colonial Services of Senegal, Gambia, Portuguese and French Guinea, the Ivory Coast, Togoland, the Gold Coast, Nigeria, Dahomey, Sierra Leone and South Africa, who visited the various Colonies during several weeks in groups in order to investigate in the most detailed manner the working of the medical and public health services.

This journey threw important new light on many subjects; the mutual exchange of theory and experience gained under particularly arduous conditions will make it possible to apply in other countries the definite results obtained in most of the colonies which were visited. The direct benefit will accrue to the natives. It should in particular be noted that what appears to have been particularly valuable to those taking part in the exchange is the examination of the results obtained by the schools for native male nurses and doctors and by the treatment in hospitals, according to the common practice, of sick natives.

On the occasion of this exchange, efforts were made to obtain the views of the sanitary and medical administrations of the colonies as to the desirability of establishing an epidemiological intelligence bureau in Western Africa in pursuance of the recommendation expressed by the last Assembly.

This question is still under consideration by the Health Committee, which has decided to carry out an experiment at Algiers and proposes to put forward definite recommendations at its October session.

In Africa, again, the Health Organisation is engaged, through the intermediary of an international commission composed of Belgian, British, French, German and Portuguese experts, in investigating a series of practical and theoretical problems with regard to the distribution and prevention of sleeping-sickness in Equatorial Africa. You are all aware of the great economic and general importance of this research, and you will all be ready to say that you are following with keen sympathy the often dangerous work of these scientists in the tropical bush.

It is highly desirable that the Health Organisation should undertake the same work in Latin America. We may be satisfied with the efforts which have been made to enable hygienists of Latin America to take part in the various investigations and exchanges. There is also a new step to be recorded: a Brazilian specialist has been given the opportunity of investigating in Japan, for a period of nine months, the parasitic diseases prevalent among Japanese emigrants to Brazil.

The Japanese Government and the Health Committee deserve to be congratulated upon the proof which they have given of the practical application of the system of exchanges and individual subventions.

The number of the experts of Latin-American countries who take part in the work of the Technical Commissions of the Health Organisation is increasing year by year. We trust that specialists in the matter of child protection and the campaign against infant mortality will soon be attached to the group of experts which the Health Committee, in accordance with the recommendation presented by the Netherlands delegation to the last Assembly, has appointed for the study of this problem of prime importance to all countries.

Infant mortality, important though it is, is only one of many problems which together make up the question of child welfare. The Committee therefore displayed the keenest interest in the proposal made by M. Veverka, delegate of Czechoslovakia, who is asking the Council to request the Committee to embody in its programme the study of physical training, including school hygiene, and to consider whether there are any special problems in connection with which it would be useful to undertake a comparative investigation and to co-ordinate the researches and enquiries carried out in different countries.

As long ago as 1924, Dr. Caballero, delegate of Paraguay, drew the attention of the Assembly to the question of physical training, and succeeded in having a recommendation made to the Health Committee that it should consider the desirability of investigating this question. The proposals of the Cuban and Paraguayan delegations bear witness to the interest which the Latin-American countries seem to take in all such questions. It will undoubtedly be a useful step to hold a meeting in Latin America of experts representing these countries, who will, the Committee hopes, take part in the work of the body of experts appointed by the Health Committee to make an exhaustive study of the question. The Assembly will doubtless be delighted to see this idea carried out.

I have the honour, therefore, to propose the adoption of the following resolution :

“ The Assembly,

“ Having taken note of the reports dealing with the work of the Health Organisation (documents A.6, A.6(a) and A.17), records with satisfaction that this work is becoming increasingly universal ;

“ Expresses its gratification at the work undertaken and the results obtained by the Health Committee and its organs as well as by the various experts entrusted with special missions ; and wishes to express its sympathetic interest with the scientists of the International Commission on Sleeping-Sickness who are conducting their sometimes dangerous enquiry in Equatorial Africa.

“ The Assembly notes with satisfaction the close collaboration established with the sanitary and medical authorities of Japan as a result of the interchange and the conferences held in that country ; and with the sanitary administrations of other Far Eastern countries, through the intermediary of the Advisory Council of the Epidemiological Intelligence Bureau of the League at Singapore ;

“ And notes in particular the plan of research work and special enquiries into health problems of the Far East in which the administrations of British India, China, the Dutch Indies, French Indo-China, Japan, the Philippine Islands and Siam have promised their assistance ;

“ And requests the Council to refer the resolutions proposed by the Cuban¹, Czechoslovak² and Uruguayan³ delegations to the Health Committee for consideration. ”

A.II/5. 1926.

Annex 3.

WORK OF THE COMMITTEE ON INTELLECTUAL CO-OPERATION:

Draft Report by M. MUNCH (Denmark).

The Committee on Intellectual Co-operation has held two sessions in the course of the year 1926 : the one extraordinary, in January, and the other ordinary, in July. The first was preceded by a meeting of the newly established Sub-Committee for Arts and Letters, the second by meetings of all the Sub-Committees.

The first of these sessions gained particular importance from the fact that the International Institute for Intellectual Co-operation, established thanks to the generous offer made

¹ “ The Second Committee, in conformity with the resolutions of the fifth and sixth ordinary sessions of the Assembly on the subject of infant mortality and the protection of children, requests the Council to ask the Health Committee to consider to what extent it could, at a suitable time, enlarge its scheme of international enquiry to include other problems of eugenics. ”

² “ The Second Committee, considering the importance of physical culture as a means for preventing disease and in view of the interest which numerous countries take in that question, asks the Council to instruct the Health Committee to include in the programme of its work the international investigation of physical culture, including scholastic hygiene, and to decide what special problems may necessitate a comparative study and a co-ordination of national research work and national enquiries. ”

³ “ The Second Committee, having taken note that the International Economic Conference's plan of enquiry is to include an examination of the problems of nutrition (document A.24.1926.11), points out the interest which would attach to the supplementing of this enquiry by a study of the problem from the standpoint of race improvement. This study should take into account the work of the Health Organisation regarding infant mortality as well as the reports by the Japanese Institute of Research into Nutrition Problems comprised in the publications of the Health Committee. ”

by France, was inaugurated at the time when the Committee itself was sitting. The Committee thus became possessed of an organ of investigation and execution, the lack of which it had frequently had occasion to regret. Events have since shown that the hopes centred in that Institute were fully justified, inasmuch as, after scarcely six months' activity, the Committee was enabled to realise how greatly the activity of the Institute had helped it in its own task, and what breadth and accuracy had been conferred by the enquiries undertaken in the various sections of the Institute on the work undertaken by the Committee itself. The Committee therefore desired to express its entire satisfaction with the manner in which the Institute had been administered by its Director and controlled by the Board. The Committee was also gratified by the truly international manner in which the staff of the International Institute had been chosen and by the spirit in which the work had been executed.

At its two sessions in January and July the Committee took note of the results which had been achieved in the different countries by its recommendations and decisions, and of the work of the National Committees on Intellectual Co-operation. The work of these Committees is all the more noteworthy and the support which they give to the work of the International Committee the more meritorious inasmuch as in most countries they are conducting their operations without financial assistance from any source. The Committee has learnt with great satisfaction of the creation of National Committees on Intellectual Co-operation in the United States and in Japan. It is convinced that these two great States, which occupy such important places in the present civilisation of the world, will contribute largely in future towards promoting and bringing to the public notice the work of intellectual co-operation.

Two questions in particular held the attention of the Committee on Intellectual Co-operation at its January meeting. The one was a question to which great importance has been attached in the last few years by successive Assemblies, namely, the instruction of youth in the aims and activities of the League of Nations and the most suitable means of habituating the coming generations to international co-operation. The other was the question of the statutes of the Rome Institute for the unification, organisation and co-ordination of private law generously presented to the League of Nations by the Italian Government.

The members of the Second Committee will have before them the recommendations and suggestions arising out of the first meeting of the Sub-Committee of Experts convened by the Committee on Intellectual Co-operation—a Sub-Committee whose duty it has been to examine the best methods of instructing youth in the aims of the League of Nations. The Council, to which the report of the work of this Sub-Committee was submitted for its information, has already expressed its satisfaction, and I am sure that this feeling will be shared by the Members of the Assembly. It has further requested the Secretary-General to transmit the report, likewise for their information—in view of its still provisional character—to the various Governments.

At its session last July, the Committee on Intellectual Co-operation first examined the work of the Sub-Committees and the resolutions adopted by them. The work of each Sub-Committee was greatly facilitated by the reports prepared in the corresponding sections of the International Institute.

The Sub-Committee for Intellectual Rights, formerly known as the Sub-Committee on Intellectual Property, has continued to investigate the question of scientific property.

The Committee of Experts whose duty it would have been to examine in the last resort all the information received with regard to the Ruffini Scheme should not, in the opinion of the Sub-Committee, be convened until a supplementary enquiry has been carried out, in particular in American and German industrial circles. The Economic Committee will, of course, be consulted on this subject, and the Committee on Intellectual Co-operation is happy to note that there is already close collaboration between itself and the other advisory organs of the League of Nations, *e.g.*, as regards other questions, with the Committee for Communications and Transit and the Child Welfare Committee.

While not losing sight of this new and important question of scientific property, the Committee on Intellectual Co-operation feels it to be its duty to draw up a more equitable convention in the matter of authors' rights and their extension, the *droit de suite* and the right to respect.

With regard to university relations, the Committee has noted with much satisfaction the two meetings which were held under its auspices in the course of the year: that of representatives of International Student Associations and that of directors of National University Information Bureaux. The Committee has realised how desirable it is that these meetings should become periodical, in order that the representatives of these organisations may be enabled to get to know each other better through more frequent contact, and to co-ordinate more satisfactorily their efforts and thus avoid overlapping.

The Committee is convinced that it will thus be possible to improve the conditions in which study tours are undertaken by students and young scientists, and to render exchanges of all kinds between members of the different universities easier and more fruitful.

The Committee has also had before it a valuable report by Mme. Curie on the subject of the international scholarships granted to young scientists who desire to engage in unpaid research work. The Committee hopes that, as a result of the suggestions contained in this report, it will be possible to ensure in the future a more equitable distribution of international scholarships.

In the domain of arts and letters the work of the Committee only dates from the first meeting of its Sub-Committee for Arts and Letters, that is to say, from last January. Although the youngest Sub-Committee, it has been able, thanks to the co-operation of the corresponding

section of the Institute, to put forward several proposals of the highest interest. Apart from what might be done in the domain of music by an exchange of programmes and by extending the organisation of concerts for children, and in the literary sphere by investigations undertaken with a view to securing the better—translations conditions of characteristically national works—and these suggestions would only represent a commencement of the Committee's activity—it has proposed a scheme of wider scope for more immediate realisation, viz., the establishment of an international museum bureau and the convening of a congress of popular arts.

The first of these enterprises would have the result of strengthening the bonds between the various museums throughout the world, of promoting exchanges and exhibitions, of arousing interest in the institutions in question, of encouraging agreements between them—in short, of making the museums known and appreciated and, through associations of museum-lovers, of rendering visits to them more useful from the educational point of view. The second of these schemes is based upon the conception that, at the root of popular arts, decorative as well as literary and musical, there is a common fund of human sentiment which it will be of value to bring to light as part of the work of the League of Nations.

The reciprocal influences, which may, moreover, be observed in manifestations of popular art, would be of a nature to prove that, even in so national a domain as that under consideration, the influences of peoples on each other are considerable.

The Sub-Committee on Bibliography has continued to deal with a question which it regards as of great importance—the co-ordination of analytical bibliography in the various sciences. It hopes soon to be able to record a definite agreement in respect of physics and its cognate subjects. It has now decided to study Greco-Roman antiquity, the economic sciences and biology. It is proposed to hold meetings of experts at the beginning of next year whose task it will be to bring into touch the representatives of publications upon whom the co-ordination of analytical bibliography in the above-mentioned sciences primarily depends.

