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Report of the Delegates of India  
to the Fourteenth (Ordinary)  
Session of the Assembly of  
the League of Nations  
1933

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To

The Right Honourable Sir SAMUEL HOARE, Bt., G.B.E., C.M.G.,  
P.C., M.P., His Majesty's Secretary of State for India.

**REPORT OF THE DELEGATES OF INDIA TO THE  
FOURTEENTH (ORDINARY) SESSION OF THE  
ASSEMBLY OF THE LEAGUE OF NATIONS (1933).**

SIR,

We beg to submit our Report on the Fourteenth (Ordinary) Session of the Assembly of the League of Nations, held at Geneva from the 25th September to the 11th October, 1933, at which we had the honour to represent India.

2. The Delegation was constituted as follows:—

## DELEGATES.

Sir Brojendra Lal Mitter, K.C.S.I. (Member of the Executive Council of the Governor-General of India)—  
Leader of the Delegation.

Sir Denys Bray, K.C.S.I., K.C.I.E., C.B.E. (Member of the Council of India).

Sahebzada Abdussamad Khan (Chief Minister, Rampur State).

## SUBSTITUTE DELEGATE.

Sir Hormusji Mehta. (Member of the Council of State).

## Preliminary Remarks.

3. Fifty-four States were represented, the only Members which had not submitted documents accrediting Delegates to the Assembly being the Argentine, Honduras and Japan.

The announcement, made at an early Session of the decision of the Argentine to assume full membership of the League was received with gratification. The decision strengthens appreciably the political position of the League.

4. The fact that the Conference for the Reduction and Limitation of Armaments and the Monetary and Economic Conference were still in being restricted the sphere of this Assembly's discussions, particularly in regard to Disarmament. The General Committee of the former Conference had been summoned to re-assemble a few days after the end of the Assembly and no Committee of the Assembly to deal with the subject of Disarmament was appointed.

5. Mr. C. te Water (S. Africa) was elected President of the Fourteenth Assembly in a secret ballot by 30 votes to the 20 given to Don Castillo Najera (Mexico).

### General Debate.

6. The failure of the Conference for the Reduction and Limitation of Armaments and of the Monetary and Economic Conference so far to produce results commensurate with the issues at stake and the hopes placed in them by the public opinion of the world, could not but affect the atmosphere of this Assembly. Some Delegates expressed a feeling akin to disillusionment and many more their impatience at the delay in the settlement of those issues upon which the political security and stability and the economic recovery of all countries depend. All were agreed as to the immense importance of an early and successful conclusion of the Conferences, particularly of the Conference for the Reduction and Limitation of Armaments.

7. The Assembly appeared to be conscious that the League is passing through a crisis in its existence in which some of its strongest supporters harbour doubts whether it is being used to the full extent of its capacity in the cause of peace. M. Mowinkel (Norway) who, as President in office of the Council, presided over the opening meeting, expressed these doubts frankly. He was concerned as to the position of the League in public opinion. What interested the public was not the good daily work of the Secretariat but the power of the League to establish a better understanding among the Nations and to safeguard peace. The events in the Far East were not calculated to strengthen its position in the eyes of the world and an even worse impression had resulted from events in Europe.

8. Herr Dollfuss, the Austrian Chancellor, who was received with a spontaneous outburst of applause that must be rare in the sober proceedings of the Assembly, took as his theme the determination of his country to preserve her independence. After arduous years of struggle for her existence Austria asserted today, more than ever before, her freedom and independence. Her history, her geographical position and her culture conferred the right and imposed the duty of being and remaining a useful member of the community of nations.

In the circumstances this speech could not fail to have a certain dramatic quality but Herr Dollfuss refrained from any direct allusion which might have provoked a response from the German Delegates who were listening to him.

9. Sir B. L. Mitter on the second day of the general debate spoke as follows :—

"I shall take very little of your time this morning, for the simple reason that I have no cut-and-dried solution for either of the two big problems which are engaging the collective wisdom of the world. Nevertheless, I wish to make a few remarks which may give food for thought to some of you.

I had the honour to represent India in the Assembly two years ago. The interval of two years enables me to take a somewhat detached view of the movements in Europe, and I see, through Indian eyes, a distinct change in thought and outlook. There is a new orientation. It almost seems as if the horrors of the war had been forgotten. There is certainly less enthusiasm for the reign of peace in the world. No one, indeed, wants another war, but there is no longer the same passionate will to banish it. The war spirit is not condemned with the same passionate conviction and the realisation that another war may shake, if not destroy, civilisation seems to be growing dim.

I am not unmindful of the heroic efforts which are being made to win definite results from the Disarmament Conference. Nor do I ignore the difficulties which confront it. Nevertheless, I have felt a weakening of the force of public opinion as the months of discussion lengthened. The picture of Europe is to me, an Indian, somewhat disheartening. We in India want peace, not only for our own country, but all over the world, that we may continue uninterrupted the progressive development of our destiny.

A war spirit in any important quarter of the earth has its repercussions in others, and the resulting tension is prejudicial to all. There is an Indian proverb, "A drop of acid turns the whole jug of milk".

Another feature of the European picture is the increasing boldness of the League's detractors. It is of no use trying to disguise the fact that the League is passing through a difficult period. The lack of a full measure of success in some of its endeavours has encouraged its critics. But the critics forget that every human institution has its ups and downs; they take little account of the League's achievements and never fail to concentrate on its failures. They pass the more lightly over such features in the League's record for the year as its achievements, partial or complete, in the cause of peace in Latin America; the undramatic but beneficent work of its Health Organisation at Singapore; its expert assistance to Siam over the development of her harbours; its contribution to the Chinese Government's great programme for welding one quarter of humanity into a united modern State—they pass over all these and similar activities of the League the more lightly because the field for them lies outside Europe. Yet it is this very fact that, to an Asiatic like myself, invests them with a special significance and appeal.

It is with particular interest that India will watch the progress of the scheme for technical co-operation in China. It is full of promise, and its results may be far-reaching. Its wholly technical and non-political character raises it above the hazards and contingencies of international political complications, and makes it constitute a new type of international relationship. It is a concrete application in the field of national reconstruction of the principle of international co-operation which is at the very root of the League. It shows how national independence can be reconciled with, and indeed, fostered by, expert and technical assistance from an international source.

Our detractors make light, it is true, of these and other activities of the League. I do not suggest that we should shut our ears to their criticisms, but their criticisms would carry more force if they had an alternative machinery to suggest in place of the League. Today the interdependence of nations is manifest; the need for international co-operation is imperative. But our critics do not vouchsafe to suggest how such co-operation could better be secured than through the machinery of the League. To myself, the conclusion of the whole matter is surely this: the more difficult the times and the more serious the setbacks to the League, the more essential is it that we should remain steadfast in its cause, and, undeterred by misfortune, rally unceasingly to its side that which is its sole, yet mighty, sanction—namely, the moral opinion of the world."

#### Elections to Assembly Offices.

10. The following were elected Vice-Presidents of the Assembly:—

M. Daladier (France).  
Baron von Neurath (Germany).  
Sir John Simon (United Kingdom).  
Baron Aloisi (Italy).  
Don. C. Najera (Mexico).  
Ali Khan Foroughi (Persia).

The Chairmen and Vice-Chairmen of the five Committees were selected as follows:—

| Committee.                                | Chairman.                        | Vice-Chairman.                   |
|-------------------------------------------|----------------------------------|----------------------------------|
| <i>First</i> —(Legal Questions).          | M. Motta (Switzerland).          | M. Limburg (Netherlands).        |
| <i>Second</i> —(Technical Organisations). | Count Carton de Wiart (Belgium). | M. Parra Perez (Venezuela).      |
| <i>Fourth</i> —(Budget).                  | M. Fotitch (Yugoslavia).         | Herr von Rheinbaben (Germany).   |
| <i>Fifth</i> —(Social and Humanitarian).  | Melle. (Sweden).                 | Hesselgren Dr. Riddell (Canada). |
| <i>Sixth</i> —(Political).                | M. de Madariaga (Spain).         | Sir Denys Bray (India).          |

We were gratified at the election of a representative of India to the Vice-Chairmanship of the Sixth Committee. In the occasional absence through illness of M. de Madariaga, Sir Denys presided over this Committee.

The following were elected Members of the Agenda Committee:—

M. M. Bourguin (Belgium).  
M. Elias Brache (Dominican Republic).  
Herr. Gaus (Germany).  
M. Mikoff (Bulgaria).  
Mr. Philippe Roy (Canada).  
M. Holsti (Finland).

M. Mikoff was elected Chairman.

The General Committee of the Assembly was constituted to consist of the six Vice-Presidents, the Chairman of the five Committees of the Assembly, and the Chairman of the Agenda and the Credentials Committees.

#### Elections to the Council.

11. The three States vacating non-permanent seats on the Council were Guatemala, Norway and the Irish Free State.

As explained later in our Report, proposals were before the Assembly for a provisional increase by one, for the period of three years from 1933—36, in the number of non-permanent members (which involved the election of a fourth non-permanent member at this Assembly) and for an amendment in procedure, designed to check undue "lobbying" under which any State Member standing for election would be required either to propose itself, or to be nominated by another Member, at least 48 hours before the election. These proposals were approved by the Assembly on 2nd October, but under Art. 4, paragraph 2 of the Covenant the approval of the Council is required, in addition to that of a majority of the Assembly, to an increase in the number of non-permanent members. Accordingly, the Assembly, pending the result of the Council's consideration of the proposal for the election this year of a fourth non-permanent member, proceeded to the election of three members to replace the three retiring members. Denmark, the Argentine Republic and Australia were elected, receiving respectively 52, 49 and 47 votes.

The Council having later approved the proposal for the election of a fourth non-permanent member in 1933, the Assembly balloted on 9th October for this fourth seat, with the result that Portugal was elected with 30 votes as against 20 votes cast for Turkey.

## Agenda.

12. The question of the amendment of the Covenant to bring it into line with the Pact of Paris was withdrawn from the Agenda. The Assembly of 1931 had recommended the setting up of a Committee of representatives of all Members of the League to meet during the Conference for the Reduction and Limitation of Armaments to study the question. This Committee has not however yet been constituted.

The questions of Mandates and of Minorities were not on the Agenda but, in accordance with precedent were placed on it by Resolutions approved at early sessions of the Assembly, the former on the proposal of Norway and the latter on that of Germany.

A Resolution was also moved in plenary session by the Delegate of Haiti proposing a World Convention ensuring the protection of Minority Rights. The Agenda Committee held that the conditions laid down in the Rules of Procedure regarding the addition of items to the Agenda were not satisfied and the Resolution was therefore not referred to Committee. But the Delegate of Haiti availed himself of the right to raise the question in the Sixth Committee in connection with the protection of Minorities and the ensuing discussion, in view of recent events in Germany, excited much interest.

A proposal by the Netherlands Government for the co-ordination under the auspices of the League of measures for the relief of refugees from Germany was likewise placed upon the Agenda and referred to the Second Committee.

We deal more fully with these questions in the following passages of our Report.

## Work of the Committees.

13. The representation of India on the five main Committees was:—

- First. Sir B. L. Mitter.
- Second. Sir H. Mehta.
- Fourth. Sir H. Mehta.
- Fifth. Sahebzada Abdussamad Khan.
- Sixth. Sir Denys Bray.

14. We reproduce in the Appendix all Reports and Resolutions passed by the Assembly. In the following sections of our Report we deal only with those matters which seem to deserve special mention either on grounds of general interest, or because they are of particular interest to India or formed the subject of discussions to which the Delegation contributed.

## FIRST COMMITTEE.

### REPORT OF THE COMMITTEE APPOINTED TO STUDY THE EXISTING SYSTEM OF ELECTION TO THE COUNCIL.

15. The Council consists of 14 members, 5 permanent (Great Britain, France, Italy, Japan and Germany) and 9 temporary. The temporary members are elected for 3 years, three vacancies occurring each year. Ordinarily, temporary members are not eligible for re-election until after an interval of 3 years, but they may (during the period of three years) become eligible for re-election on obtaining a vote by a 2/3rds majority in their favour. This is known as obtaining a declaration of re-eligibility. The temporary members at the opening of this Assembly, were Guatemala, Norway, Irish Free State (elected in 1930), China, Panama and Spain (elected in 1931), Poland, Mexico and Czechoslovakia (elected in 1932). Poland was declared in 1926 re-eligible for election in 1929 and again in 1932 and Spain in 1928 (for election in 1931). There is an understanding, though no definite rule, that there will always be 3 Latin American States on the Council and one Asiatic State in addition to Japan. The Little Entente (Czechoslovakia, Roumania and Yugoslavia) claim a seat between them, and it seems to be generally recognised that another seat should be held by one of the northern European States including Holland. Since 1927 the British Empire has held one seat (first Canada and then the Irish Free State).

16. Portugal in a Memorandum submitted to the Assembly of 1931 had pointed out that the declaration of re-eligibility of Poland and Spain and the virtual reservation of the remaining seven temporary seats to the groups indicated above left no seat for herself and for some ten other members who are not comprised in any of these groups. She notified her intention, so long as this state of affairs continued, of not standing for the Council.

The Indian Delegation and the other Empire Delegations were generally in sympathy with the Portuguese grievance and supported a motion, introduced by Lord Cecil, requesting the Council to appoint a special Committee to study the existing system of elections and report to a future session of the Assembly on any reforms which might appear desirable. The motion was passed and the Committee was appointed in January 1932 and submitted its report to this Assembly. The Committee, which contained two representatives of the British Commonwealth of Nations, the United Kingdom and Canada, was divided on the two alternatives: (1) a modification of the present practice in regard to representation of groups, which, at the expense of the existing groups, would make room for the representation of a new group consisting of those not at present represented on any group; and (2) the creation of one or two additional non-permanent seats on the Council. The Committee, unable to reach agreement on these issues, postponed

a decision on them and, taking advantage of the decision of Japan not to sit on the Council pending the expiry of the two years' notice of her withdrawal from the League, unanimously recommended as a provisional measure that for the three years 1933—36 the number of non-permanent members should be increased from nine to ten, four instead of three being elected in 1933. The First Committee approved this proposal unanimously without discussion.

In view of the provisional nature of their recommendation, the special Committee did not enter into any discussion of extensive changes in the method of election. They did, however, by a majority, recommend a minor change in procedure designed to check to some extent the excessive lobbying which has been an unsatisfactory feature of past elections. This proposal also was approved unanimously by the First Committee and by the Assembly. It will accordingly apply to next year's elections.

[Appendix I (4).]

#### GRADUAL UNIFICATION OF CRIMINAL LAW AND CO-OPERATION OF STATES IN THE PREVENTION AND SUPPRESSION OF CRIME.

17. In accordance with a resolution of the Assembly of 1931, the Secretary-General consulted the following seven International Associations, namely, the International Penal Law Association, the International Bureau for the Unification of Criminal Law, the International Criminal Police Commission, the International Penal and Penitentiary Commission, the Howard League for Penal Reform, the International Law Association, and the International Penal Law Union, in regard to possible action by the League in the direction of the Gradual Unification of Criminal Law and the Co-operation of States in the Prevention and Suppression of Crime. Representatives of these bodies met in May 1932 and passed a compendious resolution which, as regards the progressive unification of criminal law, urged the standardisation of the definition of offences the suppression of which is important from the international point of view, the standardisation of the fundamental rules of criminal law, the inclusion in all penal legislations of standardised definitions of offences which States agree to regard as a danger to international relations and the more extensive unification of certain branches of criminal law in the case of countries whose civilisation possesses certain common features. They further recommended that as regards the prevention and suppression of crime, the League's assistance should relate—among other points—to improvement in the unification of rules for extradition and for the despatch and execution of Letters of Request, to international Police co-operation and to the improvement of the fundamental rules for the execution of penalties and preventive measures involving imprisonment. When the Assembly met in 1932, this resolution had not been confirmed by the constituent bodies, and the Assembly did no more than call the attention of Governments to it, but the

resolution having subsequently received the ratification of the constituent organisations, the Secretary-General, in pursuance of the resolution of the Assembly of 1931, asked the Governments whether they wished the League to lend its assistance in these matters. The Government of India replied that they had no observations to offer on the resolution of the seven organisations consulted by the League and that they saw no occasion to seek the assistance of the League.

18. It soon became clear in the course of the discussions in the First Committee that any attempt on the part of the League to bring about a complete unification of criminal law would not secure the support in the Committee of any but a minority of academically minded lawyers with limited experience of the practical application of law. The Rapporteur in opening the discussion had quoted certain specific cases in which the League had taken action in the matter of criminal law in connection, for example, with the Traffic in Women and Children, Obscene Publications, Slavery, the Drug Traffic, and the Counterfeiting of Currency, but in doing so he was arguing from the particular to the general and the fact that it had been possible to secure the adoption of a few principles in certain conventions concluded under the auspices of the League did not imply that general unification was feasible.

19. The nature of the proposals put before the Committee were vague and Sir B. L. Mitter found it necessary to ask specifically in what manner it was suggested that the League should assist, whether assistance was to be given only in respect of certain specific crimes or in the case of all crimes of an international character and, if the latter, who was to supply a definition of such crimes. Answers to these questions were not forthcoming but the course of the discussion showed that any resolution to be acceptable to the Committee would have to be on a much less ambitious scale and on far more practicable lines than that passed by the seven organisations in May 1932.

Accordingly at the next meeting of the Committee, the Rapporteur produced a resolution which, as Sir B. L. Mitter pointed out, had two merits—that it did not extend the League's field of activity and that it was in keeping with the procedure which the Assembly has laid down in connection with the drawing up of international conventions. The resolution encouraged the private organisations to continue their useful scientific work, the value of which is undoubted. It provided that the League should consider the possibility of taking certain steps, such as the preparation of a draft convention, in cases in which need for the unification of laws existed and was recognised to exist by the League. Finally it provided that the League should then seek the assistance of such of these organisations as were specially concerned with the particular question. In this modest form the resolution was passed unanimously.

[Appendix I (3).]

## NATIONALITY OF MARRIED WOMEN.

20. At a Conference held at The Hague in 1930, in which an Indian Delegation took part, a Convention was signed on behalf of a large number of States, including all Members of the British Commonwealth (except New Zealand, which was not represented) which contained the following Articles :—

*Article 8.*

If the national law of the wife causes her to lose her nationality on marriage with a foreigner, this consequence shall be conditional on her acquiring the nationality of the husband.

*Article 9.*

If the national law of the wife causes her to lose her nationality upon a change in the nationality of her husband occurring during marriage, this consequence shall be conditional on her acquiring her husband's new nationality.

*Article 10.*

Naturalization of the husband during marriage shall not involve a change in the nationality of the wife except with her consent.

The Convention was signed on behalf of India with a reservation as regards its application to the Indian States. Sufficient ratifications of the Convention have not yet been deposited to bring it into force and no Member of the British Commonwealth has yet ratified it. The Final Act of the Conference also included the following recommendation :—

“VI. The Conference recommends to States the study of the question whether it would be possible—

- (1) to introduce into their law the principle of the equality of the sexes in matters of nationality, taking particularly into consideration the interests of the children; and
- (2) especially to decide that in principle the nationality of the wife shall henceforth not be affected without her consent either by the mere fact of marriage or by any change in the nationality of her husband.”

21. A great deal of time was spent over the discussion of this question in the First Committee last year, there being a sharp cleavage of opinion. The minority objected to Articles 8—10 of the Convention on the ground that they embodied and reinforced the

principle of the inequality of the sexes and, rather than accept the undoubted benefits that would flow to many “stateless” women from their ratification, urged their radical amendment, a course which it was evident, as they did not attempt to deny, would lead to the wrecking of the Convention and the disappearance of any immediate prospect of relieving the plight of these women. The majority, irrespective of views that might be held on the question of principle as to the equality of the sexes, realised that the Convention embodied the maximum measure of agreement that could be attained in the present state of international opinion and urged its speedy ratification. As the Resolution embodying this view was careful to point out, this course would not prejudice further international action nor place any restriction upon the freedom of action of any State that might wish to give effect in its own laws to the principle of the equality of the sexes.

22. The Chilean delegation, which was among the minority at the 1932 Assembly referred to above, had requested, however, that this question should be placed upon the Agenda of the 1933 Assembly. The Chilean delegate put forward a proposal for the drawing up of a Protocol stating the principle of the equality of the sexes in the matter of nationality, which would remain open at Geneva for signature by all the States which felt that they could accede to it. He proposed that this Protocol should be accompanied by a new recommendation to the Assembly, with a view to securing the speedy ratification of the Hague Convention on nationality, on the ground, apparently, that the opening of such a Protocol, embodying the more advanced views of a certain group of countries, would facilitate the ratification of the Convention by those countries.

23. The Resolution of the 1932 Assembly requested the Council, on the basis of information obtained from Governments “to follow the development of public opinion on this important question, in order to determine when such development has reached a point at which further concerted international action would be justified”. The Chilean proposal was strongly criticised by a number of delegations, on the ground that it involved a departure from the decision taken by last year's Assembly, under which it was for the Council to say when the time had come for further action. It became clear that the Chilean proposal could only secure unanimity, if at all, through the abstention from voting of a large number of delegates, and the Chilean delegate accordingly accepted a compromise Resolution put forward by the delegate of France, which expressed the hope that before the next Session of the Assembly, Governments would have put the Secretary-General in a position to communicate to the Council the information as to the effect which they have found it possible to give to recommendation No. VI of the Hague Conference. This proposal, which brought the Committee back to the procedure adopted in the previous year, was accepted unanimously with one abstention.

[Appendix I (2).]

## SIMPLIFICATION OF THE PROCEDURE OF THE ASSEMBLY.

24. Experience has shown that, owing to the increase in the scope of the League's work and the growing multiplicity of the subjects which have to be discussed in the Committees of the Assembly, it is seldom that the session does not have to be prolonged owing to the inability of one Committee or another, though working at high pressure, to complete its task in time. This applies, in particular, to the Fourth, or Budget, Committee.

On the other hand, under the present practice, the latter part of the Assembly's session is to a large extent occupied in adopting reports from Committees on which there has been unanimous agreement in the Committee and which are not of such a nature as to call for elucidation or discussion at a plenary session. So far as they assume this character, the final proceedings of the Assembly naturally do not excite any great interest among delegates or the public.

25. To meet the situation described above, the Secretary-General made two suggestions: first, that a system might be established under which some Committees of the Assembly, more particularly the Fourth Committee, might be able to begin their work before the first plenary meeting of the Assembly for the purpose of dealing with questions which regularly appear on the Assembly's Agenda; and, in the case of the Fourth Committee, for the purpose of examining the regularly recurrent items of the Budget; and secondly, that, under proper safeguards, a system might be established under which reports of Committees which do not call for discussion in a plenary session would become the object of a mere formal adoption by the Assembly on the proposal of the President.

The latter suggestion was approved by the First Committee for application to cases in which the Committee, when adopting its report, has unanimously declared that it does not consider a discussion of the report in plenary session to be necessary and in which no delegate has subsequently asked the President to open a discussion on the Report.

26. There was, however, considerable divergence of views as to the merits of the former proposal. Objections to it were raised on legal and on administrative grounds. As regards the legal position it was urged that each Committee of the Assembly is an emanation of the Assembly and that there is, therefore, a contradiction in a procedure under which any Committee would meet before the Assembly itself met. This legal difficulty did not appear insuperable and could be got over by amendment of the Rules of Procedure of the Assembly. Moreover, it was pointed out that, from one session to another, the Assembly retains its organic functions and remains the same body.

On administrative grounds it was objected that the work of the Committees are to some extent interdependent and further that the leading members of delegations who, at present, often sit on

the Fourth Committee, might not be prepared to go to Geneva some days before the Assembly met and that the prestige of the Fourth Committee might suffer thereby. Again, on points of importance, a delegate on the Fourth Committee might wish to consult the leader of his delegation.

27. The proposal was eventually adopted by 15 votes to 7, with 4 abstentions, and was subsequently approved by the Assembly. The position, therefore, is that it will be open to the President of the Council next year, if he considers that the Agenda of any Committee is likely to be congested, to summon that Committee to meet up to one week before the opening of the Assembly.

The proposal, in so far as it may serve to shorten the duration of the Assembly's session, would result in some saving both to the League and to Member States in respect of the expenses of their Delegations.

28. Both proposals were intended as experiments to be applied at the Assembly of 1934, at which the procedure in these respects will be re-examined.

[Appendix I (1).]

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**SECOND COMMITTEE.**
**HEALTH ORGANISATION.**

29. Full recognition was given, we were glad to note, to the work of the Eastern Bureau, "that sentinel placed at Singapore by the Health Organisation to announce the appearance and follow the evolution of the epidemics of pestilential diseases of which Asia is the cradle". Appreciation was expressed of the help given by India and other Far Eastern governments in broadcasting the Bureau's messages, in code and in clear, free of charge from their wireless stations.

30. Much satisfaction was expressed at the success of the Regional Health Conference held in Cape Town in November 1932. From the point of view of India, the most important matters considered at the Conference were the technical discussions on the prevention of the transmission of yellow fever by aeroplane, arising out of the provisions of the Yellow Fever Chapter of the International Sanitary Convention for the Control of Aerial Navigation, and the question of the adoption of uniform regulations for the prevention of the introduction into African countries of small-pox from India. There was general agreement that, in view of the advantages derived from this exchange of views between the Governments of neighbouring territories, similar Conferences might with great advantage be convened by the Health Organisation.

31. Several speakers referred to the services rendered by the Organisation to the Chinese National Government, whose delegates

expressed deep appreciation of the technical collaboration of the Organisation in the work of reconstruction on which China was engaged. The fact that it was the Director of the Health Section who had been chosen as Liaison Officer between the League and the Chinese Government was sufficient proof that Public Health was the sphere in which this collaboration was expected to yield the greatest results. As evidence of the direct and tangible benefits conferred on a great Eastern nation by membership of the League and of the growing concern of the League with the problems and difficulties of extra-European countries, these activities of the Organisation are of interest to India.

32. As is made clear in the Report to the Assembly reproduced in the Appendix, the Organisation, during the year, has pursued with unabated vigour the task, imposed upon it by Article 23 of the Covenant, of preventing and controlling disease where these are matters of international concern. In many of these activities India has the closest concern. In respect of such bodies, to name only the more important, as the Commissions for Malaria, Ship Fumigation, Leprosy, Tuberculosis and Plague, India has not only made important contributions to the common stock of knowledge, which it is their function to co-ordinate, but derives herself most material advantages.

33. Despite the undoubted value of the Organisation's work, the point was made by several delegates that its activities should be carefully selected and limited to matters of international concern, so that it might not outrun its mandate under the Covenant. This was the more necessary, in view of the general financial position of the League and of the diminution in value, owing to depreciation in the exchange, of the contribution which the Rockefeller Foundation makes to it in dollars. As examples of activities which might be curtailed without detriment to the League's essential functions were mentioned the investigations into the effect of the economic crisis on public health, and the assistance given to Public Health Administrations of different countries in regard to matters which had little or no international significance.

[Appendix II (1)].

#### REFUGEES FROM GERMANY.

34. Much time was devoted to the consideration of a proposal made by the Netherlands delegation in plenary session of the Assembly for the organisation, under the auspices of the League, of measures to deal with the problem of refugees from Germany.

The reference of this question to the Second Committee, rather than to the Sixth, indicated the desire to treat it from the technical and economic, rather than from the political, standpoint and every attempt was made on these lines to secure the collaboration of the German delegation. The German delegate, however, delivered a carefully-prepared statement which seemed to give small ground for hope that this collaboration would be forthcoming and which,

incidentally, attributed the flight of these refugees to one of three causes: either the creation in Germany by the national revolution of a new position which no longer assured them the privileged position in the social and commercial sphere which they had formerly occupied; or the conditions of internal politics which were no longer in agreement with their selfish desires; or the fact that their consciences were not clear. It seemed at one stage doubtful whether German collaboration would be forthcoming and something very like a deadlock was reached, whereupon M. Motta, the delegate of Switzerland, interposed with a tactfully expressed suggestion that the discussion should be adjourned in order to enable the German delegation to convey to its Government the views on this question which had found general expression in the Committee. On the resumption of the discussion a Resolution was unanimously approved, Germany abstaining, which provided for the appointment by the Council of a High Commissioner, assisted by a Governing Body composed of representatives of those Governments closely interested in the question, to co-ordinate the efforts of private bodies and of Governments to assist these refugees, the expenses being defrayed by funds contributed from private sources. The financial liability of the League is limited to the advance of a sum not exceeding Frs. 25,000 to be made to the High Commissioner from the Working Capital Fund and to be refunded out of the funds which it is anticipated will later be placed at his disposal.