It is one of the essential conditions of scientific work that scientists should be able quickly to obtain accurate information as to the contents of libraries. The Committee hopes, through the Institute, to secure the co-ordination of information of this kind, together with an agreement among libraries to forward their communications through the Institute or direct.

As regards the questions submitted direct to the plenary Committee, the establishment of an international meteorological bureau, universal synchronisation and the International Mines Institute, the Committee did not feel that it could adopt a resolution before obtaining fuller information. It thought that the first of these problems was a very urgent one, but that, before the Council or Assembly could be asked to deal with it, a circumstantial report was required. The second question will be referred by the Communications and Transit Section to the Radio-Telegraphic Conference which is to be held at Washington next year—a body which would appear to be more suited to deal with such questions and to provide solutions for them.

* * *

The Committee on Intellectual Co-operation, in its capacity as Governing Body of the Institute, has taken cognisance of two reports, one of which was submitted by M. Reynold on behalf of the Board of Directors of the Institute with regard to the work of the Board during the past year, and the other by the Director of the Institute with regard to the work done between January and the date of meeting of the Committee.

The Committee, as stated at the beginning of this report, has expressed its entire satisfaction with the work accomplished, and has instructed M. Destrée to draw up the report on the activities of the Institute which, in accordance with the Statutes, has to be presented to the Council of the League of Nations, to the French Government and to the Members of the League. In this report, M. Destrée will express, on behalf of the Governing Body, his satisfaction with the work accomplished. The Governing Body of the Institute has, mainly for reasons of economy, made certain changes in the staff list of the Institute. At the request of the Director, it has appointed an Assistant Director, Mr. Zimmern, an Englishman. The Governing Body has also noted with much pleasure the regular subsidies—100,000 French francs and 15,000 gold francs respectively—which the Polish and Czechoslovak Governments have decided, in virtue of the right conferred on them by Article 5 of the French Government's letter of December 8th, 1924, to grant to the International Institute for Intellectual Co-operation. Your Rapporteur ventures to emphasise the importance of this action and to express the hope that it may be imitated; it is clear that the International Institute has many tasks to accomplish which will increase in scope as the countries which are Members of the League come to take a greater interest in them. We have observed with keen pleasure that this interest is becoming more widespread. The action which we note to-day constitutes one among many proofs of this; it shows in particular that the rules so wisely adopted by the Committee on Intellectual Co-operation in order to guarantee the international character of the Institute give full satisfaction to the Members of the League, and that these rules are passing from theory into practice. My reason for laying considerable stress on the point is that, in consequence of having followed the work of previous Assemblies, I know how satisfactory this news will be to our Committee, and that I feel certain, in expressing the wish which I have just formulated, of obtaining its unanimous approval.

The account which has been submitted to you shows clearly that, in the course of the present year, the work of intellectual co-operation has developed considerably and that it has been possible, as a result of wider experience, to fix the character and method of the work. The forthcoming discussions in the Committee will doubtless yield new suggestions calculated to promote still more effectively the progress of enterprises which are so important from the point of view of intellectual collaboration.

A.II/18. 1926.

Annex 4.

WORK OF THE PREPARATORY COMMITTEE
FOR THE INTERNATIONAL ECONOMIC CONFERENCE.

Draft Report by M. LOUCHEUR (France).

I.

The Assembly, during its last session, invited the Council, in a resolution dated September 24th, 1925, to consider at the earliest possible moment the expediency of constituting a Committee which would prepare the work for an International Economic Conference. It was understood that the convening of this Conference under the auspices of the League of Nations should be a matter for subsequent decision by the Council.

The Second Committee considered the effect given by the Council to this resolution in the course of an interesting discussion.

The Preparatory Committee was constituted by the Council at its session in December 1925. It is composed of eminent men, as the Council desired to ensure a just proportion between nationalities and at the same time secure members who, by their former work and experience, could be considered as representing the principal interests engaged : men of science and manufacturers, Government officials and workers.

The first session of the Preparatory Committee was held in April. M. G. Ador, who has rendered such unforgettable services to the League of Nations, was appointed Chairman by the Council, but his state of health prevented him from carrying out his duties, and the discussions were therefore presided over—with extraordinary ability—by M. Theunis. Under the obligation of finding a successor to M. Ador, the Council has since wisely called upon M. Theunis to continue formally also in the office which he had exercised in fact since April.

The report on the work of the first session of the Committee explains that, before submitting its reply to the Council on the questions which had been referred to it, that is to say, before submitting proposals concerning the agenda, the nature of the composition and the date of the Conference, the Committee thought it indispensable to pass in rapid review the essential elements of the economic problem as it exists to-day, and accordingly it has asked the Secretariat and the International Labour Office, with the aid of the International Institute of Agriculture, to compile a documentation the general plan of which the Committee has, however, itself drawn up. This documentation is at present being constituted.

In accordance with a decision of the Council, the Secretary-General was invited to select the date of the second session of the Preparatory Committee and, after consultation with the Chairman, this was fixed for November 15th, 1926. The Committee will then have before it the results of the researches which it considered indispensable, and it will be able to begin the most difficult part of its task.

II.

The Assembly itself indicated last year that it desired to leave the Council complete freedom as regards the organisation of the preparatory work for the Conference. Thus also the instructions given by the Council to the Preparatory Committee, which were summarised in a remarkable report by M. Hymans, are very wide.

The Council keeps in contact with the Committee by means of a Special Committee, before which M. Theunis himself appeared last June in order to explain the progress of the work.

The Second Committee was unanimous in considering that there was no reason for modifying the methods and procedure applied so far, and that it would cause more harm than good to surround the Preparatory Committee with restrictive instructions, thus losing, in part at least, the benefit of the work of the Committee itself.

The remarks which follow are not, therefore, intended to reduce the possible scope of action for the next session of the Committee, but merely to emphasise briefly and generally the points upon which all the delegations present in the Second Committee appeared to manifest agreement.

The Second Committee has observed, concerning the programme of the Conference, that, if it were indispensable to include in the plan of documentation adopted during the first session of the Committee a considerable number of different items, covering all the principal aspects of the economic problem, on the other hand the utility of the Conference would be lost

if the Committee had not succeeded in detaching a small number of essential questions upon which the efforts of the Conference should be concentrated. The Committee should submit proposals to the Council, which would allow it to choose the main lines of the programme.

On account, however, of the close connection between the different aspects of the economic problem, it will obviously be necessary to include questions in the discussions of the Conference which, while not belonging to the essential problems inserted in the agenda, may nevertheless have a certain influence upon them. This is quite in keeping with the indications given to the Committee by M. Theunis.

With reference to the composition of the Conference, there seem to be two difficulties to be avoided. On the one hand, there would be objections to calling upon experts, appointed for their personal qualifications, who could only arrive at theoretical conclusions, as the Conference would then run the risk of becoming purely academic. On the other hand, a diplomatic Conference is not what is desired and the representatives appointed by the Governments must not be too closely tied by their official responsibilities. In such a case, if it were necessary to arrive at an immediate agreement, they might be constrained to place too narrow a limit upon the scope of their discussions and thus neglect those aspects of the economic problem the solution of which by means of governmental conventions did not appear to them as an immediate possibility.

It should be possible to find a happy mean, avoiding both these difficulties, which would at the same time allow the scope of the discussion to be widened and ensure that the Conference's conclusions should have a practical value and an influence upon the economic policy of the Governments. The same procedure for the appointment of the delegates might be employed as in the case of the Brussels Financial Conference.

As regards the date of the Conference, some members proposed recommending in the resolution that the Conference should be convened for next spring. The Second Committee considered that it would be better not to make any definite recommendation before the Preparatory Committee, which will examine this point during its next session, has stated its opinion. The Committee, nevertheless, is unanimous in desiring that the Conference should be convened without unnecessary delay, as soon as the state of the preparatory work permits and the general conditions appear sufficiently favourable.

Whilst emphasising its view that the League of Nations should lose no time in undertaking a programme of international action in economic affairs, which the state of the world renders increasingly necessary, the Second Committee has realised very clearly the importance of the initial work accomplished under the direction of the Preparatory Committee. The Second Committee is aware, in particular, that the meetings of the Preparatory Committee are in themselves an indispensable factor in creating gradually a current of favourable public opinion in the different countries and in the different circles concerned, without which any action organised on an international basis would be impossible.

III.

On behalf of the Second Committee, I have the honour to request the Assembly to adopt the following resolution :

“ The Assembly is happy to note that the Council has given effect to its decision of December 15th, 1925, by constituting a Preparatory Committee for the Economic Conference.

“ It realises that the general economic situation of the world calls more imperiously than ever for an effort towards international co-operation and makes it yet more necessary that the Economic Conference should be held.

“ The Assembly therefore hopes that the Committee will actively push forward its work so as to enable the Economic Conference to be convened as soon as possible. ”

Annex 5.

A.II/10. 1926.

FINANCIAL RECONSTRUCTION OF HUNGARY.

Statement by Mr. TYLER, Deputy Commissioner-General of the League of Nations at Budapest during the Reconstruction Period.

Two years ago, Mr. Jeremiah Smith, Junr., Commissioner-General for Hungary, addressed this Committee for the first time. Mr. Smith had been discharging his duties for a little over four months, and he was able to give the Committee an account of a good beginning in the execution of the programme of financial reconstruction prepared by the Financial Committee of the League in agreement with the Hungarian Government.

A year later, Mr. Smith again spoke in this place, and made a most encouraging report on the position in Hungary. For the first complete year of the reconstruction period there had been, instead of the deficit contemplated by the plan, a considerable surplus. For the

financial year beginning on July 1st, 1925, the Hungarian Government had prepared a budget estimating revenue in excess of expenditure. The currency had remained stable, the position of the National Bank had been steadily strengthened. There were grounds for hope that the progress accomplished would be lasting.

To-day, Mr. Smith's absence of itself shows that he was not mistaken. The position at the close of the second full year of reconstruction was such that the Council was able to decide that, "the financial stability of Hungary being assured, the functions of the Commissioner-General shall be brought to an end on June 30th, 1926, in pursuance of paragraph 10 of Article VI of Protocol II".

This means, in effect, that, as long as the Hungarian Government does not allow its expenditure to exceed its revenue, it is free from external budgetary control, though during the currency of the reconstruction loan the revenues pledged as security for it will continue to be administered by the Trustees, and the balance of the loan will not be spent except in agreement with the Council. June 30th, 1926, was the date at which, when the Financial Committee first reported on Hungary in December 1923, they estimated that it would be possible to restore that country to financial health. As Mr. Smith is now on the other side of the Atlantic, it has fallen to me to speak to-day of what has been achieved under his guidance, to retrace the steps by which in little more than two years Hungary's credit has been placed on a firm basis.

When the League's reconstruction plan was being devised, the position which it aimed at remedying was a formidable one. The Hungarian crown had been following a downward course, with temporary interruptions, ever since the war, and had recently fallen below the point, about one fifteen-thousandth of the pre-war value, at which the Austrian crown had been stabilised. There had ceased to be any definable relation between expenditure and revenue. By the time taxes were collected their value was a mere fraction of what it had been at the time of assessment. The budget had ceased to be real, the Government could only supply its needs by having recourse to the note-printing press. Railways and other public-utility enterprises were operated at a huge loss. Accounts could only be drawn up in a currency the value of which was subject to frequent change.

Several attempts had been made by the Government itself to check the course of depreciation, and had met with some temporary success, but their ultimate failure had destroyed Hungary's confidence in its own powers of recuperation. The crown was held to be so vulnerable that legal dealings in foreign currency were restricted to an official exchange central, which ventured to satisfy a small part only of the demands made upon it, with the result that an unauthorised market grew up and transacted an active business. In the hope of protecting the crown, foreign trade was closely restricted, both import and export being subject to special licence.