[Appendix II (4)].

#### FOURTH COMMITTEE.

35. It was to be expected, in view of the undoubtedly serious financial position of the League, that the proceedings of the Fourth Committee would assume a high importance at this Assembly. It is perhaps to be regretted that the Committee should each year absorb a disproportionately greater share of the energies of Delegations than the other Committees charged directly with the execution of the purposes laid down in the Covenant. But a sound financial position is an indispensable condition for the healthy functioning of the League.

#### GENERAL FINANCIAL POSITION OF THE LEAGUE.

36. The Budget for 1932 was 33,687,000 francs. Contributions in respect of that year, which should have equalled that figure, fell seriously short of it and the total receipts for that year, including certain payments of contributions in arrear, were only 82 per cent. of the Budget. The corresponding percentages for previous years were: for 1931, 90 per cent., for 1930, 95 per cent., for 1929, 96 per cent. It is this progressive deterioration in the position as regards the receipt of current contributions that is the root cause of the League's embarrassments.

As the result of economies and the curtailment of activities the expenditure in 1932 was 27,226,000 francs and the year closed with a cash surplus.

The Budget for 1933 was 33,429,000 francs. The receipts in that year up to 6th October amounted to 57·8 per cent. of the Budget; on the same date in 1932, the corresponding figure was 64·8 per cent. (There are, however, special circumstances which justify the belief that the revenue position in 1933 has not appreciably deteriorated as compared with the preceding year.)

The Budget for 1934 is 30,827,805 francs. The vital question before the Committee was whether, on the assumption that the revenue position did not deteriorate, that is, that defaults in respect of 1933 and 1934 did not seriously exceed the 1932 figure of 18 per cent., such economies and retrenchments could be made as would ensure the solvency of the League throughout these two years. There is undoubtedly cause for anxiety, if not as yet for alarm. As the Chairman of the Supervisory Commission explained, the savings, which alone secured solvency in 1932, came, apart from economies in administration, salaries and so forth, principally from two sources. In the first place all transfers had been stopped. Secondly, the Commission had asked the Heads of Organisations to postpone work which had been authorised by the Assembly: for example, where provision had been made for three meetings of a particular Committee, the number had been reduced to two. M. Osusky emphasised that such measures could not be resorted to indefinitely but were expedients to be used in exceptional circumstances.

37. The Secretary-General dealt, at an early stage of the Committee's discussions, fully and frankly with the situation. His conclusion was that, if the economies achieved so far this year could be maintained at the same level during the remaining months—and he evidently thought that they could—there was no reason to fear a deficit in 1933. In 1934, however, he thought that, on the basis of the Budget, before the Committee, there was a definite risk of a deficit—a risk of which, while he was himself prepared to accept it, the Committee ought in his opinion to be informed. M. Avenol added an emphatic warning that, if conditions did not improve, it might well be necessary for the Assembly to proceed to a revision of its decisions of former years relative to the extent of its activities and to consider "whether the theoretical work of the League should not be reduced to the practical level dictated by its finances." In our opinion the Assembly of 1934 may have to face this question squarely.

#### GENERAL DEBATE.

38. It was in this atmosphere of realism that the general debate began. It was opened by Mr. Hore-Belisha, the Delegate of Great Britain who attacked with vigour what he described as

the practice of systematic overbudgeting. Attention to this point was drawn in our Brief and we were in fact authorised to protest against the lack of candour displayed by the process of overbudgeting expenditure as a means of meeting anticipated defaults and to urge that it would be sounder if the Budget of expenditure were based upon an honest estimate of actual expenditure and any additional provision necessary to meet defaults separately budgeted for. Such a course, by directing the attention of the non-defaulting States to the extent of the burden which they were being asked to carry on behalf of defaulting States, over and above their legitimate share of the cost of the League, would expose the actualities of the position and thereby, at least indirectly, help progress towards its rectification. We had considered this matter carefully before the opening of the Fourth Committee and had indeed drafted a Resolution on the above lines. Before moving it, however, we thought it advisable to get as precise information as possible upon the extent and nature of the alleged overbudgeting. We got into touch with a member of the Supervisory Commission and with the Treasurer of the League and other responsible officials, and we were assured that overbudgeting in recent years at least, has not been resorted to, but that the full amount of the budget estimate could and would be spent in accordance with decisions of the Assembly, if the money were available. The explanation, as given to us, of the striking difference in recent years between estimates and actual expenditure—in 1932 the latter was less than the former by nearly 6½ million francs—is that, as the year progresses and contributions fall short, the various organs of the League are of necessity warned that the sums provided in the Budget will not be forthcoming and that their activities and expenses must therefore be reduced according to the reduced sums available. We believe this explanation to be substantially correct and that the maintenance in recent years by this process of the solvency of the League despite the serious shortfallings in current contributions, reflects credit on the Supervisory Commission and the officials of the League who are responsible for its application. It was clear to us therefore that a Resolution on the lines suggested in our Brief would be out of place and indeed that the insertion in the Budget of the suggested additional provision to meet anticipated defaults would result in an increase of the Budget figure, and consequently of Members' contributions, by the amount of such provision.

39. In view of the information we had acquired in regard to the question of overbudgeting we were prepared for the assertions of M. Osusky, the Chairman of the Supervisory Commission and of the Secretary-General on this point in reply to Mr. Hore-Belisha's contentions. But although there may be little or no overbudgeting in the strict sense of the term, the position presented each year by the League Budget is far from satisfactory. The League does not borrow and except for the small Working Capital Fund has no reserves. Its revenue is derived almost entirely from the contributions of Members and these in turn are

so assessed each year that the total of the contributions equals the budget figure of the year. The League Budget therefore has the unique feature that there is no incentive to its framers to reduce estimated expenditure, for to do so is to reduce receipts. Moreover, revenue shortage due to the failure of Members to pay their contributions can only be covered either by curtailing sanctioned expenditure or by over estimating and thus increasing the contributions of those Members which do pay. We were in entire agreement with the United Kingdom representative that this budgetary system is open to objection, although we confess that we are unable to see any satisfactory solution of the League's financial difficulties so long as a substantial proportion of current contributions are in default.

40. Sir H. Mehta in a short speech, paid a tribute to the work of the Supervisory Commission and of the officials who had been responsible for preparing the Budget and associated himself with the explanations that had been given of the alleged overbudgeting. The fundamental difficulty with which the Committee was faced was default on contributions and as he had been appointed to the Sub-Committee dealing with that subject he thought it best to reserve his remarks until the Sub-Committee had reported.

41. The revelation of the facts as to the alleged overbudgeting knocked the bottom out of the United Kingdom delegate's attack. He continued nevertheless with the support of other Delegations to press for a revision of the League's budgetary system and in replying to the general debate the Secretary-General promised an enquiry during the coming year with a view to submitting to the Assembly of 1934 tentative solutions of the problem, the essence of which is, in his words, "to ascertain to what extent it was possible to meet the situation caused by the non-payment of contributions and to what extent a clear and honest method could be found of enabling States who paid contributions to the League to know what was their exact share in its actual expenditure." At the same time he submitted a proposal, which he called a "symbol of the continuation of the efforts which had to be made", for a further aggregate reduction of the budget estimates by 150,000 francs, it being understood that the sum would be allocated between those items of the Budget, such for example as those for Unforeseen Expenditure, the reduction of which would not curtail the sanctioned activities of the League. This latter proposal was strongly criticised by some delegations on the ground that the Secretary-General, in offering to make this reduction before the scrutiny by the Fourth Committee of the Budget item by item, was prejudicing the liberty of action of the Committee in that scrutiny. Although assurances were forthcoming that that was not the case, it was not made clear whether reductions made by the Committee in individual items would be additional to, or be regarded as included in, the aggregate reduction of 150,000 francs. The proposal was, however, accepted.

42. We were unable to share in the jubilation which manifested itself in some quarters over these results of the general debate, which indeed, regarded as measures for the alleviation of the League's immediate financial difficulties, are derisory. Neither the promise of an enquiry into the League's budgetary system nor a cut of 150,000 francs in the Budget total—a reduction, it is to be observed, of estimates not of expenditure—can improve the cash position in the coming years, which is the real cause of concern. (In fact the cut in the Budget, which automatically involves a corresponding reduction in the amount of the assessed contributions of Members, will adversely affect the ways and means position in 1934.) We hope, though without undue optimism, that the promised enquiry will bear fruit, but whatever technical changes it may be found advisable to make in the present budgetary system, the League will still be faced with the hard unescapable fact that if some States fail to pay their dues there are but two alternatives: either other States must pay more than their due or the work of the League must suffer.

[Appendix III(1)—Para. I4.]

#### ARREARS OF CONTRIBUTION.

43. There was a full realisation that the question of arrears, and particularly of the non-payment of current contributions, is the fundamental cause of the League's present financial difficulties, and that a further deterioration of the position in this respect will bring the League face to face with the necessity for curtailing its essential activities. The question has occupied the serious attention of past Assemblies, and it has been usual to appoint a Sub-Committee of the Fourth Committee to deal with the subject. This course was adopted this year, and Sir H. Mehta was appointed a member.

44. In past years the Reports of this Sub-Committee have done little more than state the facts, with the added information that the representatives of certain States have promised that contributions will be forthcoming—promises that remain as often as not unfulfilled—and ending with a draft Resolution asking the Secretary-General to continue his efforts to bring defaulting States to a sense of their obligations. This year's report is a more virile document containing some constructive proposals, and in other respects the work of the Sub-Committee showed a marked improvement over that of its predecessors. This was due perhaps to some extent to a fuller realisation on the part of delegates generally of the vital importance that the question is now assuming, but largely, we have no doubt, to the initiative of Sir H. Mehta and the firm stand taken by him in the Sub-Committee.

45. In the past the Reports of the Sub-Committee have been treated as confidential documents, and the public has been

excluded from the sessions of the Fourth Committee at which they have been discussed. A certain justification for this procedure may be found in the fact that the Sub-Committee has been in the habit of interviewing representatives of defaulting States, whose explanations, if given in confidence, might be expected to be franker and fuller. Secrecy in the matter, however is unfortunate, for the best hope of bringing effective pressure to bear upon defaulting States lies in the fullest publicity, which may be expected to operate not only upon domestic opinion in the country in question, but also upon international opinion, to which many defaulting States are sensitive. The Fourth Committee this year discussed the Sub-Committee's Report at a public meeting, appended the Report to its own Report to the Assembly, and recommended that the question should be given full publicity at the Assembly each year. We attach importance to this departure from previous practice, and believe that it will have a salutary effect.

46. The Sub-Committee recommended the adoption of a proposal made by the Supervisory Commission, at the instance of the Secretary-General, regarding the collection of contributions. This proposal, which was approved, was that Members should have the option, instead of paying by direct remittance, either of remitting negotiable Treasury bills, payable at such Bank as the Government might designate and the Treasurer of the League approve, or of authorising the Treasurer to draw upon the Government negotiable bills, in such numbers payable at such dates and for such amounts as the Government might indicate. The ostensible purpose of this procedure, as explained by the Supervisory Commission, was to afford facilities on the one hand to Members for spreading their payments over the year in such a way as to correspond with the dates of their budget periods, and, on the other hand, to the League for securing the receipt of contributions at dates corresponding to its requirements. It is to be hoped that it may have the further consequence that Governments which do not shrink from direct default, will think twice before refusing to honour negotiable bills drawn under either of these procedures.

47. The second main constructive suggestion of the Sub-Committee was that the surplus of any year should not be returned to those Members who had not contributed to it. Under Article 38a of the Financial Regulations, a surplus of any year is used to effect a reduction of the sum to be collected from Members in respect of the next year but one. The Sub-Committee recommended that the Supervisory Commission should be invited to study their suggestion, and propose suitable amendments of Article 38a to the Assembly of 1934.

48. Sir H. Mehta advocated in the Sub-Committee the inclusion in its recommendations of the following:

- (1) That nationals of defaulting States should not be appointed to posts in the various Organisations of the League; and

- (2) That Delegates should be invited to refrain from electing the representatives of such States to honorary posts in the Assembly, the Council or Committees.

He was unable to obtain the concurrence of his colleagues in these propositions, and found himself in a minority of one. He insisted, however, upon their inclusion in the Report of the Sub-Committee in order that the Fourth Committee might consider them (see the second paragraph of Part II of the Sub-Committee's Report).

While sympathy was expressed in principle by a number of Delegations with Sir H. Mehta's proposals, and many thanked him for the firm attitude he had adopted, it was urged that it was hardly possible to lay down definite rules of the kind suggested, and also that the proposals might be found to be constitutionally impossible. Their inclusion, however, in the Sub-Committee's Report served its purpose in provoking a vigorous discussion in the Fourth Committee, the effect of which upon defaulting States will be wholly good and which may serve as a basis for the building up of a tradition as effective in attaining the objects in view as hard and fast rules on the subject could be.

[Appendix III (2).]

#### RATIONALISATION.

49. Sir Malcolm Ramsay, who in response to the invitation of the Council, conducted an investigation in 1932 into the organisation of the Secretariat, had recommended an extensive process of downgrading and suggested that superfluous posts existed in certain Sections which might with advantage be abolished altogether. The Assembly of 1932 accordingly asked the Supervisory Commission to study in detail the possibilities of making economies in the administrative expenditure of the League by a process of rationalisation and instructed the Secretary-General, where existing contracts came to an end or posts fell vacant for other reasons, to postpone as far as possible the making of new appointments until a detailed examination had been made of the activities of the Section concerned.

The Supervisory Commission produced a Report which showed that considerable progress along these lines had been made both in the Secretariat and, with the very helpful co-operation of the Director, in the I. L. O. Thus in the Information Section, in which it has long been evident that there is scope for considerable economy, they proposed a reduction of 13 posts and an aggregate saving of 245,000 francs, while important economies have been achieved or are in prospect in connection with the Centralisation of clerical work, the regrouping of the Printing and Distribution Services and collaboration between the Secretariat and the I. L. O.

It must be recognised that special difficulties inhere in attempts to rationalise the League Services, arising particularly out of the insistence of States Members upon the due representation of their own nationals. Moreover, having regard especially to the existence of contracts and of vested rights the process cannot be completed in one year. We consider that a satisfactory beginning has been made and that the problem is being seriously tackled. The discussion in the Fourth Committee will encourage and support the Supervisory Commission in a continuance of their efforts and it is to be expected that they will be able to report further progress to the next Assembly.

[Appendix III (1)—Para. II.]

#### RESOLUTIONS MOVED BY THE INDIAN DELEGATION.

50. From what we have said above as to the budgetary system of the League, it will be clear that in our view no relief to the financial position was to be derived from a reduction of estimates but that the point of cardinal importance was to reduce expenditure by all measures consistent with the continuance of the essential activities of the League. We accordingly moved the three resolutions the terms of which are given in the Report of the Fourth Committee to the Assembly reproduced in the Appendix, and the special merit of which was that while aiming at appreciable economies, they would not in any way curtail or prejudicially affect the work of the League.

##### 1. Resolution on pay cuts.

51. In moving this Resolution, Sir H. Mehta pointed out that there were two classes of officials, whose pay, although not protected by contract, was not covered by the Resolution of 17th October 1932 applying the 10 per cent. cut: first, those appointed to the Service of the League between 15th September, 1931 and 15th October, 1932, whose contracts in accordance with a decision of the Assembly of 1931, contain a clause empowering the Assembly to reduce the rates of pay laid down therein. The Resolution of the United Kingdom delegation last year, as first submitted to the Committee, contained a clause specifically applying the 10 per cent. cut to this class of official. The circumstances in which this clause was later dropped are not very clear, but the Resolution of the Assembly of 17th October, 1932, did not cover this class and their pay had not been reduced. When the Assembly of 1931 decided that in future contracts should contain a provision empowering the Assembly to reduce the rate of pay prescribed therein it was evident that it contemplated that circumstances might arise in which it would be expedient and right to exercise that power. Sir H. Mehta submitted that that time had arrived,

for if the present circumstances of the League did not justify that action, it was difficult to imagine any circumstances that would.

52. The second class of officials in question comprised those who on the expiry of their contracts, continued their service on fresh contracts. The United Kingdom Resolution as approved by the Fourth Committee last year, had provided specifically for the reduction of the pay of this class. On the following day, however, Sir Eric Drummond urged the reconsideration of this decision, on the ground that it would be unfair, and disturbing to smooth administration, that an official whose contract expired should for a time draw less pay than a colleague, perhaps of the same status and doing similar work, whose contract had still some time to run. The Committee responded to this appeal and accordingly the following sentence was inserted at the end of the Resolution in the Report of the Committee as approved by the Assembly:—

“It was understood that for reasons of equity the 10 per cent. reduction referred to above would not apply, except in the case of promotions, to officials who entered the Service of the League before 15th September, 1931”.

The effect of this sentence was to exclude this class of official from the scope of the cut. With the greatest deference to Sir Eric Drummond's judgment, and his knowledge of conditions in the Secretariat, Sir H. Mehta felt that he misjudged the merits of his staff; for he found it impossible to believe that any official, aware of the world-wide opinion in favour of a reduction in the pay of the staff, and knowing that it is the contractual basis of pay which alone prevents a general reduction, would allow the temporary advantage of his colleague in the matter of pay to affect his administrative efficiency or his devotion to the League.

53. The savings to be expected from this Resolution were not very large. While it was a sound canon of finance that no economy is too small to be worth making, there was a far more important aspect to this question. There is now a full realization by the public that the financial position of the League is serious; that more than half of the League's expenditure goes in salaries; that Sir Malcolm Ramsay, than whom no expert could be more highly qualified to judge, recommended a general reduction of pay of 10 to 15 per cent.; and that at the Assembly of 1932 no means could be found, other than the voluntary action of the staff, to secure such a general reduction. As had been pointed out by Delegation after Delegation, public opinion, aware of these facts and at the same time smarting under the imposition of cuts in the national services, was in a highly critical mood. In India, where drastic cuts had been imposed throughout the Services, even by legislation where the existence of contracts made that course necessary, the failure of the Assembly last year—not indeed to enforce a general reduction, for that was beyond its powers,—but its failure to make a cut in all cases in which one could legally be made, had had an unfortunate effect on public opinion. If the

Assembly were to repeat that mistake this year when the financial situation was even more critical, the prestige of the League would be seriously damaged. It was essential in the highest interests of the League that it should be able to declare that it had done all that was open to it to put its house in order, and that in every single case in which it had the power, reductions of pay had been enforced. Sir H. Mehta, in moving this Resolution, emphasised that this aspect of the matter had an importance altogether disproportionate to the amount of the possible savings.

54. After an impressive speech by Mr. Bruce (Australia) strongly supporting the Resolution, the Chairman of the Supervisory Commission suggested that as the 10 per cent. cut imposed by the last Assembly expired in October 1934, when its continuance would have to be considered, its application to these two classes should be examined at the same time. On the clear understanding that no steps would be taken meanwhile prejudicing the freedom of action of the Assembly in relation to the individual officials concerned, Sir H. Mehta accepted this proposal and withdrew the Resolution.

## 2. Resolution on subsistence allowances of officials.

55. The rate of subsistence allowance for Class I Officials when on duty away from Geneva is 54 Swiss Francs a day, in addition to actual travelling expenses. Lower rates apply to Class II and Class III Officials. Sir H. Mehta pointed out that a subsistence allowance was a compensatory allowance, not remuneration. It was a general principle that the level of a compensatory allowance should not be so high as to be on the whole a source of profit. He thought that he would be able to convince the Committee that the rate of 54 Swiss Francs a day infringed this principle. He quoted with effect the rates of allowances laid down in the Regulations applicable to members of the Indian Services on duty in Europe as compared with the League rates, though it is only fair to state that Class I under the League Regulations is a much more restricted class of official than Class I under Indian rules.

56. The question is affected by the depreciation of a number of currencies. In the case of countries whose currencies are still linked to gold, the Indian rates are expressed in local currency. A Class I Indian Official in Paris would receive 175 French Francs a day or in France, elsewhere than in Paris, 125 French Francs. At present rates of exchange, 54 Swiss Francs yield 266 French Francs. In Rome the Indian official would draw 125 lira, the League official 197 lira. In Berlin the Indian official would draw 30 marks, the League official 44 marks. These figures were not specially selected. In general, the League rates were greater, in the countries which are still linked to gold, than the Indian rates by a percentage which varies, at present rates of exchange,

between 47 and 113. The Resolution proposed a reduction of the League rate by about 20 per cent. from 54 Swiss Francs to 44, which seemed to leave an ample margin.

57. In the case of countries with depreciated currencies the advantage of the League official is still more striking. Thus the rate sanctioned for Indian officials in these countries is, in general, 20s. or 25s. a day. 54 Swiss Francs is at present equal to more than 67s. The Resolution accordingly provided that where subsistence allowance was paid in respect of duty performed in such countries, the conversion of Swiss Francs should be effected at the gold parity, that is to say that a League official on duty, for example, in London would draw 44 Swiss Francs converted at the rate of 25 to the £ say 35s.

58. Thirdly, the Resolution contained a provision, the absence of which from the League regulations is a further cause of extravagance, for a reduction of the rate when the official has been working for a considerable time in one place.

59. The Secretariat alone—the figures for the I. L. O. were not available—spent in 1932 127,000 francs on subsistence allowances. It was evident, therefore, that this Resolution would effect considerable savings. But in addition to the urgent need for economy, Sir H. Mehta urged in support of it the fact that the prestige of the League had been seriously damaged by the impression that League officials were not taking their share in the sacrifices which the world economic crisis had imposed upon the national services of all countries. It was exceedingly undesirable from this political standpoint that League officials visiting the countries of States Members should do so on terms, or under conditions, which might lend support to this impression.

60. We had not anticipated that this Resolution would be passed, for the actual rates, which, particularly in the present disturbed condition of the exchanges, require detailed examination, could scarcely be fixed by such a body as the Fourth Committee. We were satisfied therefore with the undertaking of the Supervisory Commission, after the principle of a reduction had received wide support, that the question would be further examined, in the light of the views expressed in the Committee, with a view to the introduction of reduced rates by the new year.

## 3. Resolution as to the League's subventions to the Staff Sickness Insurance Funds.

61. The object of these credits amounting in all to 42,600 francs is stated to be to make possible the continuance in the Secretariat and the I. L. O. of the existing mutual insurance schemes against Sickness and Accidents established in 1922, the expenses of which are borne in equal parts by the League and the participating officials. The Funds provide for the payment of

doctors' and surgeons' fees, nursing home expenses, and so on. But the disabilities against which they afford protection in this way are not disabilities incurred in the course, and in consequence, of employment by the League, for which the League, under the various regulations governing the conditions of service, accepts a measure of responsibility. They are the sicknesses and accidents of which any person may be liable irrespective of the nature of his employment, and for which the League, as employer, is not called upon to accept any liability.

Sir H. Mehta put forward the view that the Assembly having provided for its official rates of pay which are adequate (and which indeed, on the high authority of Sir Malcolm Ramsay, may be stated to be in general more than adequate) was under no sort of obligation to augment that pay by indirect channels, and could not in present financial circumstances justify, before world public opinion, the continuance of these subventions.

62. It was explained on behalf of the Supervisory Commission, who had intended in any case to undertake an examination of the question shortly, that, although the higher staff paid higher rates of subscription than the lower staff, the great bulk of the benefits went to the latter, and that therefore in reality the higher staff were paying for their own benefits, while the League contribution went to help the lower staff. On this ground there was some disposition in favour of continuing the subventions. Seeing that the lower staff, on pay of less than 6,500 francs a year, were exempted by the 1932 Assembly from the 10 per cent. pay cut, we are doubtful whether an indirect addition to pay through the League's contribution to these funds could be justified even in their case. The Indian Delegation's proposal was left for examination by the Supervisory Commission on the clear understanding that the question whether the subvention should be continued for the benefit of the lower staff was left open.

[Appendix III (1)—Para. III.]

#### SURPLUS FOR 1932.

63. The cash surplus for 1932 amounted, after the refund to the Working Capital Fund of the deficits for 1932 of the I. L. O. and the Permanent Court of International Justice, to 1,275,657 francs. Out of this it was decided to refund a further 729,478 francs to the Working Capital Fund in respect of the construction of the Wireless Station (the whole cost of which will thus have been met) and to allocate the balance of 546,178 francs to a fund to cover losses on exchange which will inevitably occur under existing conditions.

[Appendix III (1)—Para. IV.]

#### INDIA'S CONTRIBUTION FOR 1933.

64. In accordance with custom, a dollar draft equivalent to about half of India's contribution for the year was bought in London and sent by post to Geneva on 19th April 1933 a few hours before it was announced that the U. S. A. intended to prohibit the export of gold. Consequently the draft, on encashment by the League, realised some 134,000 gold francs less than it was worth when it left London. Czechoslovakia appears to have been in much the same position, and the Supervisory Commission, taking the view that the Governments could not be held responsible for circumstances over which they had no control, recommended that the payments in these two cases should be regarded as having been made at the dollar's gold parity. The Committee accepted this recommendation without discussion and the Assembly subsequently endorsed it.

[Document A5(a) 1933 X.]

#### FIFTH COMMITTEE.

##### OPIMUM.

65. The discussion on opium revealed little of special interest.

66. A number of references were made to the proposed Conference for limiting and controlling the cultivation of the poppy and the cultivation and harvesting of the coca leaf. The Opium Advisory Committee, in view of the existing situation as regards price and stocks of raw opium, the demand for which has fallen enormously, prices being below the cost of production, had suggested to the Council that the League might exploit this—from its point of view—very favourable situation, and try to bring Turkey, Persia and Yugoslavia together with a view to the conclusion of some arrangement, such as that already existing between Turkey and Yugoslavia, for the sale of the product. The suggestion received general support.

67. Some amusement could be derived from the remarks of M. Vasconcellos, the Portuguese delegate, as to the attitude of his country to the question of opium smoking in Macao. In the Minutes of the XVI Session of the Opium Advisory Committee he is stated to have declared that the policy of his Government was to suppress entirely the traffic in opium for smoking in that Colony, an announcement that was received, not unnaturally, with surprise as well as gratification. In the Fifth Committee congratulations offered by various delegations to Portugal on this important step in the fulfilment of the Convention of 1912, constrained the

Portuguese delegate to observe that some misunderstanding appeared to have arisen: there had been no question of a radical suppression of the use of opium for smoking but "the Portuguese Government hoped to obtain its gradual abolition". The matter rests therefore pretty much where it was; probably no one took the original declaration very seriously.

68. It was noted with satisfaction that the Limitation Convention of 1931 had already been ratified by no less than 39 States. Yugoslavia re-affirmed her decision not to ratify, so long as the relations between production and distribution of raw opium were not equitably regulated.

69. On an appeal being made to India, Japan and Siam to ratify the Bangkok Opium Smoking Agreement, Sahebzada Abdussamad Khan explained that in the case of India, legislation on certain points was necessary and that the Agreement will be ratified on behalf of India as soon as this legislation, which will shortly be placed before the Burma Legislative Council, has been passed.

70. Attention was drawn to the draft International Convention for the Prevention and Punishment of the Illicit Traffic, which is designed to strengthen penalties, facilitate extradition and provide for effective co-operation with other countries in respect of offences committed in those countries. On the motion of the French delegate, a Resolution was passed under which, with a view to expediting, in this case, the procedure laid down in the Assembly Resolution of 25th September 1931 for the conclusion of international Conventions, the Assembly delegates to the Council its right of deciding whether the draft Convention should be taken into consideration with a view to the conclusion of a Convention. Under this procedure the Council will be able to revise the original text in the light of the observations of Governments thereon, and to circulate the revised text to Governments and there appears to be some hope that by this means matters may be so far advanced by the Assembly of 1934 as to allow of the opening of the Convention for signature during its session.