Though it cannot be said that these measures had no effect at all in delaying depreciation, they were certainly powerless to stop it. In spite of all the regulations, foreign goods came in and Hungarian commodities went out. Prices rose as the crown sank, commodities adjusting themselves rapidly and services more slowly. Transactions tended more and more to take place in foreign money. Those who received Hungarian crowns in payment hastened to convert them into foreign notes or, failing that, to buy shares on the stock exchange or merchandise possessing some stable value. In the meantime, savings in crowns were swallowed up by depreciation; wealth invested in bonds paying a fixed rate of interest, in mortgages, in annuities was wiped out. Pensioners, State officials and, in general, salaried workers lost heavily with each rise of prices. It was profitable to get into debt, whilst the man to whom crowns were owed received in real value, when the debt was acquitted, perhaps one-hundredth, perhaps one-thousandth, part of what he had lent or economised.

Profound discouragement in the mass of the population could not fail to be the result of this state of affairs, which appeared to confirm the forecasts of those who asserted that Hungary could not live in her post-war frontiers, and who considered that orderly endeavour was thrown away in circumstances that could only be righted by some violent overthrow of the peace settlement. Courage and faith in the old-fashioned virtues of work and thrift were needed by the Government that set out to break with makeshifts of inflation and to ask its people, at a time when so large a part of their accumulated wealth had been destroyed, to make big sacrifices for the common good. None but a strong Government could have obtained the support of opinion for the League's plan; none but a strong Government could have kept it throughout the difficult moments when the price that was being paid felt heavy to many a taxpayer, and the advantages had yet to show themselves.

The League's plan was adopted by the Hungarian National Assembly late in April 1924.

It provided for the stoppage of inflation, with a view to stabilisation of the currency; for the establishment of a National Bank independent of the Government, and having an exclusive right of note issue; for a foreign long-term loan secured on certain State revenues, the proceeds of which loan were to enable the Government to meet arrears of debt and deficits up to June 30th, 1926, by which time it was estimated that the budget would be balanced; and for a programme of reforms. Hungary was enabled to offer the security for the foreign loan thanks

to a decision of the Reparation Commission excepting certain revenues from the general lien created by the Treaty.

Another decision of the same body fixed the reparation payments to be made by Hungary for twenty years to come. The execution of the whole plan was to be supervised by a Commissioner-General having wide powers—for instance, that of striking out of the budget any credit which in his opinion might prejudice the success of the scheme.

Mr. Smith, as Commissioner-General, began his work at Budapest on May 1st, 1924, and the plan went into immediate operation. Inflation was first limited to an amount agreed beforehand with the Financial Committee, and then came to an end. The National Bank was constituted, having at its head his Excellency Dr. A. Popovics and a strong Board of Directors, and commenced business on June 24th. Soon afterwards the foreign loan was issued in Great Britain, United States of America, Italy, Switzerland, the Netherlands, Sweden, Czechoslovakia and Hungary itself, and produced the net amount of 250 million gold crowns contemplated in the plan. The Commissioner-General had preliminary budgets submitted to him month by month, and kept in the closest touch with the Treasury position. From the foundation of the National Bank, all State revenues have been concentrated there by means of the postal savings banks, and all State disbursements are made through it. Thanks to this arrangement, the precise Treasury position can be ascertained at any time, and the amount of revenue received day by day is known within forty-eight hours of the time of collection. An end was made with the pernicious and labyrinthine system of local branch offices which collected revenue, made payments and remitted the balance to the central Treasury. The principle of the concentration of State funds at the National Bank, which was eventually made to apply not only to revenue but to the money of the postal savings banks themselves and the balances of the State enterprises, such as the railways and the posts, telegraph and telephone, may be regarded as one of the corner-stones of the financial reconstruction of Hungary.

The Financial Committee had foreseen that it would be necessary to meet deficits between the moment when inflation was stopped and that when the success of the long-term loan was assured, and the emergency was met without much difficulty, chiefly from internal sources.

A more serious problem was that of the exchange value of the Hungarian crown, which had been steady for a couple of months while the reconstruction agreements were being negotiated, but was adversely affected, towards the end of April, by a fall in prices on the Vienna bourse, which resulted in securities being thrown in large quantities on the Budapest market. At the same time, the exchange central's allotments of foreign exchange being insufficient to meet demands, business on the unauthorised markets became very active and was transacted at rates less favourable to the Hungarian crown than the official.

It is noteworthy that at this juncture, when further depreciation was most disquieting on account of its effects on confidence, official action, far from attempting to restrict transactions, aimed at giving a larger measure of satisfaction to legitimate demands. The amount allotted by the central exchange office was suddenly doubled at the beginning of June, and no gap was allowed to subsist between the official and free market rates. The Hungarian crown rate at once improved. By the middle of June, the Commissioner-General's first monthly report had been presented at Geneva and the Council had accepted responsibility for the execution of the reconstruction plan. Before the end of the month, the placing of the long-term loan had been negotiated, and the new Bank of Issue, independent of the Government, was fulfilling its duties. By that time, opinion had swung round in favour of the Hungarian crown, the depreciation of some 40 per cent that had taken place since the end of April was gradually compensated, and before the end of July it became known that the National Bank intended to maintain the crown at the level it had then reached of 346,000 crowns to £1 sterling. This level has since been maintained, though all restrictions on exchange dealing have long since been removed. The Hungarian crown has kept pace with the pound as sterling returned to par, and at the same time the gold and stable currency reserves of the National Bank have greatly increased. A new currency based on gold, with a unit called the pengő, equivalent to 12,500 paper crowns, or 0.8632 of a gold crown, will become sole legal tender as from January 1st, 1927.

The National Bank, where Mr. H. A. Siepmann occupied the post of foreign adviser, has never departed from a prudent and conservative policy.

Subsequent events have shown the essential importance of having a carefully thought-out plan, complete in all its parts, devised, in accordance with the teachings of experience, before attempting to stabilise a depreciating currency. From the time when the loan had been successfully issued and opinion in Hungary had seen that the plan was going to be energetically executed, not only did the currency give no anxiety but the budgetary difficulties faded away far more rapidly than anyone had ventured to hope.

Advances from the reconstruction loan proceeds were made to meet deficits during the opening months of the fiscal year that started on July 1st, 1924, but these deficits were covered by surpluses of later months, and the advances were refunded to the loan balance. Both the fiscal years 1924-25 and 1925-26 produced substantial surpluses. Of the loan proceeds of

roughly 250 million gold crowns, about 70 million went for deficits and arrears of debt up to June 30th, 1924, so that a large balance has been left available for other purposes.

The rapidity with which revenue overtook and outstripped expenditure itself confronted the Government with an unforeseen problem. Those inclined to be critical of the reconstruction plan pointed out that the Hungarian taxpayer was giving the State more than the State needed to balance its budget, and predicted that this excessive draining of private wealth into the Treasury would diminish production, especially as the State had wiped out its internal debt by depreciation of the crown, and savings had thereby been obliterated. The result, it was said, could only be that the fiscal capacity of the country would be exhausted, and the State itself would soon find there was nothing left to take.

It was at any rate clear that excess revenue should be used in order to increase production, and, as soon as a surplus for 1924-25 became a certainty, the Council of the League of Nations, at the Hungarian Government's demand, gave its approval to the allocation, for productive capital investments, not only of that surplus but of considerable sums from the loan balances which would in all likelihood not be required for the originally contemplated purpose of meeting deficits. Thus 50 million gold crowns from the loan were released in 1925-26, and another 50 millions are being allocated, subject to the supervision of a member of the Financial Committee, during the current financial year. Added to the budget surplus available, this provides a considerable sum for capital outlay in 1925-26 and 1926-27, a very much larger amount than it had been thought possible to include in the reconstruction programme. The chief objects are the reclamation of land by means of drainage and irrigation works, the building of roads and bridges, of dwelling-houses and of the new free port of Budapest, the construction of an underground telephone cable between Vienna and Budapest, and loans to help small-holders having received plots under the Land Reform Act to make a beginning.

In this connection, it is satisfactory to note that the State enterprises were able to end the year 1925-26 with a much smaller deficit than that provided for in the plan, and that in 1926-27 they are expected to incur no deficit and to make provision for some capital expenditure out of their own receipts.

Thus a year had hardly elapsed after the reconstruction plan had been put into execution when large sums were being devoted to improvements which it had not been possible to undertake since the beginning of the war, and many of which were most urgently needed in order that the soil of Hungary, the country's chief source of wealth, might produce more and that its produce might be more easily marketed.

While the excess revenue was being put back into circulation in the form of capital outlay, measures were being taken to ease the burden of taxation. The turnover tax was reduced from 3 to 2 per cent, the sugar tax by about one-fifth; the tax on house rents was abolished. Quite lately, a new scale of income-tax rates, involving considerable reductions, has been put into force, and is expected to produce more revenue than the old scale.

At the same time, the duties imposed by the high protective Customs tariff of 1924, when the regime of import and export prohibitions was gradually done away with, are being to some extent mitigated by commercial treaties. The conclusion of such treaties was an important point of the programme, and should make for lower prices of manufactured articles, which are still unduly high in Hungary in relation to prices of food and services. Until a few weeks ago, Hungary had only succeeded in concluding treaties involving tariff reductions with States taking a comparatively small share in her foreign trade: with Italy, France, Poland, Spain and Greece. A treaty with Austria, however, took effect on August 14th last, and a provisional arrangement, pending the conclusion of a definitive treaty, has been in force with Czechoslovakia since September 1st. Between them, Austria and Czechoslovakia take over half Hungary's exports and it is to be hoped that conventions with them will increase her foreign trade, which, while it has shown some progress in the course of the reconstruction period, is still much smaller than it should be.

In spite of what has been done in Hungary to free business from paralysing restrictions, to give employment on useful work and to spare the taxpayer and consumer, it was not to be expected that the rapid return to a satisfactory condition of State finance would be immediately followed by general prosperity. The League's plan aimed at creating a sound basis without which prosperity could not exist, but care was taken to point out that the necessary economic adaptation must be effected by Hungary herself. The earlier stages of this process of adaptation involved suffering in many quarters. During the inflation period, the very fact that the currency was subject to violent fluctuations drove people to buy goods of all sorts rather than keep depreciating banknotes, and commodities to a considerable extent played the part of currency. Also, as long as imports of industrial goods were only permitted by special licence and the price of labour had sunk, say, to one-half in gold value of what it had been before the war, it was possible to manufacture at a profit articles which in more normal circumstances could not compete with foreign products. Again, the same circumstances made for

active business for stockbrokers and extra-official dealers in exchange. In general, everyone was employed, and it was not always remembered that everyone was producing at a loss.

Stabilisation speedily revealed the weakness of this position. • In 1924, there were double as many traders in the textile and many other branches in Budapest as there had been in 1913, and the number of smaller banks and exchange-offices had immensely increased. In general, the newcomers, whose business had been built up thanks to inflation conditions, and some older houses, which had gone too far towards adaptation to these conditions, were hard hit by the return to sound money. The stronger members of the community have endeavoured to save concerns which could be saved, and their efforts may have attenuated the difficulties of readjustment by prolonging its duration. But it was impossible to prevent many thousands of people, especially urban middle classes, shop, business and bank employees, from being thrown out of work. Many firms have disappeared or have been amalgamated with others, and the process, which cannot but involve much suffering, is not yet finished, though it now looks as if the worst were past.