[Appendix IV (1).]

#### PENAL AND PENITENTIARY QUESTIONS.

71. In 1929 the International Penal and Penitentiary Commission, at the request of the League, drew up a set of 55 Standard Minimum Rules for the treatment of prisoners, on which the views of Governments were invited. The rules did not pretend to describe a model organisation for prisons but were meant only to indicate the minimum conditions which should be

observed in the treatment of prisoners from the humanitarian and social points of view. In many respects Indian jail administration is in advance of the minimum requirements laid down in these rules and the few departures from these requirements are due to the fact that the penal system of any country must be related to its general social conditions.

The observations of Governments on these Standard Rules were referred to the International Penal and Penitentiary Commission which proceeded to revise them in the light of these observations. The rules as so revised were submitted to the Fifth Committee which recommended that they should be referred again to Governments with the request that they should state whether they are in a position to consider the approval and practical application of the rules in whole or in part. We anticipate that the Government of India will have no difficulty in framing a satisfactory reply to this enquiry.

72. The question whether an International Convention on the treatment of prisoners should be opened (which it appears to us might have the undesired effect of levelling down the condition of prisoners to the lowest standard) was reserved for the consideration of next year's Assembly.

[Appendix IV (6).]

#### TRAFFIC IN WOMEN AND CHILDREN.

73. The International Convention for the Suppression of the White Slave Traffic of 1910 made it an offence to procure a woman under age even with her consent or to procure a woman over age if force or fraud were used; and the Convention for the Suppression of the Traffic in Women and Children of 1921 made it an offence to attempt to commit either of these offences. The impunity as regards the traffic in women who are over age is held to hamper the effective suppression of the traffic in minors and attempts have been made for some time past to secure the elimination of the age limit, which in India, by virtue of a reservation made at the time of her signature of the Convention of 1921 is 18, from these Conventions, but the existence in some countries of licensed houses made it impossible to secure universal agreement to this proposal. A compromise solution had been laid before this Assembly in the form of a draft Convention which by penalising the procuring of a woman over age even with her consent for the purposes of prostitution in another country, had the effect of eliminating the age limit in respect of the international traffic only.

74. Much importance attached to the meaning of the phrase "in another country". There was a strong current of opinion in the Committee in favour of the view that the Convention

should apply to the traffic between a colony and the mother country and it was significant that the delegate of France, which country maintains the system of licensed houses, expressed himself unreservedly in favour of this view.

The Convention was revised in accordance with the views expressed in the Committee and in this form was remitted to the Assembly with the recommendation that a diplomatic Conference should be convened during the session of the Assembly with a view to its adoption. This proposal was approved and the Conference was convened.

75. In the form in which it was laid before the Conference the substantive Article of the draft Convention read as follows:—

“Whoever in order to gratify the passions of another person, has procured, enticed or led away, even with her consent, a woman or girl of full age for immoral purposes to be carried out in another country shall be punished, notwithstanding that the various acts constituting the offence may have been committed in different countries.

For the purposes of the present Article, the term ‘another country’ includes the colonies and protectorates of the High Contracting Party concerned as well as territories under his suzerainty or mandate. This term includes every such country, even if it has been excluded from the application of the Convention by a declaration made in accordance with Article 11.”

Important issues were raised by this draft relative to the position of the Indian States and as we had received no instructions on the point the delegation took no part in the discussion in the Fifth Committee and India was not represented at the Conference.

[Appendix IV (4).]

## SIXTH COMMITTEE.

### SLAVERY.

76. The Slavery Convention of 1926, which has been ratified by India (with reservations in regard to certain unadministered tracts in Burma and Assam and the territories of the Indian States) had, as its main object, to secure the progressive abolition of slavery and conditions analogous thereto, and to put an end to such remnants of the slave trade as still existed. The Convention has been ratified by some 40 States but a considerable number which are eligible to accede have not yet done so. Though it has been of undoubted value, it has not produced all the results

that were hoped for, and, as was shown in the Report of the Committee of Experts appointed in 1931, slaves still exist in large numbers in various parts of the world. This Committee recommended the creation of a small Permanent Commission, with purely advisory functions, which would report to the Council and might not need to meet, it was suggested, more than once in every two years. The setting up of a Commission on these lines was approved by the Sixth Committee last year but the Fourth Committee, in view of the serious financial position, found itself unable to provide funds in the 1933 Budget. The Assembly last year however accepted the scheme and instructed the Secretary-General to make the necessary provision (which amounts to the modest sum of some 10,000 francs) in the 1934 Budget. The Sixth Committee this year endorsed this decision and the Commission will meet in 1934 to frame its rules of procedure and will study the material to be furnished by Governments at its first biennial session in 1935.

[Appendix V (2).]

### THE POSITION OF JEWS IN GERMANY.

77. This question inevitably arose in connection with that of Minorities which the German Delegation itself, as we have noted above, was responsible for placing upon the Agenda of the Assembly.

The German Delegate pointed out that Minorities had been subjected to economic and intellectual injury to a degree unknown in the pre-War period. The tendency to assimilate these Minorities had manifested itself already before the War; today the individual was seeking to reattach himself to his ethnical nationality. A particular nation had a natural right to consider that all its members, even those separated by frontiers, constituted a moral and cultural whole. He then turned to the question of Jews, which he placed in an altogether different category. Jews were not a Minority and did not regard themselves as such. In Germany the Jewish problem was a demographic, social and moral problem—a problem *sui generis* for which accordingly a special settlement would have to be found.

78. The debate was made notable by a speech of the United Kingdom delegate Mr. Ormsby-Gore, who delivered a very outspoken attack upon this German doctrine of homogeneity, and a vigorous defence of free parliamentary institutions. The German delegate had said quite truly that in Germany the Jews did not form a linguistic or a national minority and that in the exercise of their religion they had not been subject to any interference. Nevertheless the Jews must be regarded, in Germany and elsewhere, quite definitely as a racial minority. The German delegate in connection with Germans in Czechoslovakia and other

neighbouring countries had emphasised the ethnical basis, the racial consciousness and racial homogeneity of the German people, but he could not have it both ways. If the racialism of the Aryan German is emphasised, it must be admitted that the Jew had a racial identity and was bound by those same ties of blood and kinship and history to all the Jews of the world. The British people believed in parliamentary government whereby minorities could be heard and bring their case to Government. It had survived as an institution in England for 650 years and they were not going to abandon that free system whereby no Government could introduce a law or a decree until it had been discussed in the face of Minorities and oppositions and gone through clause by clause and line by line.

79. The Resolution eventually passed by the Committee reaffirmed the recommendation of the Assembly of 1922 that States not bound by legal obligations in respect of Minorities should "nevertheless observe in the treatment of their own racial, religious and linguistic minorities at least as high a standard of justice and toleration" as is required by the Treaties. The German delegation accepted this part of the Resolution but refused to accept the second part which set forth the view that the above principles "must be applied without exception to all classes of nationals of a State that differ from the majority of the population in race, language or religion." The second part was approved in the Committee, Germany abstaining, but, as unanimity could not be secured, was not adopted by the Assembly.

[Appendix V (3).]

### Concluding Remarks.

80. As the result of our experience at this Assembly we are much impressed by the desirability of continuity in the personnel of the Indian Delegation. It is not merely that a new-comer is hampered by lack of familiarity with the somewhat peculiar Assembly procedure or with the complex subjects under discussion, many of which are carried over from year to year; he is handicapped still more by being unknown in Geneva. Positions of honour and influence in the Assembly go naturally to Delegates who are known in Assembly circles: Sir Denys Bray's election as the Vice-Chairman of the Political Committee, in which he was sitting for the fourth year running, is a case in point. In fact the influence of a Delegation depends largely on the extent to which its members are previously known to the Assembly. This is not the least among the reasons that have led nearly 30 States Members of the League to maintain a permanent representative in

Geneva, and we recommend that the question of appointing an Indian permanent representative should now come under careful consideration. In our view the appointment would have much to recommend it. The permanent representative would be available, not merely for the annual Assembly, but for the many international conferences in Europe throughout the year. The position he would build up for himself in Assembly circles, and the knowledge he would acquire, would be of invaluable assistance to his fellow members of the Indian Delegation to the Assembly. The appointment, despite the set-off of savings on the present system, would no doubt entail some extra expenditure, but it would be money well spent. For only thus, as far as we can see, could India be sure of reaping the full advantages that should accrue to her from membership of the League of Nations.

81. There are two further considerations which we think lend strong support to this proposal.

The fact must be faced that the League has not in India that wholehearted support of public opinion which is so much to be desired, and that there are important sections of opinion which regard India's membership of the League as a vain thing, and the benefits she derives from it as not equivalent to its cost. We believe this view to be wholly incorrect and mischievous but its existence is a fact to be reckoned with. The appointment of an Indian as a permanent representative of India would, we believe, go far to satisfy public opinion on this point and would convince many, who are now inclined to carp at the figure of India's contribution to the League, that, with an Indian permanently at the heart of League affairs, her interests would receive satisfaction and the fruits of international co-operation be garnered in fuller measure.

82. Secondly, a permanent representative would be able to keep a close eye on the appointment of Indians to posts on the Secretariat and the I. L. O. and on the selection of Indians to serve on the permanent organs of the League or on the various Commissions from time to time set up by the League, and he would be able to bring pressure to bear if necessary in the proper quarter. To this point Indian opinion, in our view rightly, attaches much importance.

### Acknowledgments.

83. We wish to express our sense of indebtedness to Sir H. Mehta for his collaboration as Substitute Delegate in the work of the Delegation, and our appreciation in particular of his work in the Fourth Committee where his efforts for economy and for the adoption of a realistic view of the League's financial position

helped materially to shape the Report which that Committee ultimately presented to the Assembly.

Our task was considerably lightened by the high efficiency of our small staff under Mr. W. H. Turner, M.C.

(Signed.) B. L. MITTER.  
DENYS BRAY.  
ABDUSSAMAD KHAN.

21st November, 1933.

## APPENDIX.

(The Resolutions proposed by the Committees are marked by a line in the margin, and were adopted in that form, except where it is otherwise stated.)

### I.—First Committee.

#### 1. *Simplification of the Procedure of the Assembly.*

On September 29th, the Assembly, on the proposal of the General Committee, decided to refer to the First Committee certain suggestions of the Secretary-General for improving the methods of work of the Assembly.

The First Committee was in favour of proposing that the Assembly should apply the Secretary-General's suggestions, as an experiment, at its session of 1934. For this purpose, it drew up a draft resolution which it asked me to place before the Assembly.

Since, however, the first part of the draft resolution contemplates that the President of the Council may convene the Fourth Committee a short time before the first meeting of the Assembly's session of 1934, and objections to the adoption of such a system were made by several delegations, I felt it would be desirable to communicate the draft to the Chairman of the Fourth Committee with a view to obtaining any observations which that Committee might desire to make.

The President of the Fourth Committee has informed me that his Committee accepts the proposal of the First Committee on condition that the Chairman of the Supervisory Commission be consulted by the President of the Council before the latter exercises the power contemplated in the draft resolution.

This reservation of the Fourth Committee appeared to me not to be in conflict with the First Committee's proposal; I felt I could accept it.

Accordingly, I submit to the Assembly the following draft resolution:

#### DRAFT RESOLUTION.

"The Assembly decides that the following procedure shall be applied, as an experiment, at the ordinary session of 1934:

- "1. The President of the Council, after consulting the Chairman of the Supervisory Commission, may convene the Finance Committee for a date preceding by not more than one week the first meeting of the ordinary session of the Assembly. The Committee shall be composed of the representatives accredited for the purpose by the Members of the League. It shall appoint its Chairman, who shall thereby become a member of the General Committee of the Assembly under the terms of Article 7 of the Rules of Procedure. The establishment of the Committee shall be reported to the Assembly at the first plenary meeting of the Assembly.

"2. (i) When the reports and resolutions submitted by the various Committees of the Assembly are brought up for adoption in plenary session, the President, in the cases indicated below, shall read the titles of the reports and put forthwith to the vote the resolutions which are proposed.

"(ii) The procedure provided for in paragraph (i) shall only apply in cases where the Committee has unanimously declared that it does not consider a discussion of the report in plenary session to be necessary and where no delegation has subsequently asked the President to open a discussion on the report. The report must be circulated to the delegations twenty-four hours before it is brought up in plenary session."

[Adopted 11th October 1933.]

## 2. Nationality of Women.

A question of the Nationality of Women was placed on the agenda of the Assembly at the request of the Chilean Government and was referred by the Assembly to the First Committee.

The First Committee proposes to the Assembly the adoption of the following resolution on the question:

### DRAFT RESOLUTION.

"The Assembly,

"Having regard to the resolution voted by the Assembly on October 12th, 1932, on the question of the nationality of women;

"Having examined the suggestions made by the delegation of Chile in regard to this question, which, at the request of the Chilean Government, had been placed on the agenda of the Assembly;

"Having regard to the fact that a certain number of States give in their law a very wide application to the principle of the equality of the sexes:

"Expresses the hope that, before the next session of the Assembly, the Governments will have put the Secretary-General in a position to communicate to the Council the information as to the effect which they have found it possible to give to recommendation No. VI of the Codification Conference."

[Adopted 11th October 1933.]

## 3. Penal and Penitentiary Questions.

### UNIFICATION OF CRIMINAL LAW AND CO-OPERATION OF STATES IN THE PREVENTION AND SUPPRESSION OF CRIME.

The questions of the progressive unification of criminal law and co-operation of States in the prevention and suppression of crime are the subject of an important discussion in the First Committee.

Some delegations urged the need for securing common action by all countries in the campaign against crime by standardising the means of social defence unanimously approved by criminal science. These delegations, however, explained that the international unification of criminal law was by no means intended to undermine or abolish institutions which were deeply rooted in the traditions of nations and had in every country contributed to the advance of criminal law. The idea was rather to remove certain divergencies between national legislations which hamper the operation of the systematic and co-ordinated suppression of crime and frequently contribute to the impunity of international criminals. The advocates of this view urge that the forms of criminal law institutions are themselves changing. Criminal law is evolving with extraordinary rapidity and, as an instrument of social defence, cannot escape the universal urge for renewal. Criminal law should, by itself becoming international, adapt itself to the growth in crime incident to the unceasing transformation and internationalisation of contemporary social life. Lastly, it was said that account should also be taken of the sense of unity which was one of the fundamental characteristics of the historical mission of most nations in the world. The work of unifying criminal legislation should, moreover, for the moment only apply to such offences as affect the interests of the various nations either because of the nature of the interests involved, or of the way in which the offences were committed. There was the further question of standardising the general principles of criminal law in so far as such standardisation can contribute to ensuring effective suppression of such offences.

Other delegations took the contrary view. They thought that, in connection with any proposals for international measures dealing with crime, the field of action should be carefully circumscribed. Unification could only be conceived in the case of countries whose legislations were based on identical legal principles derived from a common source and which possess the same social conceptions and traditions.

As regards the work to be undertaken under the auspices of the League, the only method by which useful results could be secured would be to isolate one specific and well-defined question and to study it separately. It is only when international interests call for the co-operation of States in the prevention and suppression of certain offences that any action by the League is called for or likely to be beneficial. In such cases, States could usefully agree to adopt rules which might ensure effective suppression of those offences.

In connection with the establishment of a programme of work for the League of Nations in such matters, stress was also laid on the difficulty of finding a definition for "international offence."

In presence of the differences in the views advanced, the First Committee considered that the surest way of obtaining concrete results in this field would be to follow the middle path indicated in the draft resolution hereunder, which it submits for the Assembly's approval:

### DRAFT RESOLUTION.

"The Assembly,

"Having examined with the greatest interest the joint reply given by the seven technical organisations which the Secretary-General consulted on the subject of the form in which

the League of Nations might lend its assistance in the gradual unification of criminal law and the co-operation of States in the prevention and suppression of crime (document A.7.1933.V—Annex);

"Noting the re-organisation of the International Bureau for the Unification of Criminal Law by the entry of representatives of the six other organisations into that body;

"Considering that the Members of the League have been consulted on the question of the gradual unification of criminal law and the co-operation of States in the campaign against crime and that the majority of the replies received are favourable in principle to collaboration by the League in these matters;

"Considering that certain other Governments have expressed the opinion that the only method by which useful results in this sphere may be obtained consists in studying each particular question separately, if it is of international interest, as and when need arises:

"Recognises the value of the international exchange of views on criminal matters which occurs within the technical organisations;

"Is of the opinion that, when the work of these organisations leads to definite proposals, the League of Nations may intervene with the object of securing the possible conclusion of international conventions if the proposals referred to answer to real needs recognised as such by the organs of the League—in which case, the procedure would be that normally followed in the conclusion of conventions under the auspices of the League of Nations;

"Thanks the seven technical organisations for their offer to place the results of their work at the disposal of the League of Nations, the possibility of having recourse to this collaboration obviating the necessity for the creation of a special organ of the League to deal with criminal and penitentiary questions;

"And considers it desirable that, in cases where the organs of the League feel it appropriate to do so, those organs should consult the said organisations. In such cases, the International Bureau for the Unification of Penal Law might be asked to give its assistance in the preparatory investigations undertaken in connection with the drawing-up of any convention which may be contemplated. So far as concerns law and practice in regard to penitentiary questions, the assistance of the International Penal and Penitentiary Commission might be obtained."

[Adopted 7th October 1933.]

#### 4. System of Election to the Council.

The First Committee has considered the report of the Special Committee which was appointed by the Council, as a result of the claim made by the Government of Portugal and in accordance with the Assembly's resolution of September 25th, 1931, to study the existing system of election to the Council.

## I.

The principal purpose of the creation of the Special Committee was to examine the possibility of providing a remedy for the situation which is described as follows in its report:

"Apart from the permanent Members of the Council and the two States which have an expectation of being declared re-eligible for election to the Council on the termination of a period of office on that body, representation on the Council is at present habitually limited to States belonging to certain groups—namely, the Latin-American States (three seats), the so-called ex-neutral States (one seat), the Little Entente (one seat), the British Dominions (one seat) and the Asiatic States (one seat). These groups, together with the two States mentioned, occupy in practice the existing nine non-permanent seats. The result of this situation, which constitutes, not, indeed, a permanent representation on the Council of particular geographical areas, but a permanent representation on the Council of certain tendencies and points of view, is that there remain some ten to fifteen Members of the League which at present have no effective prospect of entering the Council."

For the reasons explained in its report, the Committee decided to propose a solution which would have "the effect of giving provisional recognition to the claim of the non-grouped States to be able to enter the Council, while postponing any final decision as to further constitutional changes." It therefore recommended that, for the period commencing with the election of the non-permanent Members of the Council at the Assembly's session of 1933 and ending with the election of the said non-permanent Members in the year 1936, the number of non-permanent seats on the Council should be provisionally increased from nine to ten, on the understanding that, towards the end of that period, the question of the number of the Members of the Council will be reconsidered and that all the Members of the League will remain entirely free to propose any final solution of this question which they consider desirable.

This recommendation of the Special Committee was approved unanimously and without discussion by the First Committee.

In order that effect should be given to the recommendation, it is necessary, under Article 4, paragraph 2, of the Covenant, that the Council should adopt a resolution to effect the proposed temporary increase of the non-permanent Members and that this resolution should be approved by the Assembly by a majority vote.

If, therefore, the Assembly accepts the proposal adopted by the First Committee, it will be proper for it to communicate its decision to the Council, to which the report of the Special Committee has already been transmitted.

## II.

Having decided to confine itself to proposing the above-mentioned provisional measure, the Special Committee did not discuss various other changes in the method of election to the Council which were suggested in the course of its deliberations. It recommended, however, one change in procedure—namely, that candidates for election to the Council should be publicly nominated in writing before the

In *America*, the Chilian Government applied to the League of Nations to ask for the collaboration of its technical organs with a view to the study of public nutrition. The Council requested the Health Committee and the Economic Committee to examine this request and report to it on the most suitable means of carrying it into effect. At the same time, it requested the Chilian Government to supply these two Committees with all information which might be useful in the preliminary study of the problem. The Health Committee proposes to undertake an enquiry on the spot as soon as it is in possession of this information.

In *Asia*, co-operation between the National Health Administration of the Republic of China and the Health Organisation was carried on very closely on the lines agreed upon in 1930. As regards one of the points in the plan drawn up, the objective has been fully attained, since the Republic of China now possesses an effective national quarantine service which already covers all the principal river and maritime ports of the country, with the exception of Canton.

The Central Field Health Station at Nanking, which is to become the nucleus of the health institutions of China, is already playing a prominent part in the life of the nation. Hardly had it been installed in its permanent building when its staff was overwhelmed with requests for assistance from the provincial and municipal authorities. Its Malaria Section has sent mobile units to the camps for road-builders which are being opened in the Yangtse valley, where the labour forces ran the risk of being paralysed by the disease.

The Central Hospital has just inaugurated its new building at Nanking; here will be trained the auxiliary medical staff of which the country has urgent need, and post-graduate courses will be given for doctors.

At *Shanghai*, the campaign directed against cholera has been intensified to the point that one inhabitant in three was vaccinated during the last year; this year, no case of cholera has yet been registered and vaccinations are going on at a still more rapid rate.

Lastly, in *Europe*, the desire to provide the entire Czechoslovak Republic with an adequate health organisation led the Minister of Public Health and Physical Education to ask for the assistance of the Health Organisation in making a sanitary survey of Slovakia, in order to introduce the reforms which this survey might show to be necessary. This first stage having been completed, the Czechoslovak Government requested the Health Organisation to continue to lend it the assistance of its technical commissions in applying the conclusions reached in the course of the survey.

This solidarity in face of danger is also the aim of the Eastern Bureau, that sentry placed at Singapore by the Health Organisation to announce the appearance and watch the development of the epidemics of pestilential diseases of which Asia is the cradle. The system for collecting information at the disposal of the Eastern Bureau is now complete and extends from the Cape to Vladivostok and from Melbourne to Panama. It may therefore be confidently stated that no focus of plague, cholera or smallpox can occur in any of the 163 ports in touch with the Singapore Bureau without the latter being immediately informed by telegraph. Its task is then to announce the existence of this focus to the health administrations of the countries which run the risk of being infected either by land or by maritime traffic.

This is where wireless proves useful, and I cannot omit to mention the generous help given in this connection by the Governments of Indo-China, the Netherlands East Indies, Hong-Kong, North Borneo, Shanghai, Japan, British India and Madagascar by broadcasting free of charge from their wireless stations, the Eastern Bureau's messages, both in special code and in clear. The broadcast in clear is intended to inform ships at sea of the health situation of the ports at which they call; it is transmitted daily at a fixed hour by the powerful Malabar station at Java, and can be picked up on all the maritime routes of the Indian and Pacific Oceans. It is gratifying to find that ships of every flag utilise and appreciate this information service to an ever growing extent.

The Health administrations of the Eastern countries being rapidly and regularly informed by the Singapore Bureau of the risks to which their ports will be exposed, have thus been able to take quarantine measures with a full knowledge of the facts and reduce them to what was strictly necessary, which has of course been of great benefit to shipping.

Among the outstanding facts which have characterised the work of the Health Organisation during the past year mention should be made of the results obtained by certain of its technical commissions.

The *Malaria Commission*, which for some years past has been studying the therapeutic value of synthetic preparations and mixtures of cinchona alkaloids, has published its third general report, which brings our knowledge regarding the treatment of malaria up to date and may be regarded as an international consensus of opinion on the therapeutic principles brought out by clinical observation and experimental research work.

A number of public health authorities requested the Health Organisation to investigate the causes of the decline in tuberculosis mortality, and to draw up a scheme of the minimum anti-tuberculosis equipment required, at the same time describing the methods of control in countries where tuberculosis mortality is decreasing; the results of the investigations carried out under the Health Committee's auspices have been recorded in a report entitled "General Principles governing the Prevention of Tuberculosis", the conclusions of which are an expression of the Health Committee's views and may be used as a guide by health authorities proposing to strengthen their system of medico-social defence against the disease.

The Health Committee had entrusted to the *Reporting Committee on Venereal Diseases* the task of ascertaining the principles which at present govern the campaign against syphilis as far as diagnosis, treatment and administrative measures are concerned. During the past year, the text of the first chapter of this study took final form and was published in the Health Organisation's *Quarterly Bulletin*. It deals with the sero-diagnosis of syphilis and is based on the results of the Laboratory Conferences convened by the Health Organisation in Copenhagen in 1923 and 1928, and in Montevideo in 1930. In this chapter, the serologist will find a description of the tests at present regarded as the most sensitive and specific, together with rules which can be unreservedly recommended for carrying out the sero-diagnosis of syphilis.

Last year, the Second Committee took note of a preliminary study prepared by the Health Section on the *possible influence of the privations entailed by unemployment on morbidity and mortality*. This report went to the root of this problem, to which the Health Organisation has devoted special attention since the last Assembly. The Health Committee outlined the principles which should guide its work in this field, and the studies in which the greatest progress has since been made are those dealing with the methods of detecting malnutrition and the best means of safe-guarding public health in times of depression. On the first point, a Conference of Experts, held in Berlin in December 1932, drew up a plan of action which is already being carried out in Austria, Belgium, Hungary, the Netherlands, Poland, the United States and Yugoslavia. At the Council's invitation, the Health Organisation and the International Labour Office co-operated in studying the second point, and a Conference of unofficial experts in Health Administration and Social Insurance drew up the main lines of a scheme for the rationalisation of public health services and medical assistance, with a view to obviating the risks to the sanitary equipment of countries caused by the inevitable reductions in health budgets. The reports of these two Conferences have been published in the *Quarterly Bulletin* of the Health Organisation, in which memoranda on the subjects which the Health Committee also recommended should be studied, such as the nutrition of the unemployed, their settlement on the outskirts of towns and mental hygiene in times of depression, have already appeared or will shortly appear.

The Hungarian Health Administration has followed the Health Committee's efforts in this field with the greatest interest. The Minister of the Interior, and more especially the Secretary of State for Public Health, have appointed a Committee to study the nutrition of the unemployed on the lines recommended by the Berlin Conference. In carrying out this enquiry, the Hungarian Health Administration proposes to keep in close touch with the Health Organisation, which has already placed at its disposal information concerning the organisation of similar enquiries in other countries.

The Health Organisation has two means of enabling medical officers in the health services of the different countries to benefit by international experience; *collective study tours* and *individual fellowships*. In 1933, a collective tour was arranged in Poland from May 28th to June 29th. Fifteen medical officers took part; at the same time, twenty-eight fellowships for periods up to six months were awarded to medical officers belonging to the health administrations of ten different countries.

As delegate of Hungary, I should like to mention the close contact which has been established between the Health Organisation and the medical and health services of my country. The Institute and School of Hygiene at Budapest, which is the centre of health teaching and research in Hungary, is an essential part of the machinery for the protection of public health. It is at present carrying out certain of the studies recommended by the *European Conference on Rural Hygiene*. I shall mention only two: the enquiry into the causes of typhoid fever in rural districts and the enquiry into the cost of rural health services. Both of these are very important at the present time—the first because typhoid fever is still a major cause of morbidity and mortality in rural districts and the second because rural districts are too poor to afford an expensive health and medical organisation, and it is necessary to provide them with a service which is both cheap and efficient. These studies are also being carried out in a number of similar Institutes in Czechoslovakia, Denmark, France, Poland, Spain

and Yugoslavia, and they are being co-ordinated by the Health Organisation. The fact that they are pursuing a similar object has led to a very close co-operation between these institutions.

Lastly, I should like to point out that the Government of my country proposed to the Assembly in 1930 to include in its programme of work the *study of international reciprocity in the care of the sick*. The object was to arrive at a multilateral convention, whereby sick persons of foreign nationality would be treated by the contracting States on an equal footing with their own nationals. If a multilateral convention was not practicable, recourse might be had to bilateral agreements.

The Health Committee, to which this matter was referred, studied the question in conjunction with the competent services of my country and submitted to last year's Assembly conclusions to the effect that a multilateral convention was inexpedient for the moment, but that the question might with advantage be referred to the Committee set up by the Council on May 20th, 1931, to study the general problem of assistance to indigent foreigners. The Health Committee will be pleased to assist that Committee if necessary.

I understand that the Committee in question will meet towards the end of this year and will add the question raised by the Government of my country to its agenda.

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Before discussing the work of the Health Organisation, the Second Committee desired to pay a tribute to the memory of the Vice-President of the Health Committee, *M. O. Velghe*, Honorary Secretary-General of the Belgian Ministry of the Interior, and Chairman of the Permanent Committee of the Office international d'hygiène publique. *M. Velghe*, who died during the last session of the Health Committee. *M. Velghe*, who had assisted the Health Organisation from its inception had acquired undisputed authority in the Committee by his uprightness, idealism, vast knowledge and devotion to the League's work. The Second Committee appreciated the extent of the loss which the Health Committee has suffered by *M. Velghe's* death, and expressed its sympathy with his family and the Belgian Government.

\* \* \*

In the course of the discussion, the representatives of those countries, which the Health Organisation has endeavoured to assist, expressed to it their unanimous thanks.

The United Kingdom delegate drew attention to the disinterested services rendered to the Organisation by the large number of experts whose collaboration is essential to the progress of its work. After emphasising the importance which his Government attaches to certain aspects of the Health Organisation's work, such as the campaign against malaria and the steps taken to secure biological standardisation, he pointed out that the curtailment of certain currencies, will, due to the depreciation of certain currencies, will doubtless induce the Health Committee to go very carefully into its programme and to retain only its most important activities. As to the economic depression, he wished to state that in many countries—including his own in particular—budgetary restrictions had not affected health equipment or social welfare: up to the present, unemployment had not been found to have had any prejudicial effect on the people's health.

The Italian representative associated himself with these remarks. He insisted on the value of the collaboration established between the Health Committee and the Permanent Central Opium Board in the campaign against narcotics. The latter will make the greatest use of the result obtained by the Commission on the unification of methods for ascertaining the morphine content of samples of raw opium, which met recently at Zurich. The delegate of the United Kingdom supported this view.

The delegate of the Irish Free State drew attention to the report on maternal welfare and the hygiene of infants and children of pre-school age (document C. H. 1060), certain passages of which had been amended by the Health Committee as requested by the Assembly at its thirteenth session. Several delegates being of the opinion that the amendments in question have not dispelled the misgivings which had arisen over one of the recommendations contained in the report, and the Assembly invites the Health Committee to reconsider further the paragraphs in question in the light of the observations put forward by delegates to the Second Committee, the circulation of the document in question (document C. H. 1060) being suspended.

In reply to a question put by the United Kingdom representative, the Director of the Health Section said that the Assembly was not called upon to approve the Health Organisation's report for the period October 1932-September 1933 (document A. 13. 1933. III), on which the Health Committee had not yet expressed its opinion.

The French delegate recalled the initiative taken by his Government when, in 1930, it proposed the establishment of an International School of Advanced Health Studies to be placed under the auspices of the League of Nations. The Council having approved this proposal, the French Government had taken the steps necessary to carry it out; the Chamber of Deputies had already voted the requisite credits and the bill was now coming up before the Senate. The Second Committee took note of these facts with satisfaction and emphasised the desirability of such a school.

The Chairman was glad to note that, in the opinion of the delegates who had referred to the subject, the curtailment of the financial resources at the disposal of States had had scarcely any detrimental effect on the essential task of protecting the public health. Speaking as the representative of Belgium he stated that his Government took particular care to encourage the employment of those without work on sanitary projects such as the installation of water-supply systems, the construction of sewers, etc. This utilisation of available labour had moreover been expressly recommended in 1932 by the International Labour Conference. He thought that the Assembly might with advantage draw the attention of national and regional authorities to this suggestion, which would enable the community to derive some benefit from the social evil of unemployment.

\* \* \*

In concluding my report, I am sure that I am voicing the views of my colleagues, in stating that the Assembly has before it a series of results which once again prove the efficacy of the methods adopted by the Health Organisation and the conscientious manner in which it carries out its work. Being convinced that the Assembly will share

se views, I have the honour, on behalf of the Second Committee, propose the following resolution:

"The Assembly:

"Values highly the results obtained in the Health Organisation's various fields of work;

"Attaches special importance to the work accomplished by that Organisation, particularly as regards the campaigns against malaria, tuberculosis, diphtheria and infant mortality, as well as in connection with biological standardisation;

"Is gratified at the increasing importance of the part played by the Eastern Bureau in the prevention of pestilential diseases;

"Notes with satisfaction that the countries which have requested the Health Organisation's technical collaboration have received all the assistance which they desired;

"Takes note of the report [pages 92 to 97 of document A. 6 and pages 43 to 45 of document A. 6 (a). 1933. III] which has been submitted on the work of the Health Organisation, and approves the general work carried out by that Organisation since the last session of the Assembly".

[Adopted 7th October 1933.]

## (2) *Work of the Communications and Transit Organisation.*

The report by the Secretary-General and the Supplementary report on the work of the League since the thirteenth session of the Assembly give a summary account of the work done by the Communications and Transit Organisation during this period. These documents show that the Organisation has continued to work under the same conditions, and with the same methods, that have frequently received the approval of the Assembly. A comparison between the accounts of the work of the Organisation during this last period and the accounts of previous periods as submitted at preceding sessions of the Assembly further show that the Organisation has tended, under present circumstances, to restrict rather than to expand its activities, and to concentrate on a limited number of problems.

It will be noted that the Advisory and Technical Committee for Communications and Transit has held no plenary session since the last session of the Assembly, the 1933 meeting of the Committee having been postponed till the end of the year.

In connection with railways, the Permanent Committee for Transport by Rail did not meet. The only railway questions dealt with by the Organisation relate to the application of Article 320 of the Treaty of St. Germain-en-Laye and Article 304 of the Treaty of Trianon (disputes between railway companies and the Succession States of the Austro-Hungarian Monarchy).

As regards inland navigation, the work done was in connection with documentation, which will enable the Permanent Committee for Inland Navigation, at its next session, to consider the question of the application to inland waterways of the principle of freedom of navigation. The Permanent Committee for Inland Navigation is also proposing to make an initial study of the question of the unification

of navigation regulations in Europe, or, at any rate, the principal river systems of Europe.

In connection with air navigation, special studies which have been made in regard to the establishment of a system of essential air communications on the European Continent and in the Mediterranean basin will doubtless shortly make possible a resumption of the work of the Air Transport Co-operation Committee, to which the Assembly has always attached special importance.

As regards maritime navigation, on the other hand, progress which may, perhaps, be of a decisive character has been made during the last period in connection with the unification of buoyage. The discussions on this subject which took place at the Conference held at Lisbon from October 6th to 23rd, 1930, were not concluded on that occasion. A new Preparatory Committee set up by the Advisory and Technical Committee for Communications and Transit met in London from July 17th to 22nd last, and succeeded in drawing up and adopting a draft Agreement and Regulations for a uniform system of buoyage taking into account primarily the interests of navigators. The report and the draft Agreement and Regulations adopted will be submitted for approval to the Governments invited to the Lisbon Conference. In the light of the discussions in the Preparatory Committee, it would seem probable that appreciable progress towards unification may be made on the basis of the draft Agreement, if not by means of universal unification, at least by agreement between several Governments. Should this prove to be the case, the necessary steps will be taken with a view to the conclusion of such an understanding between Governments, whether by calling a Conference for the purpose or merely by opening a Protocol for signatures. The object of the Lisbon Conference will thus be more fully attained.

As regards road traffic, the Permanent Committee on road traffic met from May 29th to June 1st. It considered, among other things, three points referred to it by the Road Traffic Conference—namely, the question of light signalling, the codification of signalling by officials directing traffic and drivers of motor vehicles, and the problem of commercial motor traffic. It began studies, which are to be continued, in conjunction with the Permanent Committee for Transport by Rail, of a new question which is of much interest to the public—that of supplementary signalling at level-crossings. In the case of commercial motor traffic, the Committee took the view that the problem was in process of development and that—since at its present stage it was governed partly by the divergent legal opinions prevailing in different countries on the subject and partly by the impossibility of making any exact forecast of the future economic development of this form of transport or the effects of such development on transport in general—it would be undesirable to draw up international rules on the subject which might hinder rather than help to promote the rational development of this form of transport.

No account of the activities of the Communications and Transit Organisation since the last session of the Assembly would be complete without mention of the present position of the Organisation's efforts to provide the League with the best possible system of communications, especially at times of emergency. The League Wireless Station was opened for service at the beginning of February 1932. A more accurate estimate than was possible at the time of the last Assembly can now be formed of the working of this station, of the value of the services already rendered and of its future possibilities. The Wireless Station has fulfilled all expectations, both with regard to the

rapid communication of important documents and in providing facilities for direct contact between the delegations of non-European countries and their Governments or the public opinion of their countries. From the technical point of view, the Station has given entire satisfaction, while, from the economic and commercial point of view, the results of its working have been the best that could be expected in present circumstances.

In connection with the question of the means of communication available to the League at times of emergency, it may be mentioned that, in accordance with the proposals made by a Special Committee of the Transit Organisation, the International Telegraphic Conference, held at Madrid in September 1932, decided to include in the new International Convention on Long-Distance Communications provisions under which telegrams regarding the application of Articles 15 and 16 of the Covenant, exchanged, in the case of a threat of war, between the President of the Council of the League or the Secretary-General, on the one hand, and a Minister member of a Government, a member of the Council of the League or a member of a mission despatched by the Council, on the other hand, would be granted priority over Government priority telegrams. In view of the consistently expressed desire of the Members of the League that communications with Geneva at times of emergency should be facilitated, it is clear that this new provision is to be taken as applying generally to any telegraphic communication at times of emergency, whatever article of the Covenant may be invoked. The League of Nations will be glad to learn of this further proof of the desire of its Members to make effective contributions towards the provision of satisfactory facilities for communications which are of importance to the League at times of emergency. Moreover, according to information received, a comprehensive document, setting out the facilities granted in this respect by the various Members of the League in connection both with telegraphic communications and with motor and aircraft transport, will shortly be prepared and communicated to the Members of the League.

Apart from questions relating to the international regulation of communications, the Communications and Transit Organisation has also dealt with certain problems relating to public works. For some years past, experts of the Organisation have been called upon, at the request of certain Governments, to give technical opinions on problems of this kind. This side of the work of the Organisation, which enables it to be of practical service to various States, is tending to increase. The report submitted to the Assembly refers to the co-operation between the Organisation and the Siamese Government with a view to improving the approaches to the port of Bangkok and the installations of the port. It further gives an account of the progress achieved through the co-operation of the Organisation with the Chinese National Economic Council, both with regard to the establishment of a road system in a certain number of Chinese provinces and in the study of the question of hydraulic works and the organisation of the Chinese technical services responsible for this latter work. The Communications and Transit Organisation has rendered services in this sphere which have been greatly appreciated by the Governments with which it is collaborating.

The circumstances which led the Communications and Transit Organisation to set up a Committee of Enquiry into questions relating to public works and national technical equipment are well known, and the Assembly has already shown the importance which it attaches to the work of this Committee. Originally the main questions which were to be considered by the Committee were those relating to

international large-scale public works. As was explained in the general report drawn up by the Committee at its last session and submitted to the Monetary and Economic Conference, the Committee of Enquiry found it necessary, however, to concentrate its efforts chiefly on considering the concrete schemes for national public works the financing of which requires an appeal for foreign capital and which were submitted to it by a certain number of Governments. It examined these schemes both from the technical point of view and with regard to their economic value, and retained those the execution of which seemed likely to have a favourable influence on the general economic situation. Apart from the object of relieving unemployment, which from the outset was one of its principal concerns, the Committee made it an essential condition that the schemes presented should be productive, defining at the same time the meaning which it attached to this term under the present economic circumstances. For this category of public works, the Committee has mapped out a programme for the parallel execution, in the various countries concerned, of such works as may contribute to the resumption of business and the reduction of unemployment. New plans have been submitted to the Committee or are at present being considered by it.

The Monetary and Economic Conference has not so far undertaken any full discussion of the general economic and financial questions relating to public works schemes. The Conference has provided for the setting-up of a special sub-committee to deal with this matter, but this has not yet been convened. The Public Works Committee of the Communications and Transit Organisation, for its part, has made no enquiry into the possibility of financing these works or of the methods to be employed for that purpose. Whatever view may be held regarding the value of executing parallel schemes of public works in a large number of countries during the period of the present depression, and whatever may be the outcome of any discussions concerning the financing of measures which depend for their execution on the co-operation of foreign capital, there seems to be no doubt that the impartial technical judgment of the respective merits of these works which is thus obtained, from the point of view of their international importance, is likely, when the time comes, to facilitate their financing and to direct capital into the channels where it would be most useful to the general economy.

Quite apart from the question whether the execution of such works involves an appeal for foreign capital, a continuous study of general questions relating to public works financed by States themselves without recourse to foreign capital would make it possible to collect the information which the various Governments consider they could furnish as to the experience acquired in the different countries, particularly as regards the effects of the execution of public works or of a particular category of public works on the resumption of economic activity and on unemployment. Such information would be particularly useful in order to enable Governments to judge of the possibility and desirability of pursuing, in present circumstances, a policy of carrying out programmes of public works on parallel lines. In the present period of distress, this question cannot fail to be of particular interest to public opinion and Governments in most countries.

The Second Committee studied the present position of the question of public works. At the conclusion of the discussion on the subject, in the course of which a large number of delegations evinced their interest that the enquiries undertaken would lead to practical results, especially as regards the parallel execution of programmes of

national public works, the Second Committee adopted the following resolution:

"The Second Committee recommends that the Committee which the Bureau of the London Economic Conference, on the proposal of the Economic Commission of that Conference, decided to set up to study the problem of public works and other means for reducing unemployment should be appointed and convened as soon as possible with the agenda fixed by the London Economic Conference itself."

The United Kingdom delegation, while not prepared to vote, for special reasons stated, announced that it was not opposed to the adoption of this resolution.

The discussions which led to the adoption of the resolution afforded an opportunity to certain delegations of making immediate communications of special value regarding the policy of national public works pursued in their respective countries.

The Second Committee has the honour to propose to the Assembly the adoption of the following resolution:

"The Assembly:

"Takes note of the work done by the Communications and Transit Organisation between the thirteenth and fourteenth ordinary sessions of the Assembly;

"Expresses its lively satisfaction at the fact that the Communications and Transit Organisation, while carrying on its work under the conditions and in accordance with the methods already approved by the Assembly, is continuing, within the limits of the resources at its disposal, to render to the Members of the League the important services which the latter expect of it;

"Recalls its statement at its thirteenth session that it attaches special importance to the work done by the Committee of Enquiry on Questions relating to Public Works and National Technical Equipment;

"Refers to the discussions in the Second Committee on the question of public works, including national public works, and to the resolution adopted by the Second Committee with regard to the appointing and convening as soon as possible of the Committee which the Monetary and Economic Conference decided to set up to study the problem of public works and other means for reducing unemployment;

"Adopts the report on the work of the Communications and Transit Organisation between the thirteenth and fourteenth ordinary sessions of the Assembly, submitted to it by the Second Committee."

[Adopted 7th October 1933.]

### (3) *Economic and Financial Questions.*

#### I. GENERAL OBSERVATIONS.

Following the procedure of last year, the Second Committee has preferred not to deal with financial and economic questions

separately, but to submit a single report to the Assembly; for the reasons that induced the Committee to follow this method last year have even greater force to-day.

Before touching upon individual problems, the Committee has thought it well to refer, if only in a few words, to certain aspects of the general economic situation, on which an interesting discussion took place.

The whole world has been suffering from a depression which has often been regarded as unprecedented in its extent, its duration, and its intensity. The draft annotated agenda of the Monetary and Economic Conference, prepared by the Preparatory Commission of Experts,<sup>1</sup> defined the situation last year as follows:—

"Unemployment has recently been estimated by the International Labour Office as involving at least thirty million workers. Even this huge total, which does not include the workers' families or other dependents, is probably an underestimate. The burden of suffering and demoralisation resulting from unemployment of such proportions is appalling. Wholesale commodity prices—expressed in gold—have declined since October 1929 by roughly a third; raw-material prices on the average by 50 to 60 per cent. In the middle of December, at Winnipeg, the price of wheat fell to the lowest level recorded in any primary market for wheat during the past four centuries. Such price-declines have produced profound disturbances in the economic system. They have drawn completely out of adjustment prevailing costs of the various factors of production, have made business enterprise generally unremunerative, and have seriously disorganised practically all the world markets."

This striking document further recalls the extent to which industrial activity has been affected and production curtailed. In the United States, for instance, the steel industry was operating at only 10 per cent. of capacity at the close of 1932.

Clearly, in such circumstances, serious effects could not but be felt throughout the world. In a large number of countries, the national income has been substantially reduced—the more so because the international movement of goods has also been made increasingly difficult by currency instability, the raising of Customs tariffs, and the policy of quotas, licences, foreign exchange control, and other measures of direct and indirect protection.

The decline in production and the general contraction in the volume of business have not been without their influence on State budgets, more particularly revenue, which has everywhere shrunk in varying degrees. At the same time, unemployment, the natural consequence of economic stagnation, has forced many countries to incur fresh expenditure. It has become increasingly difficult to balance budgets. Governments have endeavoured to meet their deficits out of reserves, thus reducing their wealth, or by internal loans or, still more frequently, by enlarging their floating debt, both of which last expedients have meant an increase in the general indebtedness of Governments.

<sup>1</sup> Document C. 48, M. 18, 1932, II.

It is also well-known that the international movement of capital has practically stopped. Consequently, the settlement of international debts has become more and more difficult.

"Currency disorganisation, price-declines, curtailment of trade, have thrown into sharp relief", says the document already quoted, "the vast and difficult problems of indebtedness, with which many, if not most, countries are confronted. As matters now stand, there are countries the total value of whose export trade has fallen below the sums required for external debt service alone. Facts such as these indicate the extremities to which the forces of disintegration have already carried the economic and financial world."

That was, briefly, the situation towards the end of 1932.

There seem to be real signs that the situation to-day is in many respects better than it was a year ago. In industrial countries, production has increased and unemployment diminished. In the aggregate, the exports of countries whose economy is mainly devoted to agriculture and mining have improved; at the same time, the visible stocks of the great majority of raw materials and foodstuffs about which information is available would appear to be declining. Certain indices of recent world economic developments are given in an annex to this report.

In the monetary field, the important event of the year was, undoubtedly, the abandonment of the gold standard by the United States of America, an event which was bound to affect international economic relations in view of the position of the United States in the economic system of the world and of the dollar in international finance.

The point has again and again been made within the League of Nations that there can be no lasting improvement of the economic situation of the world unless the different countries are prepared to abandon the system of closed national economies which is tending to-day to become general and threatens to stifle international trade. Last year, this contention was once more put forward with emphasis by this Committee. An effort to improve commercial relations was made by the agricultural countries of Central and Eastern Europe in the Conference which met last summer in Bucharest. The most important attempt, however, to promote better international collaboration in the economic and financial sphere was undoubtedly the Monetary and Economic Conference, which met in London on June 12th, 1933. A special chapter is devoted to the Conference in this report; but it should be emphasised at once that, although the immediate practical results of the Conference are not in proportion to the expectations which had been entertained, it accomplished important work, the value of which will appear in the future.

You will recall that the Assembly last year expressed the opinion that the most urgent task of the coming Economic and Monetary Conference must be to seek "all practical means of eliminating as speedily as possible the impediments of every kind that are paralysing international trade, and to facilitate the adjustments necessary for monetary stability and the restoration of credit".<sup>1</sup> These results have not been attained, as it was impossible to reach an agreement with

<sup>1</sup> Document A. 56, 1932, II.

reference to one of the major factors in the situation. As the report of the Conference states: "A temporary understanding during the present period of uncertainty regarding exchange ratios was found to be an essential condition for the continuance of the discussion of the full programme of the Conference by all the delegations."<sup>1</sup> In the absence of such an understanding, it was found necessary to defer discussion both of the problems of commercial policy and of quantitative restrictions to trade, as well as of many of the financial questions on the agenda of the Conference. The postponement of the discussion on these vital questions, however, must not be interpreted as indicating a change in attitude by the Governments concerned. On the contrary, the report of the Economic Commission of the Conference clearly states that the debates on tariff policy "have also shown that the various countries unanimously consider a lowering of the excessive tariffs as absolutely indispensable". But, owing to the interdependence of the factors governing trade and the failure to reach an understanding regarding one of them, practical negotiations regarding the other factors did not, and, it was felt, could not, take place.

It would, therefore, not be fair to say that the London Conference abandoned the attempt to abolish, in accordance with the wish expressed by the last Assembly, the restrictions which are stifling international trade. It should rather be said that its efforts to attack and investigate thoroughly these problems had to be suspended. It is eminently desirable that circumstances should permit of a solution in the near future of the problems of the stabilisation of currencies, so that the Conference can resume its work with a prospect of success.

Although the economic and financial problems which were considered by the Conference are essentially interdependent, it seems preferable, for practical reasons, to examine separately the work of the Economic Commission and the Financial Commission.

Further, the economic work of the competent organs of the League has, during the past year, been merged in the preparation and discussions of the Monetary and Economic Conference. This report will therefore, in the section devoted to the work of the Conference, deal at the same time with the activities of the League in the economic field.

## II. THE LONDON MONETARY AND ECONOMIC CONFERENCE.

### 1. Economic Questions.

If it were asked what probability there would have been of arriving at helpful solutions in the field of commercial policy, had not the difficulty of monetary instability arisen, an encouraging sign would be found in the rapid conclusion immediately before and at the outset of the Conference of a tariff truce to which sixty-one States, representing approximately 90 per cent. of the trade of the world, soon acceded. It would be a mistake to underestimate the importance of this symptom, which shows that all countries realise the necessity of putting a stop at the earliest possible moment to this daily warfare which is carried on with an intensity varying according

to the particular circumstances of each country, its object being to reduce imports at all costs and by measures of every kind. The multiplication of barriers, which is comprehensible and perhaps even inevitable from the standpoint of each individual country which is obliged to defend itself as best it can against the dangers which threaten it, nevertheless leads from the general standpoint to a more and more marked depression in trade. The truce is still in force in spite of a few denunciations, since it was concluded for the period of the Conference, which has not yet ended. Whatever view may be held as to the efficacy of its application, the truce nevertheless affords a happy augury of the outcome of future discussions on commercial policy when these are resumed.

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The discussions on two fundamental questions, quotas and Customs duties, were also inspired at the outset by a spirit which justified a certain optimism, in spite of divergencies of views expressed as to the methods to be adopted. Thus, all the delegations agreed, in principle, to the abolition of quantitative restrictions and to the necessity for a reduction of excessively high tariffs. It is true that some thought that the greatest prudence was essential, especially in regard to agriculture, and that simultaneous progress in cognate questions, such as co-ordination of production and sale, the decontrol of foreign exchange, the abolition of indirect protectionism, seemed to others to be a *conditio sine qua non* of any lowering of tariff barriers.

Finally, the discussions relating to the most-favoured-nation clause showed that, while there was a general opinion in favour of the maintenance of the clause in its unconditional and unrestricted form (with the recognised exceptions), the traditional interpretation of the clause was regarded in certain quarters as raising serious difficulties in the present crisis. A certain number of delegations expressed the opinion that agreements limited to and benefiting solely a few countries might, on occasion, be an advantage for third countries which, by the application of the most-favoured-nation clause, would normally have the right to claim the same benefits. It was understood, however, that such agreements must be subject to certain conditions the nature of which would have to be previously determined by mutual agreement. There was not sufficient time, however, for the Sub-Committee concerned to reach definite conclusions on this subject. In this connection, the last part of the proposals submitted towards the end of the Conference by the American delegation assumed a considerable importance.

It was not possible to examine in detail either these fundamental questions of commercial policy or the cognate problems of subsidies and bounties of all kinds, particularly shipping subsidies. A further investigation of these questions was therefore left for a more appropriate moment. The Conference, however, authorised its Bureau to take any steps likely to promote the successful completion of this work.

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Among the chief questions the examination of which it was decided to continue, in spite of the difficulties in the monetary field, is that of the co-ordination of the production and sale of certain important products. The work of the Sub-Committee dealing with this subject assumed, towards the end of the Conference, an importance which

<sup>1</sup> Document C. 435. M. 220. 1933. II.

exceeded all expectations. The idea that during a period of depression, such as that through which we are now passing, it is difficult to contemplate any lowering of trade barriers unless efforts are first made to establish a better equilibrium between production and consumption of certain basic commodities, although not shared by everyone, made itself very apparent in the earnestness with which the countries concerned urged the examination from an international standpoint of the conditions of production of and trade in a series of important foodstuffs and raw materials.

At the same time and, as it were, outside the Conference, the efforts of wheat importing and exporting States to bring about an improvement in the world wheat market were being continued. These efforts were the outcome of the action of the Economic Committee, which had already in 1932 convened for the first time representatives of the four chief oversea exporting countries. The importance of the agreement which has been concluded and signed by twenty-seven States must be realised by all who consider the extent to which the prosperity of farmers in almost all parts of the world is dependent upon the price of wheat.

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The work relating to the possibility of co-ordinating the production and sale of dairy produce, sugar, wine, coffee and cocoa is to be continued under the direction of the President of the Economic Commission and with the assistance of the Economic Committee of the League of Nations. Among the raw materials in regard to which the Conference adopted resolutions suggesting the line of action which might be taken are timber, coal, copper and tin. It is highly probable that the discussions on several of these commodities will be renewed shortly and, in view of what has been done in the case of wheat, it is to be hoped that they may lead to valuable results.

Finally, the work relating to veterinary and phyto-pathological questions, and the framing of a draft agreement dealing with a large number of technical questions bearing directly or indirectly upon the concept of indirect protectionism, is to be continued under the direction of the President of the Economic Commission of the Conference and with the assistance of the Economic Committee of the League.

## 2. Financial Questions at the Conference.

The Conference decided at the outset to divide the monetary and financial problems into two main heads, as suggested in the report of the Preparatory Commission of Experts—namely, immediate measures for financial reconstruction and permanent measures for the re-establishment of an international monetary standard. Under the first heading were grouped problems relating to credit policy, price-levels, limitation of monetary fluctuations, exchange control, indebtedness, resumption of international lending; under the second, those relating to the functions of Central Banks, the co-ordination of their policies, monetary reserves, the utilisation of silver, etc.

For the reasons indicated in the introductory remarks, this programme was modified and temporarily curtailed.

In these circumstances, the work of the Monetary and Financial Commission of the Conference led to the unanimous adoption—accompanied in some cases by reservations or explanations on the

part of certain delegates—of a number of important resolutions, the subjects covered by which are indicated below. The full text of the resolutions, to which reference should be made, is contained in the report of the Monetary and Economic Conference (document C.435. M.220.1933. II).

1. A resolution relating to the problem of indebtedness. This resolution states that, under present conditions, a solution of the problem of indebtedness, which possesses both a financial and an economic aspect, may in certain cases be necessary for the re-establishment of equilibrium. It should not, however, be dealt with in such a way as to impair credit. It is indispensable, indeed, for the restoration of credit that contracts should be respected in the absence of modifications agreed between the parties concerned. As regards State loans, it is in the interest of the creditors themselves to conclude arrangements of such a nature as to permit at the same time the adoption and effective application of programmes of economic and financial restoration by the debtor countries. The resolution further recommends the countries concerned to encourage the creation of, and contact between, organisations representative of different classes of creditors in respect of short as well as long term loans.

2. A resolution relating to the return to monetary stability, the adoption of gold as an international monetary standard and its use for monetary requirements and Central Banks' reserves.

3. A resolution relating to the creation of Central Banks.

4. A resolution relating to the need for close and continuous co-operation between Central Banks and to the part which might be played by the Bank for International Settlements in this connection.

5. A resolution relating to the adaptation of the Central Banks of certain agricultural countries to the special economic conditions of those countries.