Real as the troubles of readjustment have been, however, it is as well to see them in proper perspective. If the general state of Hungary to-day is compared with what existed at the beginning of 1924, it is clear that, quite apart from the promise contained in a sound currency and budget position, the people as a whole are now much better off than they were in inflation times. Wages, which had sunk far below the 1913 level, have returned to about that level in gold, though not in purchasing power, and a steady decline in prices has contributed to improve the lot of the earner. Salaried officials, both in the public service and in private employment, have received substantial increases which have had the effect of giving the lower ranks about what they had, in gold, before the war, though, of course, there has been a decrease, much smaller in Hungary than in Great Britain and the United States of America for instance, in the purchasing power of gold. Consumption is steadily increasing. Unemployment, as shown by the Socialist Union figures, is 25 per cent lower than it was two years ago, and the total number of people out of work in Hungary has never been considerable in comparison with other countries. The building trade and its subsidiary branches, which had been stagnant for a long time, are active once more. The harvest last year was a good one and this year it promises to be no less good. Thus there are large stocks available for export. Savings deposits and current accounts, which in the thirteen chief Budapest banks had sunk on the eve of reconstruction to 4 per cent of the 1913 total, have now increased to 34 per cent, current accounts amounting to half what they did before the war, and savings deposits to 20 per cent.

In fact, all indications point to a steady improvement, the effects of which have not yet entirely made good the losses suffered in the bad years of financial disorder, but which fully authorises confidence in the future.

The budget is within the country's capacity and, provided the Government, now that it is free, to spend as it likes, continues successfully to resist attempts to increase expenditure and discourages excessive borrowing from abroad, and the National Bank is managed as it has been in the past, progress should continue without interruption. A beginning has been made in the direction of administrative reform : nearly double the minimum number of posts the suppression of which was called for in the plan have been discontinued, and further energetic measures might result in economies which would permit the lot of the civil servants to be bettered without swelling expenditure.

The Hungarian people have shown an admirable willingness to shoulder burdens for the common good ; their balanced budget is the achievement of the Unknown Taxpayer.

The Government has been steadfast in its will to carry the work of restoration through to a finish, and I know I am expressing the feelings of Mr. Jeremiah Smith when I say that its loyal collaboration with him was one of the plan's chief elements of success.

A.II/17 (1). 1926.

Annex 5a.

FINANCIAL RECONSTRUCTION OF HUNGARY.

Draft Report by M. Suvich (Italy).

I.

The scheme for the reconstruction of Hungary came into force on May 1st, 1924. In the programme drawn up at the commencement of this undertaking, it was anticipated that

financial stability would be attained by June 30th, 1926, and that consequently the duties of the High Commissioner would come to an end on that date.

The scheme has succeeded beyond all expectations.

In order to realise the importance and extent of the work accomplished, we must consider the condition of Hungary before the intervention of the League. The consequences of the war, the revolution which followed and the continued depreciation of the currency had left Hungary in a state of distress and prostration from which she was vainly striving to recover. The situation necessitated an entire reorganisation of the country on a durable and solid basis and a recasting of its whole economic system.

In these circumstances, in order to carry out the work of reconstruction, it was necessary first of all to deal with the finances of the State, which were going adrift, with the currency, which was depreciating daily, and with the burdens imposed by the Treaty of Peace, which were not yet clearly defined.

The scheme for the reconstruction of Austria, which was then in full development and had already begun to produce appreciable results, was there to indicate the path to be followed. It was, in fact, proposed to apply in Hungary the experience acquired in Austria. It was on these lines that the Financial Committee drew up the scheme of reconstruction, which included :

(a) An international loan, secured by certain of the State revenues, to be used to cover the budget deficit ;

(b) The creation of a Central Bank of Issue enjoying the monopoly of issue and authorised to make loans to the State against satisfactory cover only ;

(c) The fixing for forty years of the reparation payments at an average rate of 10 million gold crowns per annum, and the establishment of a Supervisory Commission, appointed by the Reparation Commission, to guarantee that the rights conferred upon that Commission by Article 180 of the Treaty of Trianon should not be prejudiced ;

(d) The appointment of a Commissioner-General to supervise the execution of the whole programme and control the use of the loan ;

(e) Administrative reforms, such as those providing for the reduction of the number of State officials.

As we have pointed out, the intention was that the scheme should be completed by June 30th, 1926—that is to say, the end of the financial year 1925-26—when it was hoped that the currency would have been stabilised and the budget made to balance.

II.

Actual facts have proved that the scheme was wonderfully well thought out. By good fortune, its execution was entrusted to Mr. Jeremiah Smith¹, a man who possessed all the qualifications necessary to ensure its success and who has devoted himself to this work with genuine enthusiasm and a sense of proportion and tact which all those who have come in contact with him have recognised.

In his twenty-five reports to the Council of the League, drawn up with rare lucidity and precision, the Commissioner-General has given us an accurate picture of the successive phases through which the reconstruction scheme has passed.

This is not the place to recapitulate the history of the undertaking ; a few data will suffice to show how the application of the scheme has transformed the economic and financial conditions of Hungary.

It had been calculated that the loan would be required to cover the deficit for the financial years 1923-24, 1924-25, 1925-26 ; only in the first of these financial periods was there a deficit, which amounted to about 70 million gold crowns. By the conclusion of the financial period ending on June 30th, 1925, there was a surplus, which was maintained in subsequent years. It was therefore possible, with the consent of the Council of the League of Nations, to devote part of the loan which remained unemployed to productive investments. In the financial period 1925-26, 50 million gold crowns were used for this purpose, and authorisation has been given to expend a similar sum in the financial period 1926-27, subject to the supervision of a member of the Financial Committee, during the current financial year. Added to the budget surplus available, this provides a considerable sum for capital expenditure include in the reconstruction programme. The chief objects to which the surplus is to be devoted are the reclamation of land by means of drainage and irrigation works, the building of roads and bridges, of dwelling-houses and of the new free port of Budapest, the laying of an underground telephone cable between Vienna and Budapest, and loans to help small-holders having received plots of land under the Land Reform Act to make a start.

After deducting certain expenses, the reserves and the repayable advances granted to the Hungarian Government, there still remains an unassigned and available surplus of more than

¹ A citizen of the United States of America.

81 million gold crowns. No decision has yet been reached as to the manner in which this sum shall be employed, since the amount which it has already been decided to release is in respect of a period which closes on June 30th, 1927.

As regards the service of the loan, to which has been assigned the revenue (secured revenue) from the Customs, the tobacco monopoly, the tax on sugar and the salt monopoly, the situation is entirely satisfactory, since this revenue, according to the provisional results for the financial year 1925-26, is already eight times in excess of the annual sum required for the interest and redemption of the loan.

This result is rendered all the more remarkable by the fact that taxation has been reduced on quite a considerable scale.

The problem of administrative reform presented special difficulties, but it was a problem which had to be solved on account of the new circumstances of the Hungarian State, which, having been reduced to one-third of its former territory, and having lost 40 per cent of its pre-war population, was no longer able to bear the heavy burden of its former bureaucracy.

Although a certain amount has already been done, the Council decided, on the suggestion of the Financial Committee, to recommend the Hungarian Government to make an effort to reduce the number of State officials still further, since on this the possibility of maintaining budget equilibrium largely depends.

As regards the economic conditions of Hungary the situation has vastly improved. Agricultural production is again approximating to the pre-war level and in the case of certain crops even exceeds it. The adverse trade balance is also on the decrease; in 1922, it was 209 millions of gold crowns; in 1923, 185 millions; in 1924, 128 millions; and in 1925, 41 millions. During the first few months of the present year, the deficit remained at approximately the same level as for the corresponding period last year.

One point to which I desire to direct your special attention concerns commercial treaties. On the Second Committee's proposal, the sixth ordinary session of the Assembly adopted the following resolution:

“ It would welcome the conclusion of further commercial agreements between Hungary and other countries—particularly the adjoining countries with which negotiations are in progress—which would tend to bring about a progressive reduction of the tariffs in Central Europe and would thus contribute to establishing closer economic relations. ”

The Assembly, which has already been informed of the commercial treaties concluded with Italy, Poland, France, Greece and Spain, will learn with satisfaction that a treaty with Austria came into force on August 14th last, and that a provisional agreement with Czechoslovakia has been in force since September 1st, pending the conclusion of a definitive treaty.

In view of the circumstances which I have briefly outlined above, and which are clearly set forth in the reports of the Commissioner-General, the Financial Committee and the Council, Hungary has been able to embark upon the most important and difficult reform of all, that of her currency.

The fact that the paper crown, the currency previously in circulation, had been stable for a fairly long period, as compared with foreign currencies, constituted the necessary basis for the complete conversion and reform of the monetary system.

This stability of the currency is confirmed by an examination of the wholesale and retail index numbers, which have not risen since 1924 but, on the contrary, have shown a downward tendency. During the same period, the increase in the deposits in savings banks and other banks has continued.

This reform has undoubtedly been made possible by the success of the scheme for the reconstruction of Hungary and by the resulting economic recovery.

It is generally admitted that there can be no question of the stabilisation or conversion of the currency until two essential conditions have been fulfilled, these being the balancing of the budget and the approximate establishment of equilibrium in the balance of payments. The other circumstances, such as the amount of currency in circulation, the proportion of reserves, etc., are of importance rather in determining the relation to be fixed between the old and new forms of currency.

As regards the budget, the deficit, as already stated, had disappeared in the accounts for the year ending June 30th, 1924. The balance of payments, judging by the principal factor, *i.e.*, the trade balance, is approximately even; the foreign payments due by Hungary on account of her long-term debts (including reparations), are considerable (henceforward they will be 94 millions of gold crowns per annum), but not so considerable as to have any decisive influence on the exchanges.

As regards the service of short-term foreign credits, which is subject to fluctuations and is not easy to determine at any given moment, the Commissioner-General is of opinion that the amount is not excessive and at any rate not sufficient to exercise any very adverse effect on Hungary's financial situation.

The policy of inflation had already been brought to an end by the creation of a National Bank of Issue independent of the State and governed by a statute which prohibits it from making advances to the State. Having thus been withdrawn from Government influence, the new Bank was in a position to exercise an effective influence on the monetary policy of the country. A Foreign Adviser was attached to the Board of Directors, in order to assist

the new Bank in accomplishing its task, which constituted the pivot of the whole reconstruction programme.

The Bank's policy has been extremely cautious and conservative. While the reserve laid down in the reconstruction plan represented only 20 per cent of the notes in circulation, the actual reserve on June 30th last amounted to 55 per cent, one-half of which consisted of minted gold or bullion. The discount rate, which was fixed at 12 per cent at the beginning of 1925, has now been reduced to 7 per cent. It is true, however, that in private transactions a much higher rate still obtains.

Towards the end of 1925, a law was passed in Hungary providing for the introduction as from January 1st, 1927, of a new currency, which can, however, be used for purposes of reckoning before that date. The value of this new currency, the "pengö", has been fixed at one unit per 12,500 old paper crowns.

The balance-sheet of the National Bank is already expressed in "pengös" and measures have been taken for all private concerns to draw up their balance-sheets in terms of gold in accordance with the principles laid down.

The form and value of the new currency have been exhaustively studied, attention even being given to the psychological factors which might have had a dangerous effect on the cost of living in the country at the moment of its introduction.

The considerations which I have just explained and the fact that the whole economic life of the country is gradually becoming accustomed to the pengö justify the hope that it may be possible to arrive at the gold standard without undue disturbance.

III.

The programme of the financial reconstruction of Hungary conceived and applied in the manner I have indicated constitutes an achievement of which the League can justly be proud. The problem submitted to the League has been solved with brilliant success alike from the technical, social and political points of view.

In expressing its appreciation of the results obtained, the Council approved the Hungarian Government's proposal—which had received the support of the Commissioner-General and of the Financial Committee—that the supervision exercised by the Commissioner-General should cease on June 30th, 1926. The duties of the Foreign Adviser attached to the Bank of Issue also ended on that date.

The service of the secured revenues will in future be ensured by the Trustee; the balance of the loan—in regard to which no decision has yet been taken—will be kept available in a separate account in the name of M. ter Meulen, who has been appointed for the purpose by the Financial Committee. The Supervisory Commission will remain in office and will communicate directly with the Hungarian Government.