It is not necessary to enter into the details of these various resolutions, as their mere enumeration is sufficient to explain their nature. Among their chief objects is to affirm:

That it is in the interests of all concerned that stability in the international monetary field should be attained as quickly as practicable;

That gold should be re-established as the international measure of exchange values, time and parity being for each country to determine;

That it is undesirable to put gold coins or gold certificates into internal circulation;

That greater elasticity should be given to Central Bank legal reserve provisions. For instance, if the system of percentage gold cover is applied, a minimum ratio of not more than 25 per cent. should be considered as sufficient. The sole effect of this stipulation should be to increase the free reserves of Central Banks.

From a closer study of the provisions of these various resolutions and the nature of the principles laid down therein—as, for instance, in regard to the policy of Central Banks and their mutual relations—it will become rapidly apparent to how large an extent they are based on the findings of the Gold Delegation of the Financial Committee as set forth in the report issued by that Delegation in 1932. The Second Committee is glad to note this further proof of the Financial Committee's judgment and the value of the work which it is unremittingly pursuing.

The last resolution adopted by the Conference relates to the use of silver for monetary requirements. It should also be mentioned in this connection that an agreement has been concluded between silver-producing countries and countries which possess large stocks of this metal, with a view to putting a stop to price fluctuations.

### 3. Public Works.

This question, which was discussed at the Monetary and Economic Conference, is dealt with in the report (document A.41.1933.VIII) on the work of the Transit Organisation.

## III. ACTIVITIES OF THE FINANCIAL ORGANISATION OF THE LEAGUE.

### 1. Financial Committee.

As was the case in the year ending September 1932, the Financial Committee has had during the last twelve months a very heavy burden to bear. Whereas during the first ten years of its existence the Committee was to a large extent able to devote attention one year to one country and the following year to another, it is now faced by the necessity of dealing simultaneously with the difficulties which the world depression has brought upon the majority of the countries with which it has been concerned in the past. Nothing can better illustrate the heavy strain imposed upon the Financial Committee than the following figures. The sessions of the Committee itself (excluding the time spent in travelling) lasted thirty-six days in 1931 and fifty-seven days in 1932, and will during 1933 probably last nearly fifty days. But, apart from its regular meetings, further calls have been made upon the time of this Committee on account of special meetings, missions of enquiry into the situation of various countries, etc. As a result, in 1932, two members sacrificed over a hundred days (again excluding time spent in travelling) to the service of the League.

As in previous years, the work of the Committee has been mainly concentrated on the problems of individual countries whose Governments have sought its advice. With the majority of these Governments the Committee has been in close touch for a considerable time now, as a result of the reconstruction schemes which were elaborated with its assistance before the present depression began.

It is not thought necessary to attempt to summarise the reports of the Committee, which explain fully the nature and scope of its activities. As is well known, the Council of the League has arranged for the appointment of advisers in Austria, Hungary and Bulgaria, who keep in daily touch with the financial authorities in those countries; and it is the practice of the Financial Committee to discuss the progress of events in detail both with those authorities and with the advisers at its quarterly meetings. In its reports the Committee explains the policies which have been pursued, the results that have been attained, the new problems that arise for solution and the suggestions which it has put forward in the course of those discussions. Although much of its time has been devoted to these three countries, its attention has by no means wholly been confined to them. Thus, it made a special enquiry, in the spring of this year, into the financial situation in Greece and was responsible for preparing an agreement for technical co-operation with the Government of Roumania.

**Roumania.**—The agreement between the Council of the League and the Roumanian Government for the organisation of advisory technical co-operation is a new departure of considerable significance. Under this agreement, made at the request of the Roumanian Government, the Council undertook to appoint, in consultation with the Roumanian

Government, a financial adviser, who would co-ordinate the work of various experts to be appointed by the Roumanian Government on the Council's recommendation. As pointed out in the report of the Financial Committee submitting the agreement to the Council, this plan of advisory technical co-operation differs in many respects from the earlier League schemes of financial reconstruction. "The Roumanian Government applied", the report remarks, "not for financial assistance, but for technical co-operation in the financial sphere between the League of Nations and the Roumanian authorities responsible for the management of affairs in Roumania. The Committee considers that the introduction in this form of free co-operation between the League and Governments requesting its technical assistance is capable of producing excellent results." This agreement, however, which was signed in January last, has not yet been put into execution.

**Austria.**—The Committee has continued to keep in close touch with the Austrian Government during the past year. Through a policy of strict economy combined with adequate taxation, the Government has substantially improved the budgetary situation. A final agreement has been concluded with the foreign creditors of the Creditanstalt, and the two other principal banks have been re-organised with the help of the State. The loan provided for in the Protocol approved by the Council of the League on July 15th, 1932, was issued in August 1933 in London, Paris and Rome in blocks guaranteed by the British, French and Italian Governments respectively, the Swiss Government taking part in the action by making a direct advance. This foreign loan is to be followed by the issue of an internal 4 per cent. lottery loan. The proposal to issue an internal loan at the present time indicates the improvement that has taken place in Austria's credit. The Austrian National Bank has followed a prudent and far-seeing policy which has permitted the natural value of the schilling to be determined without undermining confidence in the currency. It has proved possible, in consequence, to abolish the greater part of the restrictions imposed earlier on the foreign exchange market.

**Bulgaria.**—In May of this year, the Financial Committee made a special report on Bulgaria, the situation having been carefully studied on the spot in the preceding month by a special delegation. The public finances presented, and indeed still present, very grave difficulties: the budget year was expected to close with a deficit amounting to one-quarter of the receipts, there was a large floating debt, whilst the salaries and pensions of State officials and of the army had not been paid for three months. After lengthy deliberations with the Financial Committee, the Government decided upon a series of measures which, if completely carried out, should, it is believed, contribute largely to preventing any further deterioration of the situation and to re-establishing budget equilibrium. The Financial Committee is having a further discussion with the Bulgarian Government representatives during the course of this session of the Assembly.

**Greece.**—The Financial Committee was also invited to make an enquiry into the financial situation of Greece, and, after the visit of a delegation to Athens, held a special session last June. On that occasion, the Greek Government, after consultation with the Committee, made an important declaration on the policy it proposes to follow in order to improve the budgetary situation and clarify the accounting system. A number of the proposals it then made have already been put into execution.

*Hungary.*—As a result of the efforts made by the Hungarian Government, the situation in that country has improved during the last twelve months, and there are signs, moreover, in recent months of some slight amelioration of the general economic situation and in foreign trade. The Financial Committee has throughout the year kept in close touch with the Hungarian authorities. The improvement which has taken place in a country so acutely affected by the depression was noted with satisfaction by the Second Committee.

Special attention was drawn, in the discussions of the Second Committee, to the value of the work performed by the Financial Committee and to the readiness with which its members have sacrificed their time and energies to the League. The Second Committee feels confident that the Assembly will desire to endorse its appreciation both of the value of the work done and of the devotion which its members have shown in carrying out the difficult tasks with which they have been charged. For reasons with which the Assembly is familiar, the attention of the Committee has been mainly confined recently to certain countries in Central and Eastern Europe. The Committee expresses the hope that, as the problems now before the Committee are gradually solved, it may prove possible for it to deal also with problems of a more general order, including such as would be of direct concern to overseas as well as to European countries, and that the Council, both in the questions it refers to the Committee and in the determination of its composition, will have in mind this consideration. It desires to draw attention to the fact that, while the Economic Committee was given a definite status in 1927, no such action has yet been taken with regard to the Financial Committee.

## 2. Fiscal Committee.

The Fiscal Committee can also look back upon a useful year's work. The enquiry undertaken, with the financial support of the Rockefeller Foundation, into the systems employed by the tax administrations of different countries for the apportionment of profits of enterprises working in more than one country has been successfully terminated. That enquiry has taken three years and led to local studies in twenty-seven countries. Its results were first discussed by a Sub-Committee of the Fiscal Committee which, upon the invitation of the American Section of the International Chamber of Commerce, met in New York and Washington in the spring of this year, and subsequently by the Fiscal Committee as a whole. As a result of the work accomplished, the Fiscal Committee was able to elaborate a draft Convention for the purpose of preventing double taxation of the income of business enterprises operating in more than one country. This draft Convention will be laid before the Council, together with the suggestion contained in the Committee's report that it should be submitted to Governments for their examination.

The Committee is glad to be able to record that the Rockefeller Foundation has offered a new grant of \$50,000, which has been accepted by the Council, for the work of the Fiscal Committee on international taxation questions during the next three years. It feels sure that the Assembly will desire to endorse its appreciation of the generosity of the Foundation in making this grant and the additional grant to the Economic Intelligence Service of the League to which reference is made later in the report.

## 3. Economic Intelligence Service.

The Economic Intelligence Service has continued, as in past years, to collate and issue valuable information concerning economic and financial developments throughout the world.

The *World Economic Survey*, first published in 1932 at the request of the Assembly, has proved to meet a real need and has had an excellent reception, as its sales prove. The 1933 edition, just published, continues the narrative contained in the first volume and gives a careful and readable account of the course of events during 1932 and the first half of 1933.

In addition, the Service has issued during the past year further editions of its *Statistical Year-Book*, *Review of World Trade*, *International Trade Statistics*, the *Balance of Payments*, and the *Review of World Production*. It has, of course, continued also to publish its *Monthly Bulletin of Statistics*, which Governments have supported even more actively than in the past by cabling regularly the data required. This fact, in view of the present financial difficulties from which all Governments suffer, affords significant proof of its utility. The *Review of World Production* was published in the beginning of September under a new title, *World Production and Prices*, and includes an international index number of industrial production and special study of price movements. A new edition of the *Memorandum on Commercial Banks* will appear at the end of 1933.

The extent to which the current publications of the League now meet the essential needs for information concerning world economic developments may perhaps be judged by the fact that, while it was considered necessary to prepare special studies for the 1927 World Economic Conference which cost nearly a quarter of a million francs, no such work was called for in preparation for the Monetary and Economic Conference this year. The field which it was desired to cover in 1927 was somewhat greater; but the existing annual publications of the Service so far covered the necessary ground on this occasion that it was possible to fill in at least the most important remaining gaps in the information by the publication of a small supplement to the *Monthly Bulletin of Statistics*.

In conclusion, the Second Committee desires to draw attention to the fact that one piece of work suggested as long ago as 1930 by the Assembly, but postponed on budgetary grounds until now, can be begun immediately owing to the generosity of the Trustees of the Rockefeller Foundation—namely, the study of the causes of the recurrence of periods of economic depression. It is a laborious and highly technical piece of work from which quick results must not be expected. Under the terms of the grant, \$25,000 a year are given for the “promotion of the analytical research work of the Financial Section and Economic Intelligence Service of the Secretariat of the League of Nations over a five-year period beginning September 1st, 1933, and ending August 31st, 1938, with the understanding that such grant is not intended to be in substitution for moneys normally voted by the Assembly for research, but rather for complementary work which may arise in connection therewith, as, for instance, the proposed enquiry into causes of the recurrence of periods of economic depression.”

## IV. DRAFT RESOLUTION SUBMITTED TO THE ASSEMBLY BY THE SECOND COMMITTEE.

“The Assembly approves the report submitted to it by the Second Committee on the Economic and Financial Work of the League of Nations.”

[Adopted 7th October 1933.]

# 1. INDICES OF INDUSTRIAL PRODUCTION.

Percentage increase (+) or decrease (—).

| Country.       | July 1933 compared with July 1932. |                    |                     |                     | July 1933 compared with April 1933. |                   |                    |                   |                   |                    |
|----------------|------------------------------------|--------------------|---------------------|---------------------|-------------------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
|                | General index.                     | —                  | Engineer- ing.      | Producers' goods.   | Consumers' goods.                   | General index.    | Textiles.          | Engineer- ing.    | Producers' goods. | Consumers' goods.  |
| Germany        | +18,3                              | +25,9              | -- 2,3 <sup>1</sup> | +19,8               | +16,8                               | +7,4              | +8,2               | +8,9 <sup>2</sup> | +7,8              | +7,2               |
| Belgium        | +19,1 <sup>1</sup>                 | +32,6              | —                   | —                   | —                                   | +5,8 <sup>2</sup> | +18,9              | —                 | —                 | —                  |
| Canada         | +11,3                              | +167,5             | —                   | —                   | —                                   | +26,9             | +137,7             | —                 | —                 | —                  |
| Chile          | +0,2                               | —                  | —                   | —                   | —                                   | 7,2               | —                  | —                 | —                 | —                  |
| United States  | +69                                | +87                | —                   | +167,5 <sup>1</sup> | +69,9 <sup>1</sup>                  | +48,5             | +51,8              | +5,6              | +100 <sup>2</sup> | +30,6 <sup>2</sup> |
| France         | +21,7                              | +32,8              | +22,6               | —                   | —                                   | +4,7              | +13,2              | —                 | —                 | —                  |
| Japan          | +15,8 <sup>1</sup>                 | +7,8 <sup>1</sup>  | —                   | —                   | —                                   | 5,1 <sup>2</sup>  | +0,3 <sup>2</sup>  | —                 | —                 | —                  |
| Poland         | +6,5                               | +16,8              | +3,3                | +12,2               | +7,7                                | —                 | —                  | —                 | —                 | —                  |
| United Kingdom | +1,7 <sup>2</sup>                  | 0,2 <sup>2</sup>   | +2,9 <sup>2</sup>   | +6,5 <sup>2</sup>   | +1,1 <sup>2</sup>                   | +9,5              | +19,7              | —1,6              | +11,2             | +10,7              |
| Sweden         | +18,9                              | —                  | —                   | +27,3               | +6,8                                | +4,8              | —                  | —                 | +16,7             | —6,9               |
| Czechoslovakia | +2,8 <sup>1</sup>                  | —15,9 <sup>1</sup> | —                   | —                   | —                                   | +6,2 <sup>2</sup> | —14,2 <sup>2</sup> | —                 | —                 | —                  |

<sup>1</sup> June 1933 compared with June 1932. <sup>2</sup> Second quarter 1933 compared with second quarter 1932. <sup>3</sup> June 1933 compared with April 1933.

## 2. PRODUCTION OF IRON AND STEEL.

Percentage increase.

|                                                 | July 1933 compared with July 1932. |        | July 1933 compared with April 1933. |        |
|-------------------------------------------------|------------------------------------|--------|-------------------------------------|--------|
|                                                 | Pig-iron.                          | Steel. | Pig-iron.                           | Steel. |
| World total excluding United States of America. | +64,1                              | +89,1  | +46,7                               | +47,9  |
|                                                 | +23,8                              | +25,8  | +10                                 | +8,6   |

### 3. VISIBLE STOCKS OF CERTAIN STAPLE COMMODITIES.

Percentage increase (+) or decrease (—) at the date indicated as compared with :—

- (a) Corresponding date in 1932;  
(b) Maximum reached in 1932;  
(c) Maximum reached in 1933.

| Commodity.                                  | Date.     | (a) | (b) | (c)            |
|---------------------------------------------|-----------|-----|-----|----------------|
| Wheat (Stanford University)                 | VII 1933  | +3  | 1   | 1              |
| Sugar                                       | VII 1933  | —2  | —13 | —11            |
| Coffee                                      | VII 1933  | —27 | —38 | —25            |
| Tea                                         | VIII 1933 | +27 | —10 | — <sup>2</sup> |
| Cotton                                      | VIII 1933 | —10 | —11 | —              |
| Rubber                                      | VII 1933  | —2  | —6  | — <sup>2</sup> |
| Coal (European Continent).                  | VII 1933  | —2  | —3  | —1             |
| Lead                                        | VIII 1933 | +5  | +1  | —9             |
| Tin                                         | VIII 1933 | —26 | —29 | —22            |
| Zinc:                                       |           |     |     |                |
| Cartel excluding United States of America   | VIII 1933 | —21 | —32 | —16            |
| United States of America and United Kingdom | VIII 1933 | —24 | —24 | —22            |

<sup>1</sup> Comparable data not available.

### 4. WORLD TRADE.

Percentage increase (+).

|                                                                              | July 1933 compared with July 1932. | July 1933 compared with April 1933. |
|------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| Total of 49 countries representing over 90 per cent. of world trade in 1932. |                                    |                                     |
| Imports                                                                      | +0,3                               | +3,3                                |
| Exports                                                                      | +3                                 | +10,1                               |
| Total                                                                        | +1,6                               | +6,4                                |

### 5. UNEMPLOYMENT.

Percentage increase (+) or decrease (—).

| Country.       | July 1933 compared with July 1932. | August 1933 compared with April 1933. |
|----------------|------------------------------------|---------------------------------------|
| Germany        | —17,2                              | —18,7                                 |
| Belgium        | —16,1                              | —21,1 <sup>1</sup>                    |
| Canada         | +4,1                               | —9 <sup>1</sup>                       |
| United States  | —5,6                               | —8,1 <sup>1</sup>                     |
| France         | —10,3                              | —23                                   |
| Italy          | —11,5                              | —13,4                                 |
| Poland         | —1,4                               | —16,9 <sup>1</sup>                    |
| United Kingdom | —8,4                               | —10,5 <sup>1</sup>                    |
| Czechoslovakia | +41,3                              | —22                                   |

<sup>1</sup> July 1933 compared with April 1933.

# 6. INDICES OF WHOLESALE PRICES.

Percentage increase (+) or decrease (—).

| Country.                | July 1933 compared with July 1932. |             |                    |                      | August 1933 compared with April 1933. |                     |                     |                      |
|-------------------------|------------------------------------|-------------|--------------------|----------------------|---------------------------------------|---------------------|---------------------|----------------------|
|                         | General index.                     | Foodstuffs. | Raw materials.     | Industrial products. | General index.                        | Foodstuffs.         | Raw materials.      | Industrial products. |
| Germany (gold)          | — 2,1                              | — 6,4       | + 3,8              | — 3,3                | + 3,9                                 | + 7,2               | + 3,0               | + 1,9                |
| Belgium (gold)          | — 1,2                              | — 11,8      | — 3,6 <sup>1</sup> | — 6,1 <sup>1</sup>   | ± 0                                   | — 2,9               | ..                  | ..                   |
| United States (paper)   | + 6,8                              | + 7,6       | ..                 | + 2,4                | + 14,1 <sup>2</sup>                   | + 18,9 <sup>2</sup> | + 23,6 <sup>2</sup> | + 9,9 <sup>2</sup>   |
| France (gold)           | — 6,7                              | — 16,9      | ..                 | + 5,1                | + 2,6                                 | ± 0                 | ..                  | + 5,4                |
| Italy (gold)            | — 5,5                              | — 12,5      | + 5,7              | — 2,5                | + 0,4 <sup>2</sup>                    | — 2,4 <sup>2</sup>  | + 4,6 <sup>2</sup>  | — 1,8 <sup>2</sup>   |
| United Kingdom (paper). | + 3,5                              | — 5,4       | + 10,1             | ..                   | + 3,4                                 | ± 0                 | + 5,7               | ..                   |

<sup>1</sup> April 1933 compared with April 1932.

<sup>2</sup> July 1933 compared with April 1933.

## (4) Proposal for the organisation on an international basis of assistance for refugees (Jewish and other) coming from Germany.

The draft resolution submitted by the Netherlands delegation brought out the economic, financial and social nature of the problem of refugees, Jewish and other, coming from Germany, and the Assembly accordingly referred the question to the Second Committee. The latter was thus called upon to deal urgently with a practical situation, but not to enter into an examination of the causes that have led to it.

After an exhaustive discussion, the Committee concluded:

- (1) That the problem cannot be satisfactorily solved, except by international co-operation;
- (2) That its solution is a matter of urgency.

In view of these two conditions, the Second Committee has come to the conclusion that the best way of speedily securing practical results would be to appoint a High Commissioner who should be allowed the fullest freedom of action.

The Committee has reason to hope that funds from various sources, including private sources, may be available for the High Commissioner's use. The best possible employment of these funds could be ensured by co-ordinating the different relief movements and centralising the funds from various sources. It is likewise essential that the High Commissioner should be able to keep in touch both with the Governments directly concerned with the problem and with those of any other countries, Members and non-members of the League of Nations, which might be able to contribute in any way to its solution.

It is therefore necessary—and the Second Committee feels that the Assembly ought to make this point clear—that the High Commissioner should be able to reckon immediately on the fullest possible co-operation both from Governments and from private organisations.

The High Commissioner should be assisted by a Governing Body, to which he would be responsible.

The High Commissioner and the Governing Body would constitute an autonomous organisation.

The High Commissioner would submit periodical reports on the fulfilment of his task, including financial administration, to the Governing Body alone, which would forward them to States likely to be able to assist in the action contemplated.

The Second Committee is of opinion that this relief work should be undertaken forthwith. It therefore recommends the League to make an advance to the High Commissioner of the initial funds essential for his work.

The following draft resolution has been framed on the basis of the considerations set forth in the present report:

"The Assembly,

"Having regard to the situation created by the fact that a large number of persons, Jewish and other, coming from Germany have, in recent months, taken refuge in several countries;

"Considering that their presence in those countries constitutes an economic, financial and social problem, which can be solved only by international collaboration:

"Suggests that the Council should nominate a High Commissioner to negotiate and direct such collaboration, and particularly to provide, as far as possible, work for the refugees in all countries which are able to offer it;

"Requests the Council of the League of Nations to invite States and, if it thinks it advisable, private organisations best able to assist these refugees to be represented on a Governing Body of which the duty will be to aid the High Commissioner in his work, the High Commissioner having to submit periodical reports on the development and fulfilment of his task to the said Governing Body, which would forward them to the States likely to be able to assist in the action contemplated;

"Suggests further that the expenses of this collaboration and of the High Commissioner's office should be defrayed by funds contributed voluntarily from private or other sources;

"Recommends to the Council that, in accordance with Article 33, paragraph 2, of the Regulations for the Financial Administration of the League, it should approve that a sum not exceeding 25,000 francs should be advanced to the High Commissioner from the Working Capital Fund, it being understood that this advance will be refunded to the League out of the funds placed at the disposal of the High Commissioner;

"Is convinced that all Governments will assist the High Commissioner to the best of their abilities in the tasks defined above; with this object, the present resolution will be communicated to States Members and to non-members of the League;

"Finally, the Assembly expresses the firm hope that private organisations will collaborate in every way with the High Commissioner for the success of this relief action."

[Adopted 11th October 1933.]

### III. Fourth Committee.

#### (1) Financial Questions.

The work of the Fourth Committee was, as usual, long and arduous. The Assembly will therefore not find in this document a record of all the statements which were made or of all the points of view which were upheld; the aim of this report is rather to give a broad outline of the proceedings, reference being made to the Minutes—which will shortly be available in printed form—for fuller details.

In the general debate, stress was particularly laid on four main points:

#### 1. FINANCIAL POSITION OF THE LEAGUE.

Although only 82 per cent. of the budget for 1932 was actually received during that year (including payments on account of arrears), the financial period closed with a net surplus of 1,275,000 francs.

With regard to the current financial year, the revenue received on October 8th amounts to 57.8 per cent. of the budget. At the same time in 1932, the proportion had been 64.8 per cent. Having regard

to various circumstances, it could be assumed that, between 1932 and 1933, the position with regard to revenue had not greatly changed.

While the financial situation was indeed serious and every possible step should be taken to ensure the regular payment of contributions, it was not felt that there was serious cause for alarm as to the financial future of the League; it now seemed that there would not be a deficit in respect of 1933, as a result of the considerable savings which had been effected, but, even if revenue fell short of expenditure, the working capital fund would afford sufficient safeguard for this year.

#### 2. CONTRIBUTIONS IN ARREARS.

This question is dealt with in a special report of the Fourth Committee, but, in view of its great importance and its direct connection with financial and budgetary matters, attention should be drawn to it in the Committee's general report.

It was generally felt that the present position could not be allowed to continue, for the partial or complete default of certain States indirectly added to the burden of the others. In addition to the serious financial situation thus created, irritation was growing, particularly in the Parliaments of the States hitherto considered as "good payers" and Parliaments often did not understand why steps had not been taken by the Assembly to deal with States which refused to carry out their financial obligations.

While the situation could be regarded as abnormal and partly due to the crisis, it was now becoming generally recognised that its settlement was a matter of justice and that it should be treated without regard to possible susceptibilities.

#### 3. BUDGET FOR 1934.

The general budget of the League for 1934 amounted, when submitted to the Assembly to 30,643,905 francs, a reduction of 8.3 per cent. as compared with the previous year.

The budget of the Secretariat was 15,708,261 francs, a reduction of 9.3 per cent. over 1933. In the latter budget, reductions of over a million had been made in the appropriations for the Assembly, Council, conferences and committees. With regard to staff, the position, as compared with 1933, was as follows:

In 1933, there were 698 posts representing an expenditure on salaries of 9,127,000 francs. In 1934, the number of posts had been decreased to 684, representing an expenditure on salaries of 9,083,000.

The balance between certain increases and reductions of expenditure was as follows:

|                                                                                                                                                                                                                                                                                                                             | Francs. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Statutory increases of salaries (155,000 francs) and expenditure on temporary posts                                                                                                                                                                                                                                         | 240,000 |
| Suppression of fourteen posts (99,000 francs), reduction in the salaries of new officials or officials newly promoted (115,000 francs) and total reduction proposed by the Secretary-General and accepted by the Supervisory Commission as the first tangible expression of the results of rationalisation (200,000 francs) | 414,000 |
| Net reduction                                                                                                                                                                                                                                                                                                               | 174,000 |

from which should be deducted the aggregate reduction of 130,000 francs, made by the Assembly at its last ordinary session, to obtain the difference between the salary credits of the two years under consideration.

Several delegates thought that the estimates were still too high; all countries had reduced their budgets and public opinion demanded that the League should accentuate its efforts in this direction, provided that its essential activities were not paralysed.

#### 4. BUDGETARY METHODS.

Several delegates drew attention to what they considered was an undue disparity between the budget and the expenditure.

While the budget actually showed a reduction of 2,780,000 francs, as compared with the estimates for 1933, the estimate for 1934 was 3,358,000 higher than the actual disbursements in 1932.

This considerable margin, and particularly the fact that there was, in 1932 and previous years, a surplus on almost every appropriation, led certain delegates to express the opinion that "over-budgeting" had occurred.

They felt that the estimates should correspond more closely to actual expenditure than was at present the case.

Other members thought that the League's estimates required a certain amount of elasticity, which could probably be given by adding considerably to the items for unforeseen contingencies which could only be drawn upon by special authorisation.

The Secretary General and the members of the Supervisory Commission explained the peculiar difficulties under which the League had to work. The fact that there was no possibility of voting supplementary credits during the year greatly complicated the task of the Administration and of the Supervisory Commission. Further, the Assembly had always thought it desirable to provide a reasonable amount for such unforeseen expenses as the Council might have to incur. Moreover, the cost of conferences was extremely difficult to estimate; thus the cost of the Conference for the Reduction and Limitation of Armaments had—for reasons, at the time founded on solid data—been estimated at a total considerably in excess of the expenditure which was actually incurred, and similar difficulties were being experienced in connection with the estimate for the continuation of the work of the Monetary and Economic Conference.

One of the principal reasons for the 1932 surplus was certainly the fact that the administrations, in collaboration with the Supervisory Commission, had enforced economy in all sections and departments; for instance, while in certain years the credit for the travelling expenses of the Secretariat had been found inadequate, a saving of 73 per cent, had been effected last year on a reduced amount.

The administrations, in the matter of economies, had endeavoured to adapt expenditure to effective receipts. For 1931 and 1932, the figures had been as follows:

|                                                  |                               | Francs.    |
|--------------------------------------------------|-------------------------------|------------|
| 1931:                                            | Estimate . . . . .            | 31,637,501 |
|                                                  | Receipts . . . . .            | 28,654,000 |
|                                                  | Expenditure . . . . .         | 29,087,000 |
|                                                  |                               | 433,000    |
| 1932:                                            | Surplus expenditure . . . . . | 433,000    |
|                                                  | Estimate . . . . .            | 33,687,994 |
|                                                  | Receipts . . . . .            | 28,595,000 |
|                                                  | Expenditure . . . . .         | 27,282,000 |
|                                                  | Surplus receipts . . . . .    | 1,305,000  |
| Difference between expenditure of 1931 and 1932: |                               |            |
| decrease of . . . . .                            |                               | 1,797,000  |

At the end of the present year, the expenditure figure would doubtless be still lower, as, in full agreement with the Supervisory Commission, instructions had been given to all services, not only confirming the instructions addressed to them in the same sense in 1932, but also asking for a much more considerable effort.