I have the honour to submit the following draft resolution to the Committee :

" The Assembly :

" (1) Notes that, the Council having ascertained that the financial stability of Hungary is assured, the functions of the Commissioner-General were brought to an end on June 30th, 1926, and that with this step the work of reconstruction has been brought to a successful close within the minimum period contemplated under the original plan ;

" (2) Congratulates on this result the Hungarian Government and people, the Commissioner-General and the Financial Committee, which prepared the original plan. It confidently hopes that, by a prudent financial policy, the Hungarian Government will in the future maintain and consolidate the satisfactory position now attained ;

" (3) Observes with satisfaction the conclusion of commercial agreements between Hungary and the neighbouring States with which about half of her total foreign trade is transacted : and repeats the hope expressed at the last ordinary session of the Assembly that the further progress of such commercial agreements may tend to bring about a progressive reduction of the tariffs in Central Europe and will thus contribute to establishing closer economic relations. "

Annex 6.

A.II/19. 1926.

FINANCIAL RECONSTRUCTION OF AUSTRIA.

Draft Report by M. STRASBURGER (Poland).

At its last session, the Assembly took note of the proposals by the Financial Committee and the Council's decisions preparatory to bringing to an end the duties of the Commissioner-General of the League in Austria.

Two conditions had appeared necessary to enable the Council to renounce all direct responsibility for the administration of Austrian finances : the retention in office of a Foreign Adviser to the National Bank for three years and the right of the Council during a period of

ten years to re-establish control if, contrary to all expectations, the yield from the assigned revenues should not suffice for the service of the loan or if the budgetary equilibrium were seriously endangered.

Austria having accepted these conditions, the abolition of control was effected during the past year in two stages as anticipated :

1. As from January 1st, 1926, the functions of the Commissioner-General were limited to control of the assigned revenues and the employment of the balance of the reconstruction loan.

2. As from June 30th, 1926, the duties of the Commissioner-General came to an end. The Trustees, representing the interests of the holders, took charge of the administration of a special account into which is paid the yield from the gross pledged revenues. M. Dubois, Chairman of the Financial Committee, continued to manage the account in which the balance of the reconstruction loan is to be retained in a liquid form.

To sum up, the year 1926 has seen the Austrian Government reassume full responsibility for its financial policy. The last report by the Commissioner-General appeared in Geneva on June 30th, 1926. These results do the utmost credit to the Commissioner-General, the Financial Committee and the Austrian Government and people.

The time has come to indicate briefly the general results of the work which started with the Geneva Protocols of 1922, and to show the situation of Austria after these three years of effort, the arduous nature of which the Financial Committee did not attempt to conceal.

Of the net yield from the reconstruction loan, amounting to 568.7 million gold crowns, only 79.9 millions, or 13 per cent, were used to cover current deficits. 121.5 millions went towards repaying credits previously granted to the Austrian Government, 35.4 millions served as a deposit equal to six months' service of the loan, while 230.6 million gold crowns were spent on productive investments.

On June 30th, when the duties of the Commissioner-General came to an end, the total residue of the loan was 169.4 million gold crowns, not including the Swiss Government loan of 13.9 million gold crowns, which has not been received by the Austrian Government. With the permission of the Financial Committee, this residue will be employed on productive investment work of various kinds : electrification of the railways, construction of telephone cables, etc.

In its last report, the Financial Committee states that it agrees in principle to release about 41.7 million gold crowns for 1927 on condition that a detailed programme is submitted to it at its December session with regard to the use made of this sum.

The closed accounts for 1924 showed a deficit of 9 million gold crowns. The closed accounts for 1925 gave a surplus of 28.4 million gold crowns after covering all expenditure on investments and so-called current account expenditure in the nature of advances which have subsequently to be repaid to the Austrian Government.

The economic difficulties which Austria has been no more able to avoid than any other European country have not affected the Treasury receipts or the yield from taxation, and still less the stability of the currency. The balance-sheets of the National Bank show that Austrian circulation, including that part representing the State debt to the Bank—a legacy from the period of inflation—is covered by the metal reserve and foreign currency to the extent of 60 per cent. Savings-bank deposits, which were reduced to nil during the period of inflation, have steadily increased.

Nevertheless, Austria first passed through a financial crisis, which succeeded the period of speculation in 1923 and the first few months of 1924. This was followed by a grave economic crisis, resulting in a large amount of unemployment. The report by Mr. Layton and Professor Rist, who were instructed by the Council to examine how far this economic crisis might affect the financial and budgetary situation, clearly revealed the nature of the crisis, which does not cast the least doubt upon the country's ultimate power of recovery but which is a crisis directly connected with reconstruction. Recovery must necessarily be slow, but it is certain, if the Austrian people and the Austrian Government strive energetically, as the League of Nations is sure they will, to maintain budgetary equilibrium and to exploit to the full Austria's natural advantages.

By thus justifying the confidence which the Council has placed in her, Austria will have accomplished to the end the work of financial recovery which she has been the first to realise. In this way she will contribute towards the economic stability of the whole of Central Europe.

I have the honour, therefore, to propose the adoption of the following resolution :

“ The Assembly has taken note of the Council resolution of June 9th, 1926, whereby the functions of the Commissioner-General for Austria were brought to an end on June 30th, 1923.

“ It is gratified that Austria has been able to reassume full responsibility for her budgetary and financial policy.

“ It does not doubt that the Austrian people and the Austrian Government will by their own efforts be able finally to ensure the results of the work of reconstruction.

“ It expresses its thanks to the countries which have helped Austria with their credit and thus made possible a great act of international co-operation.”

A.II/11. 1926.

Annex 7.

SETTLEMENT OF BULGARIAN REFUGEES.

Draft Report by Commander Hilton YOUNG (British Empire).

The scheme which has just been adopted by the Council for the settlement of refugees in Bulgaria is the second of its kind undertaken under the auspices of the League. The first, which has now been in operation for two years in Greece, is well known to the Second Committee. The two plans resemble each other in particulars which it is of interest to emphasise.

We have in each case the same kind of problem, viz., a large flow of refugees into a country unable, without external aid, to bear the strain. In the case of Greece the problem was more serious. The number of refugees was larger and their arrival was concentrated within a shorter period. About 1,400,000 refugees have arrived in Greece since 1922. The number with which Bulgaria has to deal probably does not amount to more than about 220,000, many of whom have been moving about the country since the Balkan wars. In both countries, however, the refugees created a humanitarian problem: many of them were almost destitute and dying of disease and famine. They created also an economic, social and political problem: some of them were liable to become disorderly and not only to create internal trouble but to strain relations with neighbouring countries.

The two problems have similarities, and so have their solutions. In each case the finances of the country have been examined by the Financial Committee, which has drawn up a plan containing, amongst other things, a statement of the securities which could suitably be given for a foreign loan to pay for the work of settlement. In both cases the Government has agreed to provide for settlement a minimum quantity of suitable land and to accept the control of an authority responsible to the Council to ensure the expenditure of the money on the specified objects. The sums involved, the objects on which they are to be spent and the manner of the control of expenditure differ in a noteworthy manner. For the Greek scheme, the Financial Committee advised that £10 million would be required at the outset. For the Bulgarian scheme, the sum is much smaller, only £2½ million. The objects of expenditure are approximately the same in both cases, namely, the provision of seed, implements and houses for the refugees. Greece is the easier case, because many suitable houses were made available by the return of peasants to Turkey under the system of exchange, and enough cultivable land was available. In Bulgaria, on the other hand, there are not nearly enough houses or land, and a part of the proposed loan will have to be spent on reclaiming land and making it fit for cultivation. It is proposed that another part of the loan should be spent on ways needed for access to the districts thus prepared.

In general, the preparation of the Bulgarian plan took long negotiations with the neighbouring countries which were not needed for the Greek plan. Limitations are being imposed upon the districts in which refugees may be settled to avoid a large number of them being massed near the frontiers. No such limitations were imposed in the case of Greece.

The adoption of this principle, that refugees should not be massed near the frontiers so as to constitute a danger to the tranquillity of neighbouring regions, suggests an observation. It is to express the hope that, except in cases in which particular care is needed, the principle may, by agreement, be so applied in practice as not to prevent refugees from using land suitable for settlement.

I make this suggestion with more confidence because the Committee learned the other day from Mr. Howland, the Chairman of the Greek Refugee Settlement Commission, that the absence of any such restrictions in the settlement of Greek refugees had led to no serious difficulty, although many communities had been established right up to the frontiers. It had been provided that the work of settlement shall be done under the supervision of a single Commissioner, appointed by and responsible to the Council of the League, with power to investigate and approve all plans for the work of settlement and with sole control over the proceeds of the proposed loan. The powers of the League's Commissioner and the undertakings of the Bulgarian Government in regard to the scheme are contained in a Protocol signed at Geneva on September 8th, 1926, and I think members of the Committee will be of opinion, after reading this Protocol and the reports of the Financial Committee of June, July and September 1926 (document C.522.M.204.1926.II), on which it is based, that every reasonable precaution has been taken that the money already advanced and the money which, as we hope, will shortly be subscribed by public loan will be properly expended on the objects set out in the plan.

I think the Committee may feel a confident hope that the present plan will do much to alleviate suffering and to relieve Bulgaria of an economic burden which is beyond her power to bear, and for which she was not responsible. We trust that it will increase social and political stability both internally and in the relations between Bulgaria and her neighbours.

I have the honour to propose that the Committee should recommend the Assembly to pass the following resolution :

“The Assembly :

“ (1) Has learnt with great satisfaction that the negotiations of the last six months have resulted in the adoption by the Council of a scheme for the settlement of some 120,000 refugees in Bulgaria ;

“ (2) Observes with satisfaction that, by means of an advance of £400,000, this work has already been begun ;

“ (3) Expresses the hope that the total sum estimated for this work, namely £2½ million, may be successfully subscribed in the near future ;

“ (4) Desires to express its appreciation of the valuable work once more done by the Financial Committee, on whose advice the plan was adopted by the Council, and whose long and unique experience in such work of reconstruction has borne fruit in Austria, Hungary and Greece ;

“ (5) Expresses the belief that the execution of this plan will not only alleviate widespread suffering but will also benefit economic and social order within Bulgaria, and consolidate and improve the political relations of Bulgaria with neighbouring countries. ”

A.II/20. 1926.

Annex 8.

WORK OF THE FINANCIAL COMMITTEE.

Draft Report by M. AVRAMOVITCH (Kingdom of the Serbs, Croats and Slovenes).

The reports which have been submitted to the Second Committee on the financial reconstruction of Austria and Hungary and on the settlement of refugees in Greece and Bulgaria have illustrated the activity of the Financial Committee and demonstrated its title to the gratitude of the Council. There are, however, certain other points of no less importance to be mentioned with which the Financial Committee has dealt during the current year ; chief among these are the part it has played in the reconstruction of the public finances of the Free City of Danzig and the work which has been carried out by the Committee, or under its direction, in connection with double taxation, fiscal evasion and the suppression of currency counterfeiting.

I. DANZIG.

As in the case of Austria, and later, Hungary, when the League of Nations lent those countries its aid to re-establish their financial positions, the assistance which the Financial Committee has given to Danzig is closely connected with those problems of reconstruction which have arisen in such an urgent form throughout Europe since the war. Here, more particularly, the League had special reasons for intervening, on account of the responsibilities which it has assumed towards the Free City, whose constitution is under its guarantee.

Last June, at the express desire of the Danzig Senate, the President of the Council requested M. Janssen, a member of the Financial Committee, to investigate the financial position of the Free City, which had become somewhat serious during the months immediately preceding, and to visit Danzig in order to obtain all the information he required. M. Janssen submitted a report to the Financial Committee at its session held in London in July :

“ The monetary reform which Danzig carried out in 1923, with the aid of the League of Nations, has been wholly successful, the stability of the Danzig gulden having since then been maintained without difficulty in relation to the pound sterling and the notes of the Bank of Danzig being covered to the extent of over 100 per cent. ”

Since the beginning of 1926, the Free City has been faced with serious budgetary difficulties, partly due to the increase in expenditure on account of unemployment, partly to the decrease in Customs revenue. Under the convention now in force, the Free City, which is a portion of the Polish Customs territory, is entitled to a percentage of the duties collected in its territory. These duties are collected in zloty. The decrease in the import traffic to Poland and the depreciation of the zloty have seriously affected this source of revenue, particularly as the expenditure of Danzig on Customs administration is paid in Danzig currency, and has not decreased in proportion to the revenue.

At its July session, the Financial Committee declared that it hoped to be able, at its next meeting in September, to recommend the contracting of a loan for the following principal purposes :

- “ (a) To cover the deficit in the 1926-27 budget resulting from exceptional circumstances, and to repay the floating debt ;
- “ (b) To undertake certain productive expenditure. ”

This recommendation could not, however, have been made had not the Committee been assured that the budgetary equilibrium of Danzig would be permanently re-established by a series of enactments which would enable expenditure to be reduced by about 10 per cent and by the conclusion of a new arrangement between the Free City and Poland, which would secure to Danzig for at least two years a certain minimum revenue representing its share of the Polish Customs revenues.

At its September session, the Free City submitted to the Financial Committee a new budget providing for certain readjustments in expenditure. The Financial Committee held that the measures adopted or contemplated did not entirely correspond to what it had proposed in July ; consequently, it has not yet declared itself ready to make a definite recommendation with a view to the issue of a loan. It has asked the authorities of the Free City to make a new effort at budgetary compression between the present date and December, and has renewed its declaration to the effect that it would be prepared, after examining the proposal submitted to it in December, and subject to the rights of the Polish Government, to recommend the issue of a loan of approximately 30 million gulden in favour of the Free City. Such is the position to-day.

According to the declaration of the Polish Commissioner in Danzig, the negotiations with the Free City concerning the apportionment of the product of the Customs duties, the conclusion of which is essential to budgetary equilibrium, are on the point of resulting in a settlement satisfactory to the two parties.

The effort of administrative reorganisation and simplification which is asked of Danzig is considerable. It is nevertheless essential, in order to bring about the return of definite financial stability and ensure a brilliant future for Danzig and its port, which is called upon to become one of the vital centres of the economic life of that part of Europe.

II. SUPPRESSION OF COUNTERFEITING.

The attention of the Financial Committee was directed to this question by the Council in consequence of a letter from the French Government drawing attention to the necessity of a methodical investigation as to the methods of international collaboration calculated to facilitate the suppression or prevention of counterfeiting, which does such serious damage to the credit of the country whose currency is forged.

The Financial Committee attached to this question the great importance which it merits, and began its work in the matter, at its July session, by drawing up a questionnaire for despatch to Banks of Issue. Many replies to this questionnaire have reached the Committee, but the latter prefers, before proceeding to examine them in detail, to complete its information.

The Financial Committee will continue its work in this matter, which would seem to be a peculiarly suitable subject for organised collaboration between the various Governments and Banks of Issue. That important improvements can be realised in this connection is evident.

III. DOUBLE TAXATION AND FISCAL EVASION.

For several years now the League of Nations has been dealing with the question of double taxation and fiscal evasion. After the report of four distinguished economic experts on the theoretical solutions of the problem, the Council authorised the Financial Committee to convene a first Committee of Experts, including representatives of the fiscal administrations of certain European countries. In 1925, the Assembly noted the conclusions of this first Committee of Experts. In conformity with the proposals put forward by the Committee, the Council convened a further conference of experts on fiscal questions, which met at Geneva in May 1926. These experts were members of the administrations of the following countries : Argentina, Belgium, Czechoslovakia, France, Germany, Great Britain, Italy, Japan, Netherlands, Poland, Switzerland and Venezuela. They had been so chosen as to ensure that the Committee should be composed of nationals of countries whose interests and outlook in fiscal questions were as different as possible : countries which exported capital and new countries partly financed by foreign capital.

The similarity of the views of these experts was remarkable. They prepared three preliminary draft conventions regarding :

- (a) Double taxation ;
- (b) Judicial assistance with regard to the recovery of taxes ;
- (c) Fiscal evasion and administrative assistance.

These drafts only constitute as yet a preliminary basis for discussion, which the experts intend to revise at a later session.

It is, moreover, preferable not to regard as final even the form in which the experts have set out their conclusions. They themselves reserved the right to consider later whether the progress to be realised would be easier to attain by means of a general international convention or by bilateral conventions; but they were obviously and rightly anxious that, even in the latter case, endeavours should be made to preserve a certain unity both as to form and principle in these bilateral conventions by reaching an agreement beforehand regarding the general conception to which each of these conventions should conform.

I wish to direct my colleagues' attention to the extreme importance of these meetings of experts in one branch of administration, which ensure personal contact and, whatever may be the items on the agenda of the meeting, make it possible for each to derive benefit from the experience of his colleagues and examine the solutions applied in other countries to the problems which form his daily task at home.

Financial Publications of the League.

In conclusion, I should like to draw your attention to the economic and financial publications of the Economic Intelligence Service of the Secretariat.

New editions of the volumes published in former years have been prepared. Apart from the *Monthly Bulletin of Statistics*, which appears on the last Saturday of the first fortnight of each month, the *Memorandum on Currency and Central Banks* for the period 1913-25 has already been published, and volumes on the *Balance of Payments and Foreign Trade Balances* for the years 1910-25 will shortly be ready for publication.

The Secretariat has also now in course of preparation a *Memorandum on Public Finance*.

Evidence of the worldwide appreciation of these economic and financial publications of the League of Nations increases yearly. The number of countries preparing special estimates of the balance of payments has grown steadily since the work was first undertaken on the suggestion of the Second Committee of the Third Assembly. Doubtless many of you will have had occasion to use these collections of detailed and objectively presented information when studying the financial and economic problems of the day and will have proved for yourselves their utility and value.

I have the honour, therefore, to propose the adoption of the following resolutions :

I.

" The Second Committee has taken note of the Financial Committee's two reports on the restoration of the public finances of the Free City of Danzig.

" It trusts that, in accordance with the conclusions of these reports, it may be possible for the Financial Committee, now that the Free City has effected the necessary administrative and budgetary economies, to recommend the issuing of a loan designed to consolidate the financial and economic situation of Danzig.

II.

" The Second Committee has noted that, at the request of the Council, the Financial Committee has undertaken a study of the methods whereby the Governments and Banks of Issue might collaborate to prevent the issuing of counterfeit currency.

" It trusts that the Financial Committee's work will be actively pursued, so that practical proposals may be submitted to the Council for consideration at the earliest possible date.

III.

" The Second Committee has taken note, according to the Financial Committee's reports, of the results of the work of the last meeting of experts on double taxation and tax evasion.

" It trusts that their work will be continued and will serve as a useful preparation for the development and progressive unification of international law in the matter, by means of general conventions or of partial conventions based upon common principles. "

Annex 9.

WORK OF THE ECONOMIC COMMITTEE.

Draft Report by M. NAGAI (Japan).

Since September 1925, the Economic Committee has held four sessions. As usual, it has submitted to the Assembly a report on the whole of its work during the past year.

This report shows that the Economic Committee is systematically pursuing the study of the various problems set before it and is ascertaining in each case, by comprehensive and exhaustive enquiry, how far the proposals which it is considering are of practical value and capable of realisation in the international sphere.

Without entering into details, which may be found in the Committee's report to the Assembly, I should like to give a brief summary of the main questions it has dealt with during the past year.

1. In 1924, in a resolution drawn up by this same Committee, the Assembly expressed the wish that the Economic Committee should make an exhaustive study of the problem of the abolition of import and export prohibitions and restrictions.

After two years, during which the Economic Committee has gone into all the details and conducted enquiries in thirty-six countries, the Committee has now proposed to the Council that an international Conference should be held probably during the first half of 1927. The exact date will be fixed by the Secretary-General in consultation with the Chairman of the Economic Committee and the Chairman of the Preparatory Committee for the International Economic Conference, in order that both Conferences may carry on their work side by side without any inconvenience.

Although the question of prohibitions and restrictions is also on the agenda of the Preparatory Committee for the International Economic Conference, the Council is convinced that no overlapping or waste of effort need be feared. Whereas the International Economic Conference is more in the nature of a consultation, as comprehensive as possible, regarding the world economic situation and the remedies to be applied, and is not expected to lead immediately to inter-governmental agreements, the Conference on Prohibitions, which the Economic Committee proposes, will, on the contrary, endeavour to bring about as soon as possible, in the form of a Convention, an international agreement to abolish a system which is regarded as injurious to international trade.

As far as may be seen, the International Economic Conference is bound to urge the necessity of a return to unrestricted trade. If, through the suggested Convention, freedom of trade as regards prohibitions and restrictions is reintroduced, this will be an important step towards that economic reconstruction which is the final aim of the International Economic Conference.

A very concise and at the same time comprehensive document, drawn up by the Economic Committee and annexed to its report to the Assembly, will form the foundation of the Conference's discussions on the subject of prohibitions. The efficient preparation, due to the continued efforts of the Economic Committee, will undoubtedly assist this diplomatic Conference very considerably in its work. As you are of course aware, careful preparation is essential to success in undertakings of this kind.

2. Before leaving the subject of Customs questions, I should inform you that the *Convention relating to the Simplification of Customs Formalities*, signed at Geneva in 1923, has so far been ratified or adhered to by twenty States.

Quite apart, however, from this official recognition of the Convention, you will have noticed, in reading the Committee's report, that it is also being indirectly applied, inasmuch as certain of its clauses are being embodied in an increasing number of commercial treaties. In many cases, certain matters are dealt with in these treaties simply by reference to the Convention, which is thus tending to establish a kind of common doctrine.

3. After protracted attempts to solve the difficult problem of the *suppression of false Customs declarations* by the means of an international agreement, the Committee tells us that it thinks it wiser, before taking any definite step in this direction, to make a fuller study of the question and to enlarge its scope so as to embrace every kind of false declaration which may be injurious to trade.

4. During the session of the Assembly in 1923, the Protocol on Arbitration Clauses was opened for signature by any States desirous of adhering. You will remember that countries which adhere to this Protocol undertake to recognise the validity of the arbitration clause in contracts, particularly commercial contracts. Considerable progress has thus been made in the extension of *commercial arbitration*, a question of whose importance you are fully aware. At the same time, the 1923 Protocol does not oblige the States adhering to it to execute arbitral awards unless those awards are rendered in their own territories; in other words, the

Protocol imposes no obligation on the parties adhering to it as regards the execution of arbitral awards rendered abroad. It is for reasons of expediency that those who framed the 1923 Protocol thought it better not to touch upon the question of the execution of foreign arbitral awards, because, owing to certain aspects of the problem, this question seemed to be linked up with the yet more delicate question of the execution of foreign judgments.

Since then, however, the Economic Committee has rightly decided that the two questions ought to be separated, since, in its opinion, the first question does not present all the difficulties involved by the second. The Committee's investigations are now making it inclined to have recourse to the assistance of legal experts of recognised competence in this matter, and the report which it is submitting to us shows that it is contemplating the possibility of supplementing the 1923 Protocol by an Additional Act, securing the execution in the territory of one adhering State of an arbitral award rendered in the territory of another such State.

I need hardly emphasise the importance attached to the solution of this problem in international commercial circles.

5. With regard to the attempted *unification of legislation concerning bills of exchange*, the Economic Committee informs us that, taking into account the desire repeatedly expressed in international commercial circles, it has resumed its investigations upon somewhat different lines.

The Committee is convinced that, in view of the present state of affairs, it would be vain to attempt any general unification of legislation on this subject, but thinks that some progress could probably be achieved towards a gradual assimilation of the different national legislations, more especially of those of the so-called continental type.