The result had been that many of the activities of the League had been seriously curtailed.

Non-expended credits represented, in the Secretary-General's view, not over-budgeting, but real decreases in the activities of the League.

As a conclusion to the general discussion, the Secretary-General proposed:

- (1) To examine with the Supervisory Commission, in time for a report to be submitted to the 1934 Assembly, the budgetary methods in force;
- (2) To make a lump sum reduction in the 1934 budget of 150,000 francs, as a token of the continuation of the efforts to be made with a view to further reductions.

\* \* \*

#### I. AUDITED ACCOUNTS FOR 1932.

The Fourth Committee unanimously recommended that the Assembly adopt the accounts of the League for 1932 in the form submitted.

#### II. RATIONALISATION.

At the close of the general discussion, the reports of the Supervisory Commission on rationalisation [documents A.10 and A.5(a). 1933.X] were examined together, chapter by chapter.

There was general agreement on the recommendations of the Supervisory Commission, and certain delegates thought it essential to link up the recommendations of the Supervisory Commission in the matter of rationalisation to the decisions of the Assembly on the report of the Committee of Thirteen.

Other speakers, referring to decisions of the Assembly, drew attention to the importance of developing the international character of the various administrations.

A long discussion arose on the question of the activities of the League. Certain members stressed the importance of a decision being taken on the rationalisation of the activities of the League concurrently with those of the services of the various administrations and proposed that the relevant passage in the Supervisory Commission's report should be reproduced in this document.

The majority thought, however, that, while the Supervisory Commission had fulfilled its instructions in drawing the Assembly's attention to the subject, the Fourth Committee was not competent to make recommendations on the question of present activities and that it should warn the Assembly that further extension of the commitments of the League might result in financial difficulties. It was clearly the general desire of the Committee that economies should be made, but that they should be reasonable and should not interfere with the essential work of the League.

With regard to the progression (in the scale) of members of section, the Committee agreed with the Supervisory Commission that any official might reach the maximum salary of his class by annual increments, but was not entitled to his increment unless he had given satisfaction during the past year. The Administration considered that, in order to give satisfaction, an official must not merely have avoided giving grounds for criticism, but also have increased his efficiency with his experience until he was fit to perform all the duties normally assignable to officials of his class. The strict application of this view of the annual increment would permit the administrations to prevent progression in the scale from becoming automatic.

Since, however, the present system was not entirely satisfactory, the Committee requested the Supervisory Commission to devise a system which would result in grading in accordance with the value of the official and his efficiency.

The Committee adopted the Supervisory Commission's proposals with regard to the reorganisation of the Information Section. While recognising the necessity for reducing the personnel of the Section, stress was laid on the importance of not depriving the Press of effective contact with the Secretariat. It was essential that the very important task of helping journalists should not be hampered by the re-organisation of the Section.

It was also made clear during the discussion that the question of branch offices was being carefully investigated and that they were not concerned with propaganda.

With regard to the centralisation of clerical work, it was explained by the Secretary-General that it was not proposed to transfer wholesale all the clerical staff employed in sections, but rather to establish a central authority which would follow the work and make such adjustments in the personnel as the amount of work done in the various sections warranted.

After adopting the other chapters of the report on rationalisation of the Secretariat, the Committee unanimously decided to place on record the expression of its thanks to Mr. Robertson, of the British Treasury, and Mr. Urwick, Director of the Scientific Management Institute, for their co-operation with the Supervisory Commission in certain branches of the work of rationalisation.

The chapters relating to the collaboration with the Secretariat and the other organisations and the rationalisation of the International Labour Office were adopted without discussion.

## III. BUDGET OF THE LEAGUE FOR 1934.

### 1. Secretariat and Special Organisations.

Chapter I—"Assembly and Council" was adopted.

When Item 4 (a)—"Salaries, wages and allowances of the Secretariat" came up for discussion, the delegate for India moved the following draft resolution:

"The Assembly decides that the reduction of 10 per cent. in rates of pay imposed by the resolution of the Assembly of October 17th, 1932, shall apply with effect from October 15th, 1933, to all officials covered by the terms of that resolution, irrespective of the date of entry into the service of the League and, in addition, shall apply

with effect from the same date to officials who entered the service of the League between September 15th, 1931, and October 15th, 1932, on contracts which permit variation of the rates of pay laid down therein."

He pointed out that, while the saving that would result from the adoption of his resolution was inconsiderable, he felt that, in the present financial situation of the League, and particularly in view of public opinion, salaries should be reduced wherever possible.

Other speakers drew attention to the reductions made in the salaries of the civil servants of their countries and expressed the view that a reduction should be made in the case of all League officials who were not protected by a contract.

On the assurance of the Chairman of the Supervisory Commission that it would study the question before the next ordinary session of the Assembly and that all contracts for new officials would be reduced by 10 per cent., the Indian delegate agreed to withdraw his motion.

In connection with Item 8—"Travelling expenses of the officials of the League", some delegates urged the need for economy, while another emphasised the necessity for League officials to visit countries distant from Geneva, even if it involved the spending of the whole credit.

The delegate for India moved the following draft resolution:

"The Assembly decides:

- "(1) That, in Rule 7 (a) of Annex III to the Staff Regulations, for the figure 54 francs, being the rate of daily subsistence allowance admissible to chiefs of section and officials of higher rank, the figure 44 shall be substituted, and that such proportionate reduction shall be made by the Secretary-General, as appears to him appropriate, in the rate applicable to other officials and in the rates prescribed where inclusive passage is paid by the Secretariat;
- "(2) That, where subsistence allowance is paid in respect of duty performed in a country, the currency of which has gone off the gold standard, conversion of Swiss francs shall be effected at the gold parity;
- "(3) That the rates prescribed under Rule 7 as modified above shall not be admissible for more than twenty-eight days in respect of duty performed in one place and that the rates in respect of duty performed in that place thereafter shall be reduced by 20 per cent;
- "(4) In principle, that similar reductions and conditions should be applied to officials of the International Labour Office and the Permanent Court of International Justice."

It was finally agreed to refer the questions raised in the draft resolution to the Supervisory Commission, which would bear in mind the considerations and suggestions made in the course of the discussion, which are reproduced in the Minutes, and that it will not be necessary to await the next session of the Assembly before putting into operation any reduced rates.

Item 9—"Frais de représentation" gave rise to a lengthy discussion. A motion to reduce this item by 20,851 francs so that it should correspond to the expenditure actually incurred in 1932 was finally withdrawn after it had been explained that the emoluments of the principal officers had been fixed by the 1932 Assembly on the report of the Fourth Committee, which had reduced them considerably as

compared with the scale until then in force; and that the reason for the increase as compared with 1932 was the appointment of a second Deputy Secretary-General, as a result of a compromise arrived at last year.

The 1932 Assembly had also reduced to 30,000 francs the amount of the general entertainment fund.

The delegate for India proposed the suppression of the credits entered in the budgets of the Secretariat and of the International Labour Office for the Sickness Insurance Associations and moved the following draft resolution:

"The Assembly,

"Having regard to the rates of pay of officials, which it believes to be adequate:

"Considers that there is not sufficient justification for the continuance of a subvention from League funds to the insurance associations against accidents and illness of the Secretariat and the International Labour Office, and accordingly decides to delete the sum of 21,600 francs from Item 13 of Chapter II ("Special staff charges") of the Secretariat budget, and the sum of 21,000 francs from Item 9 of Chapter II ("Special staff charges") of the International Labour Office budget, being the contributions respectively to the associations of the Secretariat and the International Labour Office."

After explanations had been given with regard to the object of the fund, which does not cover the same ground as the Pensions Fund and which benefits chiefly the lower staff, it was agreed that the matter should be referred to the Supervisory Commission, on the understanding that, if the League subvention is continued—a point which is left open—it should be used primarily to aid the employees in receipt of the lower salaries, who found it difficult to meet medical expenses.

Item 17 (c)—"Expenses of the Committee on the Allocation of Expenses" was reduced from 40,550 francs to 28,550 francs on the proposal of the Secretary-General, who explained that he could arrange by using existing staff, to dispense with a temporary member of section.

Some of the members of the Committee urged the postponement of the preparation of the new scale in view of the general instability of currencies. They expressed the opinion that, since the crisis was still continuing, it would seem impossible for the Allocation Committee to submit a scientific scale to the next Assembly.

Other members, on the contrary, could not agree to any further delay and asked that the decision of the 1931 Assembly should be adhered to; it was not only the States whose contributions were in arrears which were concerned with the amount of their contribution, but also other States which were paying in full; many States thought they were over-assessed and would like to put their case before the Allocation Committee.

It was finally agreed that the Allocation Committee should continue its work and should endeavour to submit to the 1934 Assembly a temporary scale if, as was feared, present conditions made it impossible to draw up a final scientific scale. For this purpose, it was essential that the Secretariat should receive the budgets and the

accounts of all States from 1929 to 1932; further, States would have the opportunity to forward additional data or to ask to be heard by the Committee.

The other items of Chapters II, III, IV and V were adopted; in some cases, explanations were furnished by the Secretary-General or the Chairman of the Supervisory Commission.

Thus, it was made clear that, in the case of grants from outside sources, paid in U. S. dollars, the League assumed no liability whatsoever, since expenditure would be restricted to the sum received after conversion from U.S. dollars into Swiss francs.

Again, should the Conference for the Limitation and Reduction of Armaments not terminate its work this year, the necessary credit would have to be met by transfer, particularly from the item "Organ to be set up by the Conference", which would not be required until the Conference was concluded.

In conclusion, the Secretary-General expressed his thanks to the members of the Fourth Committee for the extreme frankness with which they had discussed the budget and to the Supervisory Commission for its indefatigable work. He intended to exercise strict control of the expenditure authorised and to examine with the Supervisory Commission, in the light of the observations made during the discussions, the various proposals which had been referred to the Commission.

With regard to the proposal which he has made, to reduce the budget by 150,000 francs, the Secretary-General in consultation with the Supervisory Commission would decide to which items the reductions would apply. This method of reducing the budget should not be regarded as a precedent, but as quite exceptional.

## 2. International Labour Organisation.

In presenting the budget of the International Labour Organisation, the Director stated that the Governing Body had, throughout the previous year, given great attention to the question of economy and re-organisation, as well as to the non-payment of contributions. On this latter point, a discussion had taken place between the representatives of the Governing Body and the Supervisory Commission and the former would be keenly interested in any new system of finance that might be adopted. The net budget—i.e., after deduction of the appropriations in aid—represented a total of 8,257,876 Swiss francs. This was the lowest figure since 1923. The estimated gross expenditure amounted to 8,737,505 Swiss francs, the lowest figure since 1930 and lower than 1921 or 1923. The budget had been stabilised for a number of years past, although the scope and activities of the Organisation had steadily grown. The important economies effected had been accomplished by running two risks—a lessened efficiency in a particularly critical time and the risk of incurring a deficit, unless the steps taken to ensure payment of contributions were effective.

As to the first risk, there had never been a moment since the war when there were so many difficult problems with which the Organisation had to deal. Faith in the self-regulating character of the present economic system had been lost and the whole social fabric depended upon achieving a new balance between production and consumption. Out of the general problem of restoring the unemployed to work, a series of problems had arisen. These problems put greater pressure than ever on the International Labour Office. In order to cope with

it, a considerable internal re-organisation had been carried out in the last few months—details of which would be shown in the 1934 budget—and in addition a model establishment had been drawn up which would make it possible gradually to replace a number of higher posts by those of a lower category; a number of higher posts had already disappeared and other permanent posts had been replaced by temporary ones with lower salaries, with the result that considerable economies would be made in the 1934 budget.

Referring to the second risk, he pointed out that, by reducing estimates under practically every head, it would be impossible to achieve in 1934 the same percentage of economies—as compared with the estimates—as had been achieved in 1932 and 1933. Since 1923, close budgeting had resulted in the fact that 97 to 99 per cent. of the budget was usually spent, with the result that there had been cash deficits almost every year. He drew the Committee's attention to a recommendation of the Governing Body that an adequate reserve fund should be created, so that emergencies could be met without placing the Organisation in a difficult financial situation.

Before the detailed examination of the budget, a general discussion took place on the question of the "representation" of the various nationalities in the staff. It was recalled that, last year, the report of the Fourth Committee had made it clear that any measures of rationalisation which might be adopted should not have the effect of excluding certain nationalities from service with the Secretariat or the International Labour Office.

Nevertheless, certain States recently admitted to the League and others which had long been Members were not, or were insufficiently, "represented" in the organisations of the League.

The Director explained that, while the right doctrine in the matter of appointments was that efficiency must be the first desideratum and new posts should not be created to be filled by the nationals of any particular State, it was clear that, if vacancies occurred, the nationality factor would receive full consideration.

The Director also explained that one of the objects of the re-organisation was to develop in the Office the knowledge of countries outside Europe, and for that purpose a special "Liaison Section" has been set up with extra-European countries.

The budget was then discussed item by item and adopted in the form in which it had been submitted.

It was pointed out that there was a functional difference between the branch offices of the Secretariat and the correspondents' offices of the International Labour Office which were chiefly concerned with providing the Office with first-hand information as to the social and industrial conditions in the countries in which they were situated and with answering enquiries.

The general question of offices outside Geneva, both for the Secretariat and the International Labour Office, was still under consideration and a report would be submitted to the next Assembly by the Supervisory Commission.

The situation of the International Management Institute and its relations with the Office would be re-examined by the Governing Body at its next session.

### 3. Permanent Court of International Justice.

The Committee noted a statement by the Registrar of the Court to the effect that the Protocol of September 14th, 1933, to which are

attached the amendments to the Court's Statute adopted in that year, had been ratified by all States concerned, except Brazil, Abyssinia, Panama and Peru. In three of these States, the question of ratification was, moreover, under consideration and one—Panama—had officially declared that it had no objection to the coming into force of the amendments to the Statute—i.e., of the "revised Statute". Having regard to this situation, the Protocol in question might well come into force at an early date and in any case in 1934.

In these circumstances, the Committee, while approving the Court's budget for 1934 as submitted to it on the basis of the "old" Statute in force since 1921 (budget "A"), decided to recommend to the Assembly, as an exception, to authorise the Registrar to operate transfers in that budget if and when the said Protocol should come into force: namely, in so far as this would be necessary in order to adapt the budget to the requirements of the "revised Statute"—i.e., within the framework of the budget drawn up and submitted on that assumption (budget "B").

The Committee observed that the total of the Court's budget for 1934 was, practically speaking, the same as its expenditure in 1932 and that this result had been attained in consequence of reductions of an exceptional character which had been effected. The Committee further noted a statement by the Registrar to the effect that, when he had proposed the reductions in question to the Supervisory Commission, the latter had, at his request, assured him that the Court need be under no apprehension as to its financial position, despite the reductions which he had suggested and which the Commission had accepted.

### 4. Other Parts of the Budget.

IV. Nansen International Office for Refugees;

V. Buildings at Geneva;

VI. Pensions.

The subvention to the Nansen International Office and Parts V and VI of the budget were approved.

### 5. Supplementary Credits<sup>1</sup>

The Fourth Committee accepted the proposal of the Second Committee that a supplementary credit of 336,000 francs—involving an addition to the budget of 335,900 francs—should be inserted in the budget for the work of the Monetary and Economic Conference.

The supplementary credit of 10,000 francs proposed by the Sixth Committee for the Committee on Arts and Letters was carried by a majority vote. The minority thought, that notwithstanding the small sum involved, it would be a mistake in the present financial position of the League for the Assembly to grant a credit for work which was not essential. The majority on the other hand, expressed the opinion that the League should do all in its power to bring together, under its aegis, scientists and men of letters and thus to promote the work of moral disarmament.

<sup>1</sup> See Second Supplementary Report of the Supervisory Commission to the Assembly [document A. 4(b).1933. X].

### 6. Final Budget Figures.

As submitted to the Assembly, the budget for 1934 is as follows:

|                                                       | Francs.           |
|-------------------------------------------------------|-------------------|
| 1. Secretariat and Special Organisations . . . . .    | 15,892,161        |
| 2. International Labour Organisation . . . . .        | 8,257,876         |
| 3. Permanent Court of International Justice . . . . . | 2,538,827         |
| 4. Nansen International Office for Refugees . . . . . | 300,000           |
| 5. Buildings at Geneva . . . . .                      | 2,000,000         |
| 6. Pensions . . . . .                                 | 1,838,941         |
| <b>Total</b> . . . . .                                | <b>30,827,805</b> |

### IV. REPORTS OF THE SUPERVISORY COMMISSION.

The reports of the Supervisory Commission on the accounts for 1932, the budget for 1934, the disposal of the surplus of 1932, the construction of the new buildings and other miscellaneous questions were adopted [documents A.5. and A.5(a).1933.X].

The Secretariat surplus for 1932, amounting to 2,375,675.76 gold francs, will therefore be allocated as follows:

|                                                                                                                                                                        | Francs.             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Refund to the Working Capital Fund of the deficits of the International Labour Office and of the Permanent Court of International Justice in respect of 1932 . . . . . | 1,100,018.70        |
| Net surplus . . . . .                                                                                                                                                  | 1,275,657.06        |
| Refund to the Working Capital Fund of the sums withdrawn, as recoverable advances, to meet the cost of construction of the Wireless Station . . . . .                  | 729,478.60          |
| Creation of exchange depreciation fund . . . . .                                                                                                                       | 546,178.46          |
| <b>Total</b> . . . . .                                                                                                                                                 | <b>1,275,657.06</b> |

### V. THIRD REPORT BY THE ADMINISTRATIVE BOARD OF THE STAFF PENSIONS FUND.

The Committee examined the third report to the Assembly of the Administrative Board of the Staff Pensions Fund, and noted the explanations given by its Chairman, M. RAPPARD, of the manner in which the Fund had been administered during the past year.

The Chairman of the Board laid special emphasis on the great difficulties encountered in investing the income of the Fund, which amounts to some 200,000 Swiss francs per month.

The Investments Committee appointed by the Council, on the recommendation of the Financial Committee, has been constantly consulted, and it has been on their advice that the investments of the Fund have been made. That Committee, as stated in the report of

the Administrative Board, is experiencing considerable difficulty, owing to currency fluctuations. The recent devaluation of the dollar has led to a depreciation of the Fund's holdings. This depreciation on September 19th last amounted to about 26 per cent. The Chairman of the Board accordingly addressed an appeal to those States whose Government loans are issued in dollars, with or without the so-called "gold" clause, to pay the interest, in so far as the Pensions Fund was concerned, in dollars at former parity. In making this appeal, the Chairman of the Board referred to the fact that the Fund, by Article 13 of its Regulations, is guaranteed by the League of Nations, of which the States in question are Members.

Arising out of the report of the Administrative Board, the Fourth Committee discussed the question of fifteen officials employed in branch offices who are at the moment receiving their salaries in depreciated currency.

This question had been submitted to the Supervisory Commission for examination by the last Assembly, and the Supervisory Commission asked the views of the Administrative Board of the Pensions Fund upon it.

The Administrative Board thought that, as a provisional measure, all pensions and capital sums paid in lieu of a pension should be calculated in the currency in which pensionable emoluments are paid, but that all such payments should be considered as provisional, and subject to revision as soon as the adoption of a general principle becomes possible.

After having very carefully studied various solutions, the Supervisory Commission took a different view and considered that it was necessary to maintain the principle that pensions should be paid in the same currency as salaries.

By 18 votes to 7, the Fourth Committee adopted the proposal of the Supervisory Commission.

Arising out of this question, the Fourth Committee examined at length the more general question raised in the report of the Administrative Board, at the request of its financial advisers.

The Fourth Committee, despite the urgent request of the Chairman of the Administrative Board, felt unable to give a definite and final reply to this question, which will only arise in future and which is therefore at the moment hypothetical.

The Fourth Committee having been informed that M. Radulesco and Mme. Kluyver were not presenting themselves for re-election, unanimously elected M. FOTITCH, M. HOEL and M. RAPPARD, members, and Mr. LESTER, M. DE MODZELEWSKI and M. PARRA PEREZ, substitute members of the Administrative Board of the Staff Pensions Fund for a period of three years from January 1st, 1934.

The Fourth Committee has noted the third report of the Administrative Board, and submits the following resolution to the Assembly:

"The Assembly:

"Takes note of the report of the Administrative Board of the Staff Pensions Fund for the year 1933;

"Adopts the accounts of the Fund as submitted by the Auditor;

"Decides that the pensions of members of the Fund who contribute to the Fund in currencies depreciated in relation to

the Swiss franc, shall be paid in the currency in which they receive their pensionable emoluments;

"And decides, having regard to Article 7, paragraph (1) (a), of the Staff Pensions Regulations, that the contributions of the League to the Pensions Fund for 1934 shall be 9 per cent of the pensionable emoluments of the members of the Fund."

#### VI. ROTATION IN MEMBERSHIP OF THE SUPERVISORY COMMISSION.

The Fourth Committee, after a secret ballot, proposed to the Assembly the election of the following regular members for the period ending December 31st, 1936:

His Excellency M. Stefan OSUSKY.

M. Jean REVEILLAUD.

#### VII. DRAFT RESOLUTIONS.

Finally, the Fourth Committee has the honour to propose to the Assembly the adoption of the following resolutions:

"1. The Assembly, in virtue of Article 38 of the Regulations for the Financial Administration of the League of Nations, finally passes the audited accounts of the League of Nations for the fourteenth financial period, ending on December 31st, 1932.

"2. The Assembly,

"In virtue of Article 17 of the Regulations for the Financial Administration of the League of Nations:

"Passes for the financial period 1934 the budget of the League of Nations to the total sum of 30,827,805 francs;

"And decides that the aforesaid budget shall be published in the *Official Journal*.

"3. The Assembly, in conformity with the recommendation of the Committee on the Allocation of Expenses, maintains at ten the number of units assigned to Turkey.

"4. The Assembly adopts the conclusions of the various reports of the Supervisory Commission, submitted for its consideration.

"5. The Assembly appoints for the period ending on December 31st, 1936, as regular members of the Supervisory Commission:

His Excellency M. Stefan OSUSKY,

M. Jean REVEILLAUD.

"6. The Assembly appoints for the period ending on December 31st 1936, to the Administrative Board of the Staff Pensions Fund:

"(1) As regular members:

M. C. FOTTICH,

M. A. HOFL,

M. W. RAPPAUD.

"(2) As substitute members:

Mr. Sean LESTER,

M. Jean DE MODZELEWSKI.

M. C. PARRA PEREZ.

"7. The Assembly adopts the present report of the Fourth Committee."

[Adopted 11th October 1933.]

#### (2) Contributions in Arrears.

The Fourth Committee instructed a Sub-Committee to consider the question of unpaid contributions for the financial years previous to December 31st, 1932.

The Sub-Committee was composed of the following members:

M. R. RAPHAEL (Greece),

Sir HORMUSJI MEHTA (India),

M. CASTILLO NAJERA (Mexico),

M. Leopoldo PALACIOS (Spain),

M. E. C. BOHEMAN (Sweden).

M. CASTILLO NAJERA was elected Chairman and Rapporteur.

As a departure from the custom observed in previous years, the Fourth Committee discussed the report of its Sub-Committee at a public meeting. The views expressed in the Sub-Committee's report are entirely endorsed by the Fourth Committee. For this reason, and also in order to dispel any impression of secrecy which may in the past have been attached to this question, the text of the report is annexed to the present document.

The Fourth Committee ventures to submit the following comments upon the report of its Sub-Committee:

1. The Fourth Committee considers that the question of contributions in arrears should be given full publicity at the Assembly each year.

2. The Fourth Committee received the proposals of the Indian delegate (contained in the report) with interest and appreciation of the principles underlying them. With regard to the first proposal, however, several speakers expressed the opinion that officials of League Organisations should be appointed with a view primarily to their competence and not to their nationality. As regards the second proposal, it was the opinion of certain delegates that, apart from the constitutional aspect, it would not seem prudent or consistent with the ideals of the League to apply the measures indicated. It appeared to be the general opinion that any such action should be taken on the basis of a common policy, and not on that of established rules. The Indian delegate, while concurring with these views, explained that his suggestions had not been put forward with a view to their adoption as definite rules, but in order to assist the Assembly towards a solution of the problem of arrears which had hitherto been recurring with distressing regularity.

3. Referring to recommendation No. 3 of the Sub-Committee's report, the delegate of Finland proposed that, with regard to States in arrear, the following action should be taken at such periods, varying of course with each State, when their national budgets are known to be submitted to their legislative assemblies.

The Secretary-General should address to each Government a letter, the text of which would be communicated to the Press by the Secretariat, setting forth the various amounts due in respect of arrears and requesting that provision for their payment be included in the budget under consideration. The reply of the Government to this letter should also be given to the Press.

It was the opinion of the Finnish delegate that such publicity would not only bring a certain amount of pressure to bear on States in default with their contributions, but would also facilitate the voting of the necessary credits by the national Assemblies.

4. The Fourth Committee desires to draw the special attention of the Assembly to the two following extracts from the report:

(a) "The Sub-Committee wishes specially to point out that, among the cases under review, there is not one State which could not have paid at least a part of its contribution even if it was not capable of paying the full amount. Where a situation arises making it absolutely impossible for a State to fulfil its financial obligations in their entirety towards the League, a payment corresponding to its utmost capacity in this respect ought nevertheless to be made."

(b) "It expresses the fervent hope that the States in question will render any further measures of a general character unnecessary by their efforts towards the liquidation of arrears during the coming year."

5. Certain delegates pointed out that the taking of measures against the debtor States as a whole would be justified, even in time of economic crisis, were it not necessary to take into account the factor of prohibitions and restrictions on the import of raw materials, which in many countries has considerably aggravated the natural effects of the crisis and which the League of Nations has not yet succeeded in remedying, despite the appeal addressed to the Economic Conference by the thirteenth Assembly.

6. The Fourth Committee considers that the true figure of the total arrears actually due should be taken as being less than ten million francs. This amount is arrived at by the exclusion of consolidated arrears, which are payable over a number of years, and the arrears ascribed to the Argentine, the situation of which country is of a special character.

The Fourth Committee believes that the amount mentioned above can be collected in the course of time by means of arrangements with individual States which, however, should only be made on the condition that the States regularly pay their current contributions.

7. The Fourth Committee associates itself with the view of its Sub-Committee that the question of the collection of current contributions is even more urgent than that of arrears. In order to ensure a greater regularity in the payment of contributions, the Fourth Committee has

approved certain amendments to the Regulations for the financial administration of the League proposed by the Supervisory Commission.

8. The Fourth Committee firmly believes that, if all States Members would agree to make it a primary duty to continue contributing towards the expenses of the League, the question of contributions in arrears will eventually cease to occupy the attention of the Assembly.

9. The following draft resolution is submitted to the Assembly:

"The Assembly:

"Notes with regret that the amount of unpaid contributions has once more increased this year;

"Appeals to the States having arrears to make every effort during the coming year to liquidate part, if not the whole, of these arrears and at least to pay their current contributions to the League;

"Considers that, unless the situation has distinctly improved during the course of the next year, the Assembly will be obliged to study measures of a general character to enforce the fulfilment by certain States of their financial obligations to the League;

"Decides, as a mark of sympathy for the Dominican Republic, which is still suffering from the effects of the great disaster of 1931, to excuse the payment of the contributions for that year;

"Requests the Secretary-General to continue his efforts for the recovery of arrears and to report to the Assembly at its next ordinary session."

[Adopted 11th October 1933.]

## APPENDIX.

### REPORT OF THE SUB-COMMITTEE ON CONTRIBUTIONS IN ARREARS.

Geneva, October 6th, 1933.

The Sub-Committee has held five meetings. It has studied with great care the documents placed before it by the Secretary-General and, in particular, the analytical statement of arrears and current contributions shown in Annexes I and II of the present report.

The Sub-Committee decided to request the Chairman of the Fourth Committee to invite the representatives of the States in arrears to appear before the Sub-Committee.