However, before taking any steps in this direction, it proposes to adopt its usual course and investigate how far the existing divergences of the various legislations are in practice a hindrance to trade. To this end it will, still in the course of the present year, consult a number of experts who are specially qualified to give an authoritative opinion.

6. I should like to mention the Conference held at The Hague in 1925 for the revision of the International Convention for the Protection of Industrial Property.

It will be remembered that the Committee suggested amendments to several articles of the Convention, adding fresh and more effective provisions for the suppression of *unfair competition*.

The Conference considered these proposals, and the Committee is now happily in a position to inform the Assembly that the majority of the measures it suggested have been embodied in the new text of the Convention, in consequence of which the principles advocated by the Economic Committee will henceforward be applied in the thirty-six States of the Union. I think that this is a success on which we should congratulate the Committee.

7. With the help of the International Labour Office and the Financial Committee, the Economic Committee has continued its investigation of the involved problem of *economic crises and consequent unemployment*.

It would take too long to enter into all the details of the question ; these are to be found in the Committee's report. It should, however, be stated that, at the suggestion of the Joint Committee on Crises, the Council has drawn the attention of the States to the necessity of collecting and publishing at short regular intervals statistics which will serve to establish reliable indices.

It is evident that accurate information concerning the fluctuations of production is essential. The Council therefore took this opportunity of reminding the States of the importance it attaches to statistics of production and stocks.

Finally, the Committee contemplates convening a meeting of a number of experts at an early date in order to obtain their opinions as to the scientific and technical aspects of the establishment of indices and economic barometers.

In addition to these statistical questions, the report shows that the Joint Committee is continuing its investigations for the purpose of ascertaining what are the essential elements which cause excessive fluctuations in economic activity.

8. In June 1925, the Council of the League of Nations requested two distinguished economists, Mr. Layton and Professor Rist, to hold an enquiry into *economic conditions in Austria*, with a view to discovering what effect these conditions had on the work of financial reconstruction undertaken by the League.

In September of the same year, the Council referred the conclusions of their report to the Economic Committee for consideration. The latter devoted its December session to this work, making special efforts to discover appropriate means of removing the obstacles to reciprocal trade and more especially Customs tariffs between the Succession and cessionary States of the former Austro-Hungarian Monarchy.

It has presented a reasoned report embodying two main ideas : first, that the intensification of the agricultural production of Austria seems to be the most urgent remedy, and that such production could be fostered by an appropriate system of long-term agricultural loans. Certain members of the Economic Committee have helped the Financial Committee to conduct a more searching enquiry into this subject.

The second conclusion reached by the Economic Committee is that it would be to the advantage of the States which have succeeded to or to which have been ceded portions of the

former Monarchy to conclude the closest possible commercial agreements with one another so that the needs of each country may be met, without any country departing from any obligations it may have assumed with regard to third States.

This recommendation was also intended for the other States asked to take the special needs of Austria into account by revising their commercial conventions with that country.

The Council, approving the proposals of the Economic Committee, has forwarded these recommendations to the States concerned.

9. The Economic Committee examined the recommendations submitted to it by the Committee of Enquiry into the *Statistics* regarding the Census of Industrial Production, and subsequently, when these recommendations had been approved by the General Conference of the International Institute of Statistics, which met at Rome in October 1925, recommended that the Council should communicate them to the various States for favourable consideration, asking the latter to communicate any observations they might have to make.

10. I was glad to observe in the Economic Committee's report an assurance that the documents collected by the Economic Section regarding the various means of *protecting the foreign buyer against worthless goods* would be published shortly. I would venture, however, to request that every effort be made to secure their publication at the earliest possible date.

11. You will doubtless have noted with satisfaction that the Economic Committee and the Committee on Intellectual Co-operation have established close relations in the study of the problem of scientific property undertaken by the latter which will surely prove effective and valuable. You will also have observed that the Economic Committee is anxious to see this co-operation extended to all the work common to both bodies. I am in sympathy with this desire and I am sure that it will be realised, for it is simply common sense.

In conclusion, I would ask you to agree to submitting the following resolutions to the Assembly :

“ The Assembly

“ 1. Again states its conviction that commercial relations would be greatly improved by the conclusion of an international convention for the abolition of import and export prohibitions and restrictions.

“ It notes with satisfaction the progress which has been made, thanks to the efforts of the Economic Committee, towards the realisation of the recommendation made by the 1924 Assembly.

“ It notes the Council's resolution to convene for this purpose, at as early a date as possible, a Conference of Representatives of the Governments of States Members and non-Members of the League of Nations, and expresses a most earnest hope that this Conference's work will be crowned with success.

“ 2. It notes with satisfaction that the Protocol established in 1923 is still making its influence felt in the direction of a wider recognition of commercial arbitration, and that the Economic Committee has recently begun to consider the possibility of preparing an additional Act the object of which will be to ensure the execution of arbitral awards given abroad.

“ 3. It records the fact that the number of ratifications of the International Convention for the Simplification of Customs Formalities is increasing and notes that this international Act has had a beneficent influence on the conclusion of certain treaties of commerce.

“ 4. It observes with satisfaction that most of the methods suggested by the Economic Committee to ensure more effective protection against unfair competition have, in most cases, been embodied in the new provisions of the Convention of the Union for the Protection of Industrial Property revised at The Hague in November 1925.

“ 5. It follows with interest the enquiries being conducted by the Economic Committee with regard to measures for the repression of false Customs declarations ; the standardisation of legislation with regard to bills of exchange and cheques ; the unification of economic statistical methods ; the protection of the buyer against worthless goods ; and the Committee's research work regarding the causes of excessive fluctuations in economic activity. ”

Annex 10.

A. II/15. 1926.

WORK OF THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT.

Draft report by M. JARAMILLO (Colombia).

I have the honour to submit to the Second Committee of the Assembly the report which it instructed me to prepare on the work carried out in the interval between the sixth and seventh sessions of the Assembly by the Organisation for Communications and Transit. This Organisation owes its origin to Article 23 (e) of the Covenant, in conformity with which

Members of the League have undertaken to make provision to secure and maintain freedom of communications and of transit between the various countries.

The work of the organisations of the League in respect of communications and transit has had to be voluntarily limited for two vital reasons: (1) the almost unlimited scope of the field of action of this work; and (2) the unavoidable political necessity of respecting the sovereignty of nations.

With regard to the first of these reasons, the field of action has, so to speak, no limits, just as the genius of man has no known limits in its age-long struggle with space to shorten the distances separating him from the rest of the world and to explore and dominate lands and seas. It is accordingly no exaggeration to say that the history of human progress is the history of means of communication. And this is why, as will be seen from its report, an enormous variety of questions has engaged the attention of the Advisory and Technical Committee and provided matter for its investigation: inland navigation and ports; maritime navigation; railways, roads and highways; telegraphs and telephones; wireless telegraphy and wireless telephony; the transport and use of water power, *i.e.*, practically all that men have invented for purposes of communication and to get into closer touch with each other.

The second reason for the limitation of the kind of work which is mainly of a technical nature but which also has a political aspect is that the traditional attitude and practice of the League of Nations do not permit of any work of an international character being carried out without the consent of the nations concerned. This fact undoubtedly accounts for the advisory character which has been given to the Committee, although it consists of technical experts appointed by the various Governments, experts whose decisions do not bind their respective countries. The Committee is an organisation within the League of Nations set up to study, through the medium of experts chosen from among its members or from outside, the international problems arising out of transit and communication between the various countries, to prepare the work of the International Conference on Communications and Transit and to give its assistance, with the help of recognised authorities, to Governments wishing to obtain the opinion of the Committee on national questions relating to different kinds of transport. But the Committee has yet a further important duty—that assigned to it by a clause of various conventions hitherto concluded on the subject. This clause provides that disputes relating to the interpretation of these conventions which cannot be settled by some amicable method of procedure should be submitted for an advisory opinion to the Committee in question before being referred to the Permanent Court of International Justice. At the same time, the Committee is permanently at the disposal of Governments with a view to facilitating the settlement of disputes which might arise between them with regard to communications. A case occurred, for example, in connection with the difference between Germany and the Governing Commission of the Saar Territory with regard to the conditions for carrying out the Berne Convention on Transport by rail as regards the relations between the Saar and the German railways; in this instance the intervention of the Advisory and Technical Committee proved the effectiveness of that body.

In questions of a purely national character, the Advisory and Technical Committee is also beginning to give proof of the effectiveness of its organisation and methods through the help which it is able to furnish at any time to a Government which requests its intervention in order to solve difficult internal questions connected with transport. A case arose recently in Poland where, through the application of the resolutions of the Genoa Economic Conference, and after agreement with Poland, the Committee supplied experts with the most successful results to solve the difficult problem of gradually establishing a new system of navigable waterways.

Services of this kind are of great importance to the different countries, and it is to be hoped that, as the latter become better acquainted with the work and success of the Advisory and Technical Committee in a sphere which is particularly suited for technical initiative and timely and effective intervention, many countries will seek help from the skill, experience, good will, impartiality and prestige of this organ of the League of Nations in order to find the best solution for internal problems concerning communications, which problems may have a decisive influence upon their future development.

The intervention of the Committee in cases like this cannot give rise to serious objections of any kind, since the Committee plays a purely advisory part and sometimes helps to bring about a friendly settlement of differences. Moreover, its intervention does not imply the least lack of consideration or respect for the technical experts of the countries which ask for its assistance, since such intervention is solely in response to the very reasonable desire to know the opinion of experts who do not belong to the country and who are absolutely impartial, free from all prejudice and exposed to no influences other than those of the general interest. If, finally, as is only fair, the country which claims the good offices of the Committee is required to contribute towards the expenses incurred, it may be sure that the services of the Committee will be in all circumstances infinitely cheaper than if it appealed to the help of experts not belonging to the League and selected from some other country.

There is no doubt at all that the technical organisations of the League of Nations are the best suited to perform the immense services which the great Geneva institution is able to render to peace between the nations, by ensuring international co-operation and the peaceful solution of the most acute economic and social problems. As these organisations develop and extend the field of their activities throughout the world, a knowledge of their prestige and effectiveness will spread to the most distant parts. It would take too long to recount all that

has been done by the League thanks to the help of the Organisation for Communications and Transit. In order, however, to realise the importance and extent of its efforts, it is sufficient to mention the two general Conferences which met, the first at Barcelona in March and April 1921, and the second at Geneva in November and December 1923, to say nothing of the numerous sessions of the Advisory and Technical Committee. The first of these Conferences dealt with two important questions, which were embodied in two international conventions—the question of transport in transit and the question of transport on navigable waterways of international concern.

The Second General Conference on Communications and Transit, profiting by the preparatory work of the Advisory and Technical Committee, dealt with exceedingly varied and difficult problems, and adopted four important conventions, viz., a general Convention on the International Regime of Railways, a Convention on the International Regime of Maritime Ports, a Convention relating to the Transmission in Transit of Electric Power and a Convention relating to the Development of Hydraulic Power affecting more than One State.

The great effort of enquiry, co-ordination and adaptation which these Conventions represent has not yet been able to obtain the results which the nations expected of it, owing to the absence of certain necessary ratifications. In this connection, I may again draw the attention of my colleagues to the reference to this subject contained in the following passage in the illuminating report of the Advisory and Technical Committee :

“ The Advisory and Technical Committee,

“ Considering it particularly important that the Conventions signed at the Second General Conference on Communications and Transit, and particularly the general Convention on the International Regime of Maritime Ports, should be ratified as soon as possible,

“ Requests the Assembly of the League once more to bring this point to the attention of the States which signed these Conventions or which adhered thereto subject to ratification. ”

As the Assembly has before it a proposal by the honourable representative for the British Empire, Viscount Cecil, requesting that an appeal should be addressed to Governments in order to obtain the ratification of pending agreements and conventions—a proposal which covers all international agreements concluded under the auspices of the League of Nations and which will doubtless be adopted by the Assembly—I do not think that it is necessary for the moment to submit to the Assembly a proposal on the lines indicated by the Advisory and Technical Committee. Only if the British draft resolution were to be rejected on account of its universal bearing would it be expedient to submit this resolution, which concerns only conventions relating to transit and communications.