The delegates of the following States attended in response to this invitation:

|          |                    |            |
|----------|--------------------|------------|
| Chile    | Dominican Republic | Panama     |
| China    | Guatemala          | Uruguay    |
| Colombia | Haiti              | Yugoslavia |
| Cuba     | Nicaragua          |            |

The delegates of the following States did not appear before the Sub-Committee, but made verbal statements to the Chairman of the Sub-Committee:

Bolivia  
Germany  
Hungary  
Paraguay

The delegate of Peru communicated with the Chairman in writing.

The Sub-Committee wishes to express its satisfaction that representatives of so many States responded to the invitation of the Chairman of the Fourth Committee, as it holds the opinion that a frank exchange of views with the States in question is of great value in approaching a solution of the question of arrears.

### PART I.

Details regarding each State in arrears will be found in alphabetical order in Annex IV of this report.

Generally speaking, the principal reasons put forward by the delegates for the non-payment of their contributions are:

- (1) The impression that the amount of contributions demanded is too high and that the scale of allocations adopted by the 1925 Assembly no longer applies to the present situation;
- (2) The economic crisis and the exchange problems which cause great difficulty in the transmission of foreign remittances.

As regards these reasons, the Sub-Committee is of the opinion that there is no doubt that, since the year 1925, when the present scale of units was adopted by the Assembly, the situation of many Member States has undergone a change justifying perhaps a diminution of the number of units allotted to them. The question of the scale of units is, however, not within the mandate of this Sub-Committee.

It should, nevertheless, be borne in mind that several States, which are regularly paying their contributions in full, are suffering from an economic situation hardly less serious than that afflicting many of the States which are not fulfilling their obligations to the League.

The Sub-Committee wishes specially to point out that, among the cases under review, there is not one State which could not have paid at least a part of its contribution even if it was not capable of paying the full amount. Where a situation arises making it absolutely impossible for a State to fulfil its financial obligations in their entirety towards the League, a payment corresponding to its utmost capacity in this respect ought nevertheless to be made.

It must be presumed that the principal causes for the non-payment of contributions are only of a temporary nature. In appealing, therefore, to the various delegates for their co-operation in obtaining payments from their Governments, the Sub-Committee laid stress on the necessity for concentrating, for the moment, on current contributions, upon which, after all, the satisfactory working of the League depended.

It draws attention to Annex II, which indicates that 41 per cent. of current contributions have not yet been paid this year. It does not, however, in any way underestimate the importance of the question of arrears, since it requested delegates at the same time to obtain, if possible, proposals from their Governments for the settlement of arrears by arrangements which could be agreed upon at a later date.

The Sub-Committee wishes to thank the representatives who came before it and who undertook to do their utmost to obtain payment in full or in part from their respective Governments. The Sub-Committee is confident that they will carry out this undertaking.

### Analytical Statement of Arrears.

It will be seen from the statement contained in Annex I that, of the 21 million francs (in round figures) owing in respect of arrears:

- (i) The sum of 8 millions corresponds to consolidated arrears (China, Honduras, Nicaragua, Paraguay, Salvador);<sup>1</sup>
- (ii) 3 millions is due by Argentine;
- (iii) 1½ million is due by China in respect of regular contributions;
- (iv) 1,700,000 is due by five European States;
- (v) 68,000 by Liberia.

There remains, therefore, the sum of 6 millions due by fourteen Latin-American States. The Sub-Committee believes that a great part of this amount should be recoverable in later years, if not in the near future, if by the exercise of a little goodwill the States in question could be persuaded to accept arrangements for the consolidation and amortisation of their debt.

In addition to the grouping of States effected in the statement contained in Annex I, it will also be interesting to note the result of grouping States according to the percentage paid by them of the total contributions requested of them since their entry into the League:

| (a) States which have paid over 75 per cent : |       |                          |       |
|-----------------------------------------------|-------|--------------------------|-------|
|                                               | %     |                          | %     |
| Albania . . .                                 | 99.85 | Dominican Republic . . . | 85.57 |
| Bulgaria . . .                                | 99.19 | Hungary . . .            | 83.45 |
| Yugoslavia . . .                              | 98.82 | Liberia . . .            | 82.60 |
| Salvador . . .                                | 92.75 | Chile . . .              | 79.16 |
| Colombia . . .                                | 91.34 | Uruguay . . .            | 76.10 |
| Germany . . .                                 | 89.87 | Cuba . . .               | 75.56 |
| Panama . . .                                  | 89.04 |                          |       |
| (b) States which have paid over 50 per cent : |       |                          |       |
| Guatemala . . .                               | 70.63 | Paraguay . . .           | 55.27 |

<sup>1</sup> See Annex III.

|                                                      |       |                    |       |
|------------------------------------------------------|-------|--------------------|-------|
| (c) <i>States which have paid over 25 per cent:</i>  |       |                    |       |
| China . . . . .                                      | 38.82 | Bolivia . . . . .  | 20.78 |
| (d) <i>States which have paid under 25 per cent:</i> |       |                    |       |
| Peru . . . . .                                       | 17.51 | Honduras . . . . . | 7.68  |
| Nicaragua . . . . .                                  | 17.21 |                    |       |

## PART II.—GENERAL RECOMMENDATIONS TO THE FOURTH COMMITTEE.

The Sub-Committee has reviewed the whole situation which arises out of the non-payment of certain contributions and which no doubt constitutes a very grave problem. It is of the opinion that the conversations it has held with the representatives of the States in arrear have helped to improve the situation and, in fact, have not been without immediate results. At the time of preparing its report, the Sub-Committee learned that Guatemala had paid part and Haiti the whole of their arrears.

The Sub-Committee discussed the measures which might eventually be taken in respect of States which do not pay their contributions to the League and studied the report on the legal situation of these States which was submitted to the Assembly of 1927 (see document A.10.1927.V). The Indian delegate proposed that the Sub-Committee should recommend:

- (i) That nationals of States in default with their contributions should not be appointed to posts in the various organisations of the League;
- (ii) That delegates should be invited to refrain from electing the representatives of States in arrear to honorary posts in the Assembly, the Council or Committees.

Since no agreement on this proposal could be reached in the Sub-Committee, the member for India reserved his right to bring the matter before the Fourth Committee.

In view of the very exceptional economic conditions prevailing throughout the world to-day, the majority of the members of the Sub-Committee did not think it advisable to make other proposals of a general character than those indicated below. It expresses the fervent hope that the States in question will render any further measures of a general character unnecessary by their efforts towards the liquidation of arrears during the coming year.

The Sub-Committee submits the following recommendations for the approval of the Fourth Committee:

1. The Sub-Committee is entirely in agreement with the proposal contained in the supplementary report of the Supervisory Commission (document A.5(a).1933.X) under Chapter V, "Collection of Contributions", on the understanding that the new procedure will apply only in cases where the States have signified their agreement. The Sub-Committee is informed that the necessary draft amendments

to Article 21 of the Financial Regulations will be submitted by the Supervisory Commission.

2. Under the terms of Article 38a of the Financial Regulations, a surplus obtained at the end of a financial year shall be used to effect a corresponding reduction of the sum to be collected from States for the second year following.

The Sub-Committee ventures to suggest that it is not equitable to distribute the benefits of a surplus among those Member States which have not contributed to it, and therefore recommends that the Supervisory Commission should be invited to study the matter and to propose suitable amendments to Article 38a to the Assembly of 1934.

3. The Sub-Committee recommends that Member States should regularly include in their budgets the provision necessary to pay their contributions to the League.

4. In accordance with precedents, the Sub-Committee proposes that the Government of the Dominican Republic, which was a regular contributor to the League until the year 1930 and has paid its contribution for 1932, should be excused the payment of its contribution for 1931 as a mark of sympathy for the great disaster which overwhelmed the Republic in that year.

5. The Sub-Committee believes that Member States which regularly pay their contributions can do much to improve the present situation of contributions by means of friendly representations.

6. The Sub-Committee proposes that the following draft resolution be submitted to the Assembly:

"The Assembly:

"Notes with regret that, owing to the economic crisis, the amount of unpaid contributions has once more increased this year;

"Appeals to the States in question to make every effort during the coming year to liquidate part, if not the whole, of their arrears and at least to pay their current contributions to the League;

"Decides, as a mark of sympathy for the Dominican Republic, which is still suffering from the effects of the great disaster of 1931, to excuse the payment of the contribution for that year;

"Requests the Secretary-General to continue his efforts for the recovery of arrears and to report to the Assembly at its next ordinary session."

## Annex I.

## ARREARS FOR THE FINANCIAL PERIODS 1920—1932.

Position on October 6th, 1933.

|                                              | Amount due<br>Gold francs. |  |
|----------------------------------------------|----------------------------|--|
| <b>A. Consolidated Arrears :<sup>1</sup></b> |                            |  |
| China . . . . .                              | 8,252,579·78               |  |
| Honduras . . . . .                           | 55,326·58                  |  |
| Nicaragua . . . . .                          | 48,061·45                  |  |
| Paraguay . . . . .                           | 15,370·80                  |  |
| Salvador . . . . .                           | 6,087·62                   |  |
|                                              | <u>8,377,426·23</u>        |  |
| <b>B. Argentine Republic . . . . .</b>       | <u>3,356,241—</u>          |  |
| <b>Total . . . . .</b>                       | <u>11,733,667·23</u>       |  |
| <b>C. Other Arrears :</b>                    |                            |  |
| <b>1. Latin America :</b>                    |                            |  |
| Bolivia . . . . .                            | 1,045,110·83               |  |
| Chile . . . . .                              | 903,663·26                 |  |
| Colombia . . . . .                           | 191,631·28                 |  |
| Cuba . . . . .                               | 607,717·92                 |  |
| Dominican Republic . . . . .                 | 31,161·64                  |  |
| Guatemala . . . . .                          | 94,522·34                  |  |
| Honduras . . . . .                           | 242,580·58                 |  |
| Nicaragua . . . . .                          | 205,161·90                 |  |
| Panama . . . . .                             | 62,343·05                  |  |
| Paraguay . . . . .                           | 129,932·68                 |  |
| Peru . . . . .                               | 2,519,844·93               |  |
| Salvador . . . . .                           | 17,826·07                  |  |
| Uruguay . . . . .                            | 522,573·43                 |  |
|                                              | <u>6,574,069·91</u>        |  |
| <b>2. Europe :</b>                           |                            |  |
| Albania . . . . .                            | 487·52                     |  |
| Bulgaria . . . . .                           | 14,923·47                  |  |
| Germany . . . . .                            | 1,346,516·44               |  |
| Hungary . . . . .                            | 295,274·86                 |  |
| Yugoslavia . . . . .                         | 79,763·18                  |  |
|                                              | <u>1,736,965·47</u>        |  |
| <b>3. China . . . . .</b>                    | <u>1,491,868·79</u>        |  |
| <b>4. Liberia . . . . .</b>                  | <u>66,771·10</u>           |  |
| <b>Total . . . . .</b>                       | <u>9,869,675·27</u>        |  |
| <b>Grand total . . . . .</b>                 | <u>21,603,342·50</u>       |  |

<sup>1</sup>See Annex III.

## Annex II.

## ANALYTICAL STATEMENT OF CONTRIBUTIONS STILL UNPAID IN RESPECT OF THE FIFTEENTH FINANCIAL PERIOD (1933) ONLY.

Position on October 6th, 1933.

|                                                                   | Amount due<br>Gold francs. | Total<br>Gold francs. |
|-------------------------------------------------------------------|----------------------------|-----------------------|
| <b>1. Latin America :</b>                                         |                            |                       |
| Bolivia . . . . .                                                 | 132,065·71                 |                       |
| Chile . . . . .                                                   | 462,229·97                 |                       |
| Colombia . . . . .                                                | 198,098·56                 |                       |
| Cuba . . . . .                                                    | 297,147·84                 |                       |
| Dominican Republic . . . . .                                      | 33,016·43                  |                       |
| Guatemala . . . . .                                               | 33,016·43                  |                       |
| Haiti* . . . . .                                                  | 25,108·15                  |                       |
| Honduras . . . . .                                                | 33,016·43                  |                       |
| Nicaragua* . . . . .                                              | 15,292·41                  |                       |
| Panama* . . . . .                                                 | 21,210·53                  |                       |
| Paraguay . . . . .                                                | 33,016·43                  |                       |
| Peru . . . . .                                                    | 297,147·84                 |                       |
| Salvador* . . . . .                                               | 10,209·58                  |                       |
| Uruguay* . . . . .                                                | 186,932·33                 |                       |
| Venezuela . . . . .                                               | 65,866·38                  |                       |
|                                                                   | <u>1,863,375·02</u>        |                       |
| <b>Argentine Republic . . . . .</b>                               | <u>957,476·37</u>          | <u>957,476·37</u>     |
| <b>2. Europe :</b>                                                |                            |                       |
| Albania . . . . .                                                 | 33,016·43                  |                       |
| Austria . . . . .                                                 | 264,131·41                 |                       |
| Belgium* . . . . .                                                | 181,730·68                 |                       |
| United Kingdom* . . . . .                                         | 10,277·30                  |                       |
| Bulgaria . . . . .                                                | 165,092·13                 |                       |
| Czechoslovakia* . . . . .                                         | 35,684·14                  |                       |
| Estonia* . . . . .                                                | 26,746·14                  |                       |
| Finland* . . . . .                                                | 185,478·80                 |                       |
| Franco* . . . . .                                                 | 656,527·03                 |                       |
| Germany* . . . . .                                                | 1,304,122·71               |                       |
| Greece* . . . . .                                                 | 173,336·24                 |                       |
| Hungary . . . . .                                                 | 264,131·41                 |                       |
| Irish Free State* . . . . .                                       | 217,261·18                 |                       |
| Italy* . . . . .                                                  | 563,342·09                 |                       |
| Latvia* . . . . .                                                 | 74,249·28                  |                       |
| Lithuania* . . . . .                                              | 28,213·27                  |                       |
| Poland* . . . . .                                                 | 845,070·18                 |                       |
| Roumania* . . . . .                                               | 232,164·38                 |                       |
| Yugoslavia . . . . .                                              | 660,328·53                 |                       |
|                                                                   | <u>5,961,258·33</u>        |                       |
| <b>3. Asia :</b>                                                  |                            |                       |
| India* . . . . .                                                  | 1,030,824·89               |                       |
| Iraq* . . . . .                                                   | 49,524·28                  |                       |
| Japan . . . . .                                                   | 1,960,935·60               |                       |
| Persia . . . . .                                                  | 165,062·13                 |                       |
|                                                                   | <u>3,256,416·90</u>        |                       |
| <b>China* . . . . .</b>                                           | <u>765,010·46</u>          | <u>765,010·46</u>     |
| <b>4. Other States :</b>                                          |                            |                       |
| Canada* . . . . .                                                 | 757,162·03                 |                       |
| Australia* . . . . .                                              | 148,573·92                 |                       |
| New Zealand* . . . . .                                            | 20,185·12                  |                       |
| Abyssinia* . . . . .                                              | 27,926·20                  |                       |
| Liberia . . . . .                                                 | 33,016·43                  |                       |
|                                                                   | <u>1,170,863·70</u>        |                       |
| <b>Total still due in respect of 1933 contributions . . . . .</b> |                            | <u>13,744,400·78</u>  |

\* The sum due by this State corresponds to the balance of its contribution.

### Annex III.

#### SPECIAL ARRANGEMENTS NOW IN FORCE FOR THE PAYMENT OF ARREARS.

##### *China.*

##### Decision of 1930 Assembly.

Arrears due in respect of the years 1922 to 1930 amounting to 9,708,917.36 francs on December 31st, 1930, payable by twenty annual instalments.

The first three instalments, 1931 to 1933, have been paid, leaving a balance of 8,252,579.78 francs payable in seventeen years.

##### *Honduras.*

##### Decision of 1923 Assembly.

The arrears due for the years 1920 to 1922 were reduced in amount by the Assembly and made payable over a period of years. Honduras has not yet paid under this arrangement, by which the sum of 55,326.58 francs was to be paid in ten annual instalments.

##### *Nicaragua.*

##### Decision of the Assembly as in the case of Honduras.

The reduced amount for the years 1920 to 1922 was also 55,326.58 francs payable in ten annual instalments. Up to the present, the sum of 7,265.13 francs has been paid.

##### *Paraguay.*

##### Decision of the 1923 Assembly.

The amount due for the years 1920 to 1922 was reduced to 25,618 francs and made payable in five annual instalments. Two instalments have been paid, leaving a balance still due of 15,370.80 francs.

##### *Salvador.*

##### Decision of 1923 Assembly.

The amount due for the years 1920 to 1922 was reduced to 60,850 francs and made payable in ten annual instalments. Nine instalments have been paid, leaving a balance of 6,087.62 francs which was due to be paid in 1932.

### Annex IV.

#### POSITION OF EACH STATE REGARDING CONTRIBUTIONS IN ARREARS.

##### *Albania.*

Arrears: less than 500 francs.

##### *Germany.*

Arrears: one-half of the 1932 contribution.

The Sub-Committee does not doubt that in this case, which involves a question of transfer, the German Government will do its utmost

to liquidate the debt. The Chairman of the Sub-Committee has received assurances from the German delegate.

##### *Bolivia.*

The arrears cover ten financial periods. The delegate of Bolivia has assured the Chairman of the Sub-Committee that his country would liquidate its debt to the League as soon as it is in a position to do so.

##### *Bulgaria.*

Arrears: small balance in respect of 1932.

##### *Chile.*

Arrears: 1930 (balance); 1931 and 1932 (full contributions).

The delegate of Chile observed that his country had regularly paid its contributions until 1930 and had contributed the sum of over 3,400,000 gold francs, which represented the highest amount paid by any Latin-American state represented at the present Assembly. Since that date the Chilean finances had been profoundly affected by the economic crisis and by the protectionist policy of consuming countries. The result was a great shortage of foreign exchange and a very serious difficulty of effecting remittances abroad.

Frankly stating the situation, the delegate of Chile admitted that he did not see an immediate possibility for the payment of arrears, but that his delegation would devote its best efforts to find methods of transfer which would enable his country to make considerable payments in respect of the contributions for the year 1933 or 1934.

##### *China.*

The arrears due by this country amount to 9,744,448.57 francs, of which 8,252,579.78 francs are payable in instalments during the next seventeen years. The arrears may therefore be considered to amount to 1,491,868.79 francs, corresponding to the balances due for the regular contributions of 1931 and 1932. (See also Annex III.)

The delegate of China informed the Sub-Committee that, when the arrangement was made in 1930 for the payment of China's arrears over a period of twenty years, the Chinese Government had hoped that, if it continued to pay the annual instalments together with one-half of its regular contributions, the Assembly would eventually excuse the payment of the remainder.

Since its entry into the League, China has contributed over 6 million francs, equivalent to 38 per cent of the total amount requested from this country.

##### *Colombia.*

Arrears: 1932 (balance).

The delegate of Colombia pointed out that his Government was defraying the entire expenses of the League of Nations Commission which had been sent this year to the territory of Leticia. He further added that he had received a telegram from his Government announcing that a contribution would be made in the month of October of this year.

*Cuba.*

Arrears: 1930 (balance); 1931 and 1932 (full contributions).

The delegate of Cuba informed the Sub-Committee that he had received a telegram from his Government undertaking to make a contribution to the League as soon as possible. The situation in Cuba was at the present moment extremely difficult, but he hoped that, as soon as the political question had been solved, the Cuban Government would be able to re-organise its finances and resume its payments to the League.

*Dominican Republic.*

Arrears: 1931 (full amount).

The Dominican delegate reminded the Sub-Committee that 1931 was the year of the great disaster which caused such havoc in his country. The Assembly of that year had passed a resolution expressing sympathy for the disaster, but it was hoped that this sympathy might take a concrete form, as in the case of other States—namely, by the cancellation of the whole or part of the contribution for that year.

*Guatemala.*

Arrears: 1929 (balance); 1930, 1931, 1932 (full amounts).

The delegate of Guatemala reminded the Sub-Committee that his Government had always contributed regularly to the League until the year 1929, when it began to suffer from economic difficulties. In 1932, and during this year, however, Guatemala had continued to contribute payments to the League which, though small in amount, demonstrated its goodwill and desire to fulfil its obligations.

*Haiti.*

By a payment received on October 5th, 1933, this country has entirely liquidated its arrears.

*Honduras.*

Arrears: in respect of 1920-1932 inclusive (balances in respect of 1928 and 1929). (See also Annex III).

The Sub-Committee was not able to communicate with the delegate of this country, which is not represented at the Assembly. Honduras has, since its entry into the League, only contributed two half-payments in respect of the years 1928 and 1929.

*Hungary.*

Arrears: 1931 (balance); 1932 (full amount).

The delegate of Hungary assured the Chairman of the Sub-Committee that these arrears are only a result of foreign exchange difficulties, and stated that a contribution would be made before the end of this year.

*Liberia.*

Arrears: 1930 (balance); 1931 and 1932 (full amounts).

The Sub-Committee notes that Liberia is making efforts to liquidate its arrears by a series of small payments. It will be remembered that the League is examining a scheme for assisting Liberia, following the recommendations of the Commission which was sent to this country in 1931.

*Nicaragua.*

Arrears:

In respect of 1920-1932, inclusive (balances in respect of 1920-1922, and 1930-1932). (See also Annex III). As the delegate of Nicaragua informed the Sub-Committee, this country has, during the last three years, made an effort to wipe off its arrears by a series of small payments. It will be remembered that the Assemblies of 1931 and 1932 cancelled one-half of the contribution of Nicaragua for the two following years as a mark of its sympathy for the devastation caused by the earthquake of 1931.

*Panama.*

Arrears: 1931 (balance); 1932 (full amount).

The delegate of Panama assured the Sub-Committee that his country, which had hitherto been a regular contributor to the League, would make every effort to liquidate its arrears, but, owing to the economic crisis, it was for the moment unable to do so.

Panama has paid one-third of its 1933 contribution.

*Paraguay.*

Arrears: (1) 1927 (balance), 1929 (balance), 1930 to 1932 (full amounts); (2) three of the five instalments due under the arrangement approved by the 1923 Assembly. (See also Annex III.)

The delegate of Paraguay has assured the Chairman of the Sub-Committee that his Government will pay this debt as soon as circumstances permit.

*Peru.*

Arrears: Twelve financial periods—1920 to 1927 (balances), 1929 (balance) and 1930 to 1932 (full amounts).

The last payment from this Government received by the League was in 1929, when it paid the whole of its 1928 contribution, together with one-tenth of the arrears due at that date.

The Peruvian delegate informed the Sub-Committee in writing that he had telegraphed to his Government and expected that a payment would be made very shortly.

*Salvador.*

The arrears of this country amount only to the last instalment payable under the arrangement approved by the 1923 Assembly (see also Annex III) and to part of its contribution for 1930. Salvador has paid two-thirds of its contribution for 1933.

*Uruguay.*

Arrears: 1930 (balance), 1931 and 1932 (full amounts).

The delegate of Uruguay assured the Sub-Committee that his country, which had, in fact, made a payment this year, was contributing as much as it could to the League, in spite of serious economic difficulties, which prevented even the regular payment of public officials.

*Yugoslavia.*

Arrears: 1932 (balance).

The delegate of Yugoslavia informed the Sub-Committee that this amount would be paid by the end of the year, and that a credit for the 1933 contribution had been provided in the budget for this year. This is the first occasion on which this country has been in arrear.

#### IV.—Fifth Committee.

##### (1) *Traffic in opium and other dangerous drugs.*

The work done by the League of Nations in the campaign against narcotic drugs brings out clearly the steady success of the effort made to raise a problem from a national to an international level, and to apply finally to a whole branch of production, manufacture and consumption an administrative system of world-wide scope. This advance towards internationalisation on an ever wider scale is being achieved step by step by means of successive Conventions, the scope of which becomes more and more comprehensive and the field of application more and more wide; whereas the 1912 Hague Convention only set up supervision purely national in character over the manufacture of and domestic trade in narcotic drugs and provided no machinery for supervising foreign trade, the 1925 Geneva Convention extended this supervision to the international trade, subjecting it to a system of import and export authorisations and creating the necessary machinery. The network formed by these Conventions is being constantly extended over the world to such an extent that the Hague Convention has now obtained fifty-six ratifications or accessions and the Geneva Convention fifty, thus achieving a record among all the League Conventions.

Progressing further and beyond the trade in the drugs, the 1931 Limitation Convention now directly limits manufacture itself, and provides the mechanism necessary to complete the whole system created for the supervision of manufactured drugs. This new Convention not only binds States by reciprocal obligations, but sets up a real international administration regulating and supervising the relations of the contracting parties in respect of narcotic drugs. The fact cannot be overlooked that, although the field is a limited one, this Convention is the first and only instance of an organisation world-wide in scope which covers every stage from the raw material to the consumption of the manufactured article. For the first time, an attempt has thus been made and succeeded to place production in a particular industry on a universal scale—a possibility which had hitherto been regarded as remote. The future will prove this to be a precedent of some importance, and it will be of great interest to follow the development of this system.

It is also of interest to note that the Disarmament Conference itself has shown a keen interest in this experiment, and has been struck

by the fact that there exist several analogies between the problems of the drug traffic and the trade in and manufacture of arms, as shown by a memorandum of the Secretary-General on this subject. The Conference is therefore considering the possibility of following this precedent and of applying the measures in force for drug supervision to the supervision of arms.

The fact that, in spite of the very large number of initial ratifications required, this Convention came into force on the date proposed shows the interest which Governments attach to it and their desire to co-operate energetically in the League's work in this field.

These efforts to vanquish the scourge of narcotic drugs by constantly tightening and extending a network of Conventions have led to tangible results, which the Fifth Committee is glad to place on record—*viz.*, a decrease of the legal manufacture of narcotics, and consequently of the large amounts derived from this source which, in the past, supplied the illicit traffic. The Fifth Committee was gratified to note the statement of the Advisory Committee that, for the first time since the latter was instituted, in 1931, the amounts manufactured by firms holding licences closely approximate to or are even below the amounts that appear to be required for legitimate consumption; moreover, in 1932, the figures of the authorised manufacture of morphine and cocaine are again, according to the data supplied to the Central Board, on the decrease.

In spite of these well-known signs, the Fifth Committee is fully aware of the existing serious dangers and of new difficulties which threaten. Like the Advisory Committee, it is deeply concerned with the growing menace resulting from the intense efforts on the part of drug traffickers to increase clandestine manufacture at the very moment when the situation in regard to lawful manufacture seems to be cleared up.

The Committee's discussions covered the following special points:

##### I. RATIFICATION OF CONVENTIONS: APPLICATION OF THE CONVENTION FOR LIMITING THE MANUFACTURE AND REGULATING THE DISTRIBUTION OF NARCOTIC DRUGS: NEW LEGISLATIVE AND ADMINISTRATIVE MEASURES.

###### 1. *Ratification of Conventions.*

*Limitation Convention.*—The Committee noted with great satisfaction that the 1931 Convention for limiting the Manufacture and regulating the Distribution of Narcotic Drugs had obtained, by April 1933, twenty-eight ratifications or accessions, with the result that it came into force on July 9th, 1933, and that the number of ratifications or accessions had now reached thirty-nine.

The Committee wishes to congratulate Turkey on having ratified the 1912, 1925 and 1931 Conventions, and Persia on having ratified the 1931 Convention; it trusts that Persia will shortly be able to ratify the earlier Conventions.

The delegate of China stated that his Government had decided to accede to the 1931 Convention on Limitation. China's accession is therefore only a question of the time necessary to complete the required formalities. The Committee expressed keen appreciation of the accession of China.

The Australian delegate explained that the reason why his country had not yet acceded to the Limitation Convention was that the sale

and distribution of narcotic drugs were under the control of the States and not of the Commonwealth; he intimated that a favourable issue to the negotiations at present proceeding might be expected.

The delegate of Yugoslavia informed the Committee that Yugoslavia, which had already made considerable sacrifices to further the campaign against narcotics by ratifying the 1925 Convention, could not contemplate ratifying the 1931 Convention so long as the relations between production and distribution were not equitably regulated.

The Committee makes an urgent appeal to Governments not yet parties to the Convention to ratify it or accede to it as soon as possible. Only when the Convention becomes universal will it be able to exercise its full effect.