I have given much thought to the problem of the long delays which frequently attend the ratification of international pacts encouraged by the League of Nations, which delays greatly prejudice the rapid and steady development of that institution, and it has occurred to me that in most cases these delays are due to formalities required by the internal public law of the various countries for the ratification of international treaties and agreements. I am therefore inclined to think that it would be well to invite the legal experts of the League to consider the possibility of concluding a convention between the largest possible number of countries to ensure speedier ratification through a modification of laws, regulations and parliamentary practices, without, however, prejudicing the spirit of the different constitutional statutes.

The work of the Advisory and Technical Committee has extended to many other questions. A special Committee was instructed to study the problem of the unification of tonnage measurement in maritime navigation, which would prove of service to transports and an element of security to trade. Another special technical Committee is at present studying questions relating to safety at sea through the possible unification of lighthouse, buoy and light-signalling systems. The question of rapid and sure communications with the seat of the League of Nations, especially in urgent cases and at times of crisis, has been, and is still being, studied by sub-committees and committees of experts in telegraphs, railways and aerial navigation. The Advisory Committee, although for the moment refraining from establishing permanent organisations for the study of questions affecting aerial navigation and telephonic, telegraphic, wireless telephonic and wireless telegraphic communication, has taken the necessary steps in order that these questions may be examined and an annual report submitted in regard to the progress made in them, in order that they may be thoroughly studied and decisions adopted as to what further action should be taken in regard to them.

Important work has also been undertaken in regard to *road* traffic, and its object was achieved last April at the International Conference convened by the French Government, the conclusions of this Conference marking a great advance in the sphere of international traffic.

The question of the unification of private law in inland navigation between the different European States forms the subject of investigation in keeping with the importance of this question for the development and security of traffic on navigable waterways. A Committee of distinguished specialists is examining this question, particularly from the points of view of

the nationality of vessels, ownership, mortgages and privileges in land navigation and of the rules observed in compensating owners for damage due to collisions. The enquiries of this Committee may lead to very important conclusions, not only because they will contribute towards encouraging and ensuring international traffic in Europe but because they will be able to serve as a guide to other countries and continents which desire to establish just, speedy and far-sighted legislation with regard to the use of these waterways.

Mention should also be made of the passage concerned with the examination of the very important conclusions expressed by the Sub-Committee for Inland Navigation on Mr. Hines's reports relating to navigation on the Rhine and Danube.

The Assembly may further note in the report of the Transit Committee that the Committee for Communications and Transit has completed the main part of its work on the question of the reform of the calendar, although it will not lose interest in the future of this question, which affects so many circles. The Assembly is aware that a special Committee was appointed containing representatives of scientific circles and high religious authorities. A great deal of work was done by this Committee towards investigating and elucidating this problem, and its final report is brought to the notice of the Assembly.

The Advisory and Technical Committee for Communications and Transit has drawn the attention of the Assembly to the main points in this report by adopting the following resolution :

“ The Advisory and Technical Committee,

“ Having taken note of the report by the Special Committee of Enquiry into the Reform of the Calendar,

“ Considers that the findings of this Committee give the following results :

“ 1. That, as regards the general reform of the calendar, a methodical examination of the question by public opinion in the different countries, on the basis of the work of documentation and simplification already carried out, is essential to any reform, and that this work would be facilitated by the establishment of national committees of enquiry, to include representatives of the principal interests concerned.

“ 2. That, as regards the stabilisation of Easter, none of the high religious authorities upon whom the settlement of this question depends has formulated any objections of principle against stabilisation, while most of them have declared themselves generally favourable to it; that no objection has been made in lay circles, but that, on the contrary, enquiry among economic and educational circles in all countries has revealed a strong movement in favour of such a reform ;

“ Decides to draw the attention of the Assembly of the League to these points as well as to the importance of specially recommending that the competent high authorities should as soon as possible take a definite decision in order to settle the question of the stabilisation of Easter.

“ The Committee expresses its thanks to the Committee for the Reform of the Calendar for the important work which it has brought to a conclusion. It instructs the Chairman of the Committee to take all measures which may seem expedient in order to ensure the best outcome of this work. ”

The Assembly will no doubt associate itself with the desire of the Committee for Communications and Transit. In particular it is certain that, as regards the question of the stabilisation of Easter, which has been urged by commercial and educational circles in most countries, a recommendation by the Assembly will be bound to carry great weight with the high religious authorities upon whom the solution of this question depends.

* * *

Finally, we cannot too highly praise the resolution adopted by the Council of the League, in accordance with the proposal of the Advisory and Technical Committee, on the convening of a Conference for the sole purpose of dealing with the passport system. Anyone who has travelled knows from experience the deplorable state of this service in almost every country, the anarchic regulations governing in each country the form, validity, legalisation and cost of passports, the innumerable inconveniences, formalities and expenses to which travellers are subject, and how ineffective all these measures are in preventing the free movement from country to country of dangerous or undesirable persons.

The Conference met at Geneva from May 12th to 18th, 1926, and submitted an important report upon its work, to which I venture to draw the very particular attention of my colleagues, since anything that is done to encourage communication will help to develop good relations between the peoples by enabling them to make each other's acquaintance, and will promote the maintenance of peace and international co-operation. The report by the Conference contains very important recommendations with regard to the form of passports, their validity, the fees or charges to which they are subject, visas, facilities for obtaining them, examination at the frontiers, transit cards for emigrants, identity papers, family passports, etc. The adoption of these recommendations would mark considerable progress towards the

re-establishment of normal conditions in international communication, which was so profoundly disturbed by the recent war.

The Advisory and Technical Committee has hitherto restricted its activity mainly to Europe, where, as we have said, the situation consequent upon the war had given these services exceptional importance. I would like to point out, however, that, in the interests of the League of Nations and of the Latin-American States, it would be most desirable that its work should extend to these countries; for this purpose, information would first have to be collected on both sides in order that, on the one hand, the Advisory and Technical Committee might become familiar with the situation and conditions of the Latin-American countries as regards transit and communications, and that, on the other hand, the Governments and public opinion in these countries might be acquainted with the aim and work of the Committee, the results obtained and the ways in which the Committee could on occasion do them important service. In order to attain this result, the Committee must get into touch with the governmental and administrative bodies responsible for communications in each of these countries, and supply them with all necessary information on the work it has already done, at the same time asking them for details regarding the situation of communications in each country.

This exchange of information between the Latin-American countries and one of the most important organs of the League of Nations on questions which are of such importance for their future development will always be of the highest utility as an element of international co-operation. It is especially necessary at the present time, when the preliminary work for the Third General Conference on Communications and Transit is being actively pursued—a Conference in which representatives of these countries will naturally take part—since they and their respective Governments must be provided with sufficient documentation and information in the interests of the success of the Conference.

I should like to go still further and suggest that an annual summary of the principal work of the Advisory and Technical Committee should be made (I might say as much of the work of the other technical organisations of the League). This summary, translated into Spanish and widely distributed in the Latin-American countries, would contribute towards extending the field of activity of the Committee, and would spread among these peoples a knowledge of the work of the League of Nations in the economic sphere which interests them more particularly, and complete the intellectual and idealist support they have hitherto given to the great creation of Woodrow Wilson by a practical adherence and immediate results.

The various questions of documentation and liaison will be discussed at the Third General Conference on Communications and Transit, which will have to renew the Advisory and Technical Committee, examine its work from the point of view of specialists, lay down rules for the future and deal with all problems of organisation. This Conference, which will be held in 1927, cannot accordingly but be of great utility, especially as it will not be required to conclude any conventions. It will certainly meet with complete success, as will also the special conference which will deal, on the basis of conclusions already reached as a result of the work of the Advisory and Technical Committee, with the question of the unification of buoyage and lighting of coasts, a question which specially concerns safety at sea, and in this way all maritime transport.

In conclusion, I venture to submit the following draft resolution to the Committee :

“ The Assembly :

“ Notes the progress accomplished by the Organisation for Communications and Transit since the sixth ordinary session of the Assembly, and especially the success obtained by the European Conference on the Tonnage Measurement of Vessels employed in Inland Navigation and the Conference on the Regime of Passports ;

“ Trusts that the Third General Conference on Communications and Transit, which will be held in 1927 and which will examine in particular the general questions of organisation and documentation, will consider the question of improving as far as possible technical liaison between the work of the Organisation for Communications and Transit and the specialised administration and experts of non-European countries ; and

“ Notes finally the conclusion of the work of the Special Committee of Enquiry into the Reform of the Calendar, and associates itself with the findings and suggestions regarding the general reform of the calendar and the stabilisation of Easter contained in the report of the Advisory and Technical Committee, and also with the recommendation made by that Committee urging the competent authorities as soon as possible to take a definite decision in accordance with the work and investigations already completed, with a view to the settlement of the question of the stabilisation of Easter. ”

TABLE OF CONTENTS

OF MINUTES AND ANNEXES OF SECOND COMMITTEE.

	Page		Page
Agenda of Committee	6, 7	Hungary, Financial Reconstruction of	
Austria, Financial Reconstruction of		Draft report of Com. No. 2 presented by M. Suvich	
Draft report of Com. No. 2 presented by M. Strasburger.	76-7	Discussion	43-4
Discussed and adopted	44-5	Text	73-6
Chairman of Committee		Statement by M. Royal Tyler.	43, 69-73
Speeches at opening and close of session	7, 55	Instruction of Youth in Aims of League	
Close of Session	55	See : Intellectual co-operation :	
Communications and Transit		Draft resolution of British delegation	
See : Transit and communications		Intellectual Co-operation	
Delegations		Work of Committee	
German delegation : Welcome of Com.	7	Discussion	19-23, 42-3
Hungarian : Representation on Com.	8	Draft report of Com. presented by M. Munch.	65-8
Italian : Representation on Com.	19	Draft resolution of British delegation	23
Economic Committee		Resolutions of Com. No. 2	43
Draft report of Com. No. 2 presented by M. Nagai		Members of Committee, List of	4-5
Discussion	48-50	Progress of Work of Committee	39
Text	82-4	Publicity of Meetings	7
Economic Conference, International		Rapporteurs of Committee	
Work of Preparatory Committee		Appointment of	8
Discussion 24-9, 30-9, 39-42		Refugees	
Draft report of Com. No. 2 presented by M. Loucheur	68-9	Bulgarian, Settlement of	
Expenditure incurred by Committee, Limitation of		Draft report of Com. No. 2 presented by M. Hilton Young	
Communication by Com. No. 4	39	Discussion	45-7
Financial Committee, Work of		Text	78-9
Draft report of Com. No. 2 presented by M. Avramovitch		Greek Refugee Settlement Commission, Work of	
Discussion	47-8	Draft report of Com. No. 2 presented by M. van Cauwelaert.	61-3
Text	79-81	Discussed and adopted	29-30
Financial Reconstruction of Austria and Hungary		Statement by Chairman of Commission	8, 58-61
See : Austria and Hungary		Transit and Communications	
Health Organisation, Work of		Work of organisation	
Discussion 9-14, 14-17, 17-18, 50		Draft report of Com. No. 2 presented by M. Jaramillo	
Draft report of Com. No. 2 presented by M. Fernandez y Medina		Discussion	50-5
Adopted by Com.	18	Text	84-8
Text	63-5	Draft resolution of Italian delegate	50
Draft resolutions of		Amended and adopted	53-4, 55
Com. No. 2	14, 50	Vice-Chairman of Committee	
Discussed and adopted	17-18	Election	7
Delegates			
Cuba	12		
Czechoslovakia	12		
France	14		
Japan	11, 13		
Uruguay	16		
Singapore Bureau of Epidemiological Intelligence			
Credits	11, 14, 50		