*Bangkok Agreement.*—The Committee was glad to note that the United Kingdom, France and the Netherlands had ratified the Bangkok Agreement on the Control of Opium-smoking in the Far East. The Portuguese delegate announced his country's ratification, and the Netherlands delegate stated that the legislation of the Netherlands Indies had already been brought into conformity with the Bangkok Agreement.

The Indian delegate stated that, in the case of India, legislation on certain points was necessary and he informed the Committee that the Agreement will be ratified on behalf of India as soon as this legislation—which will shortly be placed before the Burma Legislative Council—had been passed.

The Siamese delegate announced that ratification by his Government was pending with the National Assembly of Siam, and that Siam's adhesion to the Agreement might soon be expected.

The Committee desires to draw the attention of the other signatory Powers of the Bangkok Agreement—India, Japan and Siam—to the great importance of their ratifying the Agreement as soon as possible, as it cannot come into force without the ratification of all the signatory Powers.

## *2. Application of the Limitation Convention and New Legislative and Administrative Measures.*

As regards the new measures taken to apply the Convention of 1931, the Committee was glad to learn that the Supervisory Body had begun its work and that, at the present time, estimates had been received for about fifty countries or territories. The Committee desires to express the earnest hope that the delegates present at the Assembly would do their utmost in order that their Governments should supply the estimates for their respective countries (including all colonies, mandated territories, etc.) in time to enable them to be considered by the Supervisory Body, which is now in session.

The Fifth Committee also desires to urge upon all Governments the necessity of supplying their estimates every year by the appointed date, August 1st, and to point out that the success of the Convention will be largely proportionate to the care taken by the Governments in the preparation of their estimates, otherwise the effective operation of the Convention would be seriously impeded.

The delegate of Italy, supported by the delegate of Uruguay, expressed the hope that the Secretary-General, when constituting the secretariat of the Supervisory Body, would take into account the desiderata formulated at the time of the Conference on Limitation, and incorporated in Article 5, paragraph 6, of the Convention, regarding collaboration between the secretariat of that body and the Permanent Central Opium Board. The United Kingdom delegate observed that the secretariat of the Supervisory Body had already been constituted, and arrangements had been made with the Central Board for their collaboration; these arrangements are working satisfactorily. The Portuguese delegate, the Rapporteur, noted that provisional arrangements for this collaboration had been made by agreement between the Chairmen of the two bodies. These arrangements are working satisfactorily and are such that this collaboration will soon, in the light of experience, be placed on a permanent basis by an agreement between the organisations concerned, thanks to their goodwill and keen desire to work together.

With a view to facilitating the application of the Limitation Convention, the Fifth Committee associated itself with the appeal of its Rapporteur, the Portuguese delegate, to all Governments to ensure the application of the Model Administrative Code, which represents an outstanding achievement in the League's technical work. The delegates of Chile and Hungary announced that their respective competent authorities were now studying the Model Code with a view to giving effect to it. In Hungary, arrangements are being made for the institution of a commission to put the Convention of 1931 into force. In Uruguay, special regulations have been introduced on the basis of the Code. The very detailed order issued by the Ministry of Public Health provides for action to be taken, both to combat the drug traffic within the country and to co-operate with other nations. Under these regulations, a commission has been instituted which is co-ordinating the work of the various branches of the administration. It is composed of thirty members, who are doctors, lawyers and officials in the various services concerned. The activities of this commission have led to the discovery of a large quantity of contraband material and to the detection of certain groups engaged in the illicit traffic. The hope was expressed that similar satisfactory results would be obtained in other countries of South and Central America in respect of which information is at present largely lacking.

The delegate of Yugoslavia drew special attention to the important reform carried out in his country through the application of the new law of 1931, which reinforced the measures of internal and external control. He further announced that Yugoslavia had already reduced the area under poppy cultivation, which decreased from 8,000 hectares in 1930-31 to 4,800 hectares in 1931-32. The delegate of Spain informed the Committee that her country had not yet been able to establish its drug monopoly, but was making steady progress towards that end.

## **II. ILLICIT TRAFFIC.**

The Advisory Committee, in its report this year to the Council, has given a detailed survey of the existing situation in regard to the illicit traffic, in which it indicates the outstanding points during the past year, the chief channels of illicit traffic, the operations of some of the most important gangs of illicit traffickers and an analysis of the situation in the United States of America. It seems to the Fifth Committee important that the widest publicity possible should be given to this survey.

The Committee noted with the keenest satisfaction that there had been a considerable falling-off in the illicit traffic from authorised factories in Western Europe. The delegate of China thought it necessary to warn the Committee against undue optimism, since, in the case of two large seizures of morphine and one of heroin in the United States in March and July, the drugs had been sent from Western Europe, and at least part certainly came from the lawful trade. None the less, while the Committee fully realises that governmental and police vigilance cannot be relaxed, it is bound to place on record the fact that the quantities seized as coming from Europe have been very small, compared with the very large seizures effected in recent years.

On the other hand, the development of secret manufacture, mentioned in the Advisory Committee's report, in Bulgaria, Turkey and China, makes it clear that, when deprived of their previous sources of supply, traffickers do not abandon their business, but endeavour to develop new ones. The Committee trusts that the energetic control measures already taken by the Bulgarian and Turkish Governments will soon produce its full effects. It unanimously agrees that, as was stated by the delegates of the United Kingdom and the Netherlands, the efficacy of the measures for preventing the new sources of supply must depend primarily on the severity of the control and the efficiency of the national administrations; the illicit traffic will develop wherever control is loose and inefficient, especially in countries which produce raw materials.

To facilitate such control, the Committee would particularly call the attention of Governments to the draft International Convention for the Prevention and Punishment of the Illicit Traffic (Annex 3 to the Advisory Committee's report to the Council), the fundamental importance of which has been emphasised by the delegates of France, Poland and Portugal. This draft, which is based on the Convention on Counterfeiting Currency, will mark a highly important advance in the direction of prevention and punishment, and a new development both in international law and in the campaign against drugs. It establishes the component factors of a new international offence, which is punishable even if the constituent acts are not all committed in the same territory; it strengthens the penalties; it makes attempts to commit the offence equally punishable, and it facilitates extradition.

The earlier opium Conventions deal with the prevention and punishment of the illicit traffic by measures primarily intended to prevent leakages from the legitimate channels. Since, however, the illicit traffic is now efficiently organised on international lines, new weapons are required to fight it. The proposed Convention will make it possible to combat an international organisation of traffickers by concerted, and likewise international, repressive measures.

In view of the importance of this draft Convention and the urgent need for its application, the Fifth Committee proposes to the Assembly a simplification of the procedure in accordance with the following resolution proposed by the French delegate:

"Noting that, in conformity with the Council decision of May 26th, 1933, the Secretary-General communicated to the Governments by Circular Letter No. 159, 1933 XI, of August 29th, 1933, a draft international Convention for the Suppression of the Illicit Traffic in Dangerous Drugs, together with a memorandum drawing their immediate attention to the importance and urgency of adopting this draft Convention;

"Noting that, in conformity with the procedure to be followed in the negotiation of all general Conventions under the auspices of the League of Nations adopted by the Assembly on September 25th, 1931, the preliminary draft Conventions and the observations of Governments should be communicated to the Assembly, which shall decide whether the subject appears *prima facie* suitable to the conclusion of a convention, in which case the Council shall arrange for the preparation of a new draft convention on the basis of the replies received and shall undertake a second consultation of Governments in regard to the new text;

"Considering that, in these conditions, the replies of the Governments could not be submitted to the Assembly until its session in September 1934, and that the second consultation would thus be considerably delayed;

"The Fifth Committee,

"Desirous of facilitating the adoption of the said draft Convention, the urgency and importance of which have been emphasised by the Advisory Committee and the Council, and having regard to the preamble to the Assembly resolution of September 25th, 1931, relating to procedure, which enables the Assembly and Council to adopt more appropriate methods, when special circumstances render this desirable:

"Requests the Assembly to delegate to the Council its right of deciding whether the draft Convention should be taken into consideration with a view to the conclusion of a Convention and of proceeding to the second consultation, without prejudice to the final decision of the Assembly as to the advisability of concluding the said Convention and convening a conference in accordance with paragraph 5 of the aforesaid resolution."

### III. SITUATION IN CHINA.

The Committee expressed concern at the gravity of the situation in China and at the establishment of secret factories in China, to which attention had been drawn in the reports of the Advisory Committee and the Central Board, and emphasised that all possible steps should be taken to prevent drugs coming from abroad or from Chinese territories withdrawn from Chinese jurisdiction from continuing to invade China, and to prevent China from becoming a new centre of operations for clandestine manufacturers. It accordingly noted with much interest the constitution of the standing Sub-Committee appointed to consider the means of promoting close collaboration between the Chinese authorities and the authorities of the Powers concerned, both in regard to the campaign against the abuse of narcotic drugs and that against the use of prepared opium, in conformity with Chapter IV of the Hague Convention.

The Chinese delegate here pointed out that the seizures of morphine held to be illicitly manufactured in China had only taken place in Chinese territory, and that no case was known of Chinese morphine being seized abroad. He stated that his Government was fully prepared to co-operate actively with the foreign Powers on the new Sub-Committee. He asked the Committee to remember that the difficulties with which the Chinese Government was faced, and which were perhaps more serious than in any other country, were increased by the

existence of the Foreign Concessions and Leased Territories and by territoriality. He expressed his apprehension as to the policy followed in Manchuria and raised the question of the validity of the import certificates for narcotic drugs issued by the present authorities in Manchuria, a question closely bound up with the application of the principle of supervision contained in the International Conventions.

The Committee unanimously expressed its sincere hope that the work of the China Sub-Committee would, thanks to a spirit of co-operation, improve the situation in China and encourage the Chinese Government in its efforts, both in the campaign against the drug traffic and in that against the use of prepared opium.

#### IV. CONTROL OF OPIUM-SMOKING IN THE FAR EAST.

The Fifth Committee congratulated the Portuguese Government on its scheme for the progressive suppression of the traffic in prepared opium at Macao. It would follow with great interest the progress of this highly instructive experiment. This gradual suppression of the traffic, it was learnt from the Siamese delegate, had been a policy of the Siamese Government for some years, and, given effective international co-operation, hopes were entertained by the Siamese Government of its ultimate success.

The United Kingdom delegate announced that the authorities of British Malaya had taken steps in accordance with the recommendations of the Bangkok Conference, to strengthen the system of registration and introduce a measure of rationing of smokers.

#### V. PREPARATORY WORK FOR A CONFERENCE TO CONSIDER THE POSSIBILITY OF LIMITING AND CONTROLLING CULTIVATION OF THE OPIUM POPPY AND THE CULTIVATION AND HARVESTING OF THE COCA LEAF.

The Committee noted with satisfaction the progress achieved in preparing the documentation required for this Conference, and emphasised the need for thoroughly adequate preparation. The work of preparation will, however, take time, the questionnaires to Governments having only recently been issued, and the difficulties in the way of a general International Convention which will cover all the opium-producing countries are necessarily great. The Committee therefore hope that effect may be given to the suggestion made by the Advisory Committee that advantage should be taken now of the change that has come about in the opium market as a result of the economic depression to promote an agreement between the three principal countries concerned—Persia, Turkey and Yugoslavia—which would include an arrangement for the limitation of production; even though a general International Convention will eventually be necessary to deal completely with the growing danger of illicit manufacture.

The Chinese delegate here pointed out that the proposed agreement between these three countries must in no way be allowed to delay the convening of the general conference.

The Fifth Committee unanimously congratulated the Advisory Committee on the Traffic in Opium and Other Dangerous Drugs and the Permanent Central Opium Board on the successful results achieved during recent years, and certain delegates noted with satisfaction that the enlarging of the Advisory Committee had strengthened its power of action. The Polish, Austrian, Belgian, Chinese, French, Hungarian and Italian delegates expressed the opinion that, in view of this experience, the new members ought to be retained, and that

other interested countries should perhaps be invited to send representatives to the Committee. Other delegates withheld their observations on this subject in view of the fact that the Council had referred the matter to the Advisory Committee for consideration and advice.

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The whole Committee was glad to note that the methods of international co-operation applied in this field of the League's activity had led to important results, which could not have been reached by the individual action of States.

The success already obtained by the League in the campaign against narcotic drugs is an encouragement to pursue a task the achievement of which would necessarily be compromised by any relaxation of effort.

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Finally, I propose that the Fifth Committee should ask the Assembly to adopt the following resolution, which summarises the conclusions reached during our discussions:

"The Assembly:

"Expresses its warm appreciation of the results achieved in the campaign against the traffic in narcotic drugs by the Advisory Committee on Traffic in Opium and Other Dangerous Drugs and by the Permanent Central Opium Board;

"Welcomes the entry into force of the Convention for the Limitation of Manufacture and the constitution of the Supervisory Body provided for by this Convention, and issues an urgent appeal to the Governments not yet parties to the Convention to ratify or adhere to it as soon as possible, in order that it may produce its full effects;

"Draws the attention of the Powers signatory to the Bangkok Agreement to the importance of ratifying this agreement with the least possible delay in order to bring it into force, and invites them to give effect, as they have begun to do, to the recommendations of the Bangkok Conference;

"Invites the Governments to consider forthwith the draft Convention for the Suppression of the Illicit Traffic, the purpose of which is to combat the international organisation of the illicit traffic by means of an international organisation for prevention and punishment;

"Emphasises the need for a thoroughly adequate preparation of the proposed Conference for the Limitation of Raw Materials, which it considers more necessary than ever, in view of the extension of clandestine manufacture, and expresses the desire that a first step should be taken by the conclusion of a limitation agreement confined to the producing countries concerned;

"Takes note of the report submitted by the Fifth Committee and adopts the resolutions and the conclusions of the report."

[Resolutions adopted 11th October 1933.]

(2) *Re-organisation of the Advisory Commission for the protection and Welfare of Children and young people.*

At its thirteenth session, the League Assembly approved the proposal of the Advisory Commission for the Protection and Welfare of Children and Young People to appoint a sub-committee to enquire into the constitution and working of that Commission. This Sub-Committee. The Child Welfare Committee had frequently been and suggestions made by the Government representatives and the assessors of the Commission. Its report was approved by the Commission at its session in April 1933 and was submitted to the Council on May 22nd, 1933.

Many aspects of the re-organisation of the Commission are internal questions affecting the Commission alone, and the latter is, of course, in a better position than the Assembly to realise the drawbacks and advantages of its original constitution. However, certain recommendations deserve attention.

The Commission endeavoured to give some account of its functions in both its branches of work: traffic in women and children, and child welfare. The task is not difficult in the former case, for the problem in question is clearly defined, but it has not been so easy to find a reply in the case of child welfare. The field open for the activities of the Child Welfare Committee is a vast one, and it has been able, during the nine years of its existence, to make many experiments from which lessons should be drawn.

The French delegation pointed out that in 1924, when the Committee was set up, M. de Brouckere had explained to the Fifth Committee that this new organisation of the League was to deal with any question relating to child welfare from the legal, health, educational and moral points of view.

The 1924 Assembly unanimously adopted a recommendation outlining in the following terms the activities of the Child Welfare Committee:

- .....
- "3. The Assembly considers that the subjects to be dealt with and the methods of dealing with them should be such as may be approved by the Council on the advice of the Advisory Committee; and considers that in this matter the League can most usefully concern itself with the study of those problems on which the comparison of the methods and experiences of different countries, consultation and interchange of views between the officials and experts of different countries and international co-operation may be likely to assist the Governments in dealing with such problems.

The Assembly takes note of the fact that the protection of children in certain respects already falls within the scope of the work of existing organisations of the League—as, for example, protection, from the hygienic point of view, falls within the sphere of the Health Organisation of the League—and the regulation of the conditions of employment of children within that of the International Labour Organisation; and considers that, in carrying out any new duties entrusted to it, care should be taken to prevent any duplication of work."

There are therefore three aspects of the work of the Committee. It should be a centre of information, a centre of studies and a centre of action.

As was pointed out by the Polish delegate, supported by the delegates of Germany and Italy, the Social Questions Section of the Secretariat of the League should be regarded as the most important body for dealing with the first task mentioned above. Its duty is to receive and centralise information regarding childhood and youth. It should record all progress made, all new methods introduced, all results achieved, and should make them available to all countries.

The Committee itself would be the centre of studies and of action. The studies would no doubt, in many cases, be carried out by temporary experts specially nominated for each question. The technical work would be performed outside the League under the direction, or in some cases at the instance, of the Committee, by specially qualified individuals or institutions, different ones being selected to deal with each of the problems dealt with. This was the proposal put forward by the French delegation.

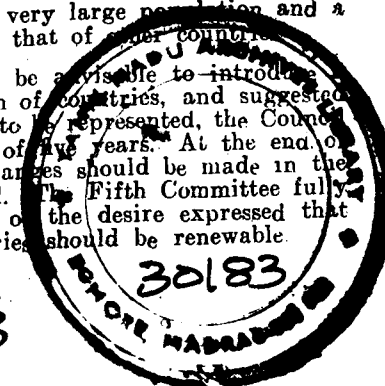
Such a scheme can, however, only be carried into effect if a close contact is established with the various private associations, official or administrative, which are concerned with the material and moral welfare of children. Such contact would be provided for by the co-operation of Governments with each other (preparation of conventions, agreements and international conferences), and by that of the private bodies (liaison, unification of institutions) either in one or in several countries. The problems connected with child welfare are already being dealt with by existing bodies: the Health Organisation of the League, the International Institute of Intellectual Co-operation, the International Institute of Educational Cinematography, the Institute for the Unification of Private Law and the International Labour Organisation. They are also dealt with by numerous international and national bodies and groups, with all of which the Committee should remain in close touch.

Consideration was given to the question of the membership of the Advisory Commission. It was suggested by a large number of delegations that it would be an advantage to appoint the proposed three new members from among non-European countries. This would enlarge the sphere of action of the Commission and would allow of the expression of fresh points of view. The delegate of the Netherlands accepted this, subject to the reservation that the expression "non-European countries" should be interpreted as meaning countries entirely or partly outside Europe. Several delegations opposed that interpretation.

The Chinese delegation expressed the hope that a Chinese national would be appointed on the Advisory Commission when the three new members were elected, for China had a very large population and a social and legal structure different from that of other countries.

The Commission considered it would be advisable to introduce a system of rotation in the representation of countries, and suggested that, when inviting three new countries to be represented, the Council should limit its invitation to a period of five years. At the end of this period, the question as to what changes should be made in the whole membership would be reconsidered. The Fifth Committee fully supported this proposal and took note of the desire expressed that the term of office of the selected countries should be renewable.

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The Fifth Committee pronounced in favour of keeping assessors. The Italian, Danish and Belgian delegates expressed the opinion that their number ought not to be reduced. The United Kingdom delegation was unable to agree fully with this view. It holds that too many assessors might affect the efficiency of the work. Since their assistance is, however, essential, it thinks that the Committee might usefully consider the possibility of instituting a system of rotation among the assessors, such a system having similarly been contemplated for the Governments. Furthermore, it stressed the need for concentrating the whole of the Committee's work.

The Belgian delegate strongly supported the suggestions of the French delegation. He pointed out that a third committee, a committee on assistance, might prove a useful supplement to the present Committee. The Child Welfare Committee had frequently been confronted with problems of assistance. It would not be possible to set up such a committee forthwith, but the idea should be borne in mind.

The United Kingdom delegate pointed out that, despite great difficulties the Advisory Commission was doing work of high value, and paid a tribute to that work. The Roumanian delegate concurred with this view.

The French delegation felt that the Child Welfare Committee was to-day in a position to carry out the task entrusted to it by the nations of the world at the time when it was set up, and, by protecting children and young people, to guide the future of the world towards a fuller measure of peace and mutual understanding.

It is essential that its work should be clearly defined.

Accordingly, the French delegation, supported by other delegations, asked the Fifth Committee, in a resolution which that Committee endorsed, to propose to the Assembly that it should invite the Child Welfare Committee to submit to it a plan of work based upon practical and moral considerations. It noted that on these lines agreement should be easy, and, as for the results they might be immense.

The Fifth Committee was unanimous in considering that the means afforded the Advisory Commission and its secretariat were not commensurate with their needs and did not enable them to deal adequately with their work. In view of the present economic position, it has made no definite proposals, but would urge the need for increasing the Social Section's budget as soon as this is possible.

The prevailing difficulties are great. They may, unfortunately, delay the immediate and full achievement of the work of child welfare, but they must not make it impossible. The child should be the object of the constant care of Governments. The characteristic feature of this League activity should be international solidarity. It should have no other aim than that of the welfare of the child, to the exclusion of all considerations of race, nationality or creed.

I have the honour to propose to the Assembly, on behalf of the Fifth Committee, the following resolutions:

# I.

"The Assembly,

"Referring to the programme drawn up by the Child Welfare Committee at the time of its creation, and adopted by the 1924 Assembly;

"Having taken note of the report presented to it by the Advisory Commission for the Protection and Welfare of Children

and Young People, and fully appreciating the work already performed;

"Approves the conclusions of the said report, and asks the Child Welfare Committee to submit to it, if possible during its next session, more particularly in regard to the work of its secretariat as a 'documentation centre', a plan of work which will enable it to continue to the fullest extent the task contemplated at the time of its foundation."

# II.

"The Assembly considers that the budget of the Advisory Commission for the Protection and Welfare of Children and Young People is not sufficient to enable that important body to deal with the duties devolving upon it in the present difficult circumstances which entail the gravest dangers for children, and recognises the need for increased funds as soon as this may be possible."

[Adopted 11th October 1933.]

## (3) Traffic in Women and Children.

The year that has passed has been an important one in the history of the League's work on the subject of the traffic in women and children.

There has been already presented to the Assembly the draft of a new Convention supplementing the existing Conventions on an important point, and a diplomatic conference has been convened for the purpose of its adoption.

The Fifth Committee records with satisfaction that the ratifications of the 1921 Convention by Brazil and Persia have been received since the last meeting of the Assembly. The number, therefore, of ratifications has been increased to forty-five, and, as the Turkish Government has appointed a special commission to consider the introduction of new legislation on the subject, it is hoped that this will lead to early ratification by Turkey and fuller co-operation in the work of bringing to an end this traffic, which is a foul blot on civilisation.

As in previous years, information as to existing conditions has been supplied to the Advisory Commission in the reports received from Governments and from international voluntary associations. It is unnecessary to emphasise the importance of the reports to the work of the Commission.

During the year, the report was also received of the Special Commission of Enquiry on Traffic in Women and Children in the East. This report, consisting of over 500 pages of closely-packed information, possesses an interest and importance that cannot be exaggerated. A brief preliminary discussion of the report was all that was possible at the last session of the Advisory Commission, but it is to be fully considered at the next meeting. In the interval, steps are being taken to obtain the views of international and national societies on the report.

as well as that of the Governments. At the request of the Council, the Secretary-General is preparing a document giving the latest developments in regard to the licensed-house system and the results of the closing of such houses in the countries where the system has been abolished, as the Commission of Enquiry emphasises in the report that licensed houses are a cause of the traffic.

The Fifth Committee, while deciding to defer any discussion on the report until its meeting next year, expressed its gratitude to the New York Bureau of Social Hygiene, which supplied the funds, and to the Travelling Commission which carried out the investigation over a period lasting from November 1930 to March 1932.

In the introduction to the report, the Chairman of the Commission made a plea for giving to the report the widest publicity both in the East and the West, and the Fifth Committee considers it to be a matter of urgent importance that, for this purpose, an abridged edition of the report should be provided.

On behalf of the Fifth Committee, I have the honour to submit to the Assembly for approval the following resolution:

"The Assembly:

"Wishes again to place on record its recognition of the importance of the campaign against the traffic in women and children and its appreciation of the services rendered by the Advisory Commission dealing with this work;

"Draws the attention of the Governments concerned to the report of the Commission of Enquiry on Traffic in Women and Children in the East and expresses its gratitude to the New York Bureau of Social Hygiene, which supplied the funds necessary to the investigation;

"Welcomes the decision that has been taken to hold a special conference for the adoption of the draft Convention for the Suppression of Traffic in Women of Full Age procured in one country, even with their consent, for immoral purposes to be carried out in another country;

"Invites the Governments to continue their efforts for the suppression of the traffic in women and children."

[Adopted 11th October 1933.]

#### (4) *Convention for the Suppression of the Traffic in Women of Full Age.*

The Fifth Committee has adopted the following resolution:

"The Fifth Committee,

"Having taken note of the answers of the Governments on the draft Protocol for the Suppression of Traffic in Women of Full Age contained in documents A.24.1933.IV and A.24(a). 1933.IV, and having heard the statements on the Protocol of delegates in the Fifth Committee;

"Considering that the great majority of Governments which have submitted observations on the draft Protocol are in favour of holding, during the present session of the Assembly, a Diplomatic Conference for the purpose of drawing up for signature the final text of the Protocol for the Suppression of Traffic in Women of Full Age:

"Recommends to the Assembly to convoke this Diplomatic Conference during its present session."

The Fifth Committee has also adopted a recommendation to the Assembly asking that it should transmit to the Diplomatic Conference the revised draft of the Protocol which has been prepared by the Fifth Committee after consideration of observations submitted by the Governments. As rapporteur of the Fifth Committee, I have the honour to propose that the Assembly adopt the resolution and recommendations of the Fifth Committee.

I have not had the opportunity of consulting my colleagues in the Assembly as to the date on which it would be convenient for the Conference to meet, but, as the Assembly is drawing to a close, I venture to suggest that it should be convoked from Monday next, October 9th, at 10 A.M. at the Secretariat of the League. To save time, the Assembly will perhaps agree that the convocation should be announced in the *Assembly Journal*, so far as concerns countries represented on the Assembly. The convocation might also be addressed by the Secretary-General to the States non-members of the League which have shown a special interest in the matter.

[Adopted 7th October 1933.]

#### (5) *Child Welfare.*

The Secretary-General's report (document A.6.1933) and that of the Child Welfare Committee on the work of its ninth session (document C.247.M.129.1933.IV) set forth the questions dealt with in this connection by the League of Nations since the thirteenth Assembly.

According to these documents, the Committee's attention has been focused on the following questions:

- (1) Blind children;
- (2) Official documents not divulging illegitimacy;
- (3) Effects of the economic crisis and unemployment on children and young people.

The Fifth Committee has not discussed in detail the views expressed by the Child Welfare Committee concerning the protection and education of blind children, as this is a purely technical question. It expressed its satisfaction, however, at hearing that twenty-one Governments to which these considerations had been submitted in June last had already responded by an expression of opinion.

Regarding the question of illegitimate children, in so far as it was discussed by the Committee, the Fifth Committee noted a resolution inserted on page 10 of the Child Welfare Committee's report, dealing with the possibility of authorising the issue of abridged birth-certificates and other official documents which make no reference to illegitimacy, and which would be regarded as adequate in all cases where information regarding parentage is not necessary.

This recommendation constitutes an appreciable advance, and the Fifth Committee has been glad to note that sixteen of the Governments to which this resolution was transmitted, at the beginning of June last, by order of the Council have already sent their observations on the subject.

This question of abridged birth-certificates and other official documents is, as is well known, one of the aspects of a comprehensive enquiry into the status of the illegitimate child which the Child Welfare Committee has for some years been pursuing. Obviously, the manner in which the question of illegitimacy is dealt with varies considerably from one country to another, and it was not the object of the Child Welfare Committee to induce all countries to amend their laws on this subject. It only wished to stimulate serious consideration of the possibility of introducing such amendments.

The Fifth Committee's discussions centred more particularly, however, on the third of the questions to which the Child Welfare Committee devoted attention at its ninth session—namely, the effects of the economic crisis and unemployment on children and young people.

As you are aware, the immediate result of the introduction of this question by the Turkish delegation, seconded by the French delegation, at one of the meetings of the Fifth Committee of the thirteenth Assembly, was an Assembly resolution whereby Governments were strongly urged to redouble their efforts to assist, both through their public authorities and through private associations, those children who are suffering most from the effects of the economic crisis.

This problem was brought before the Committee by the Polish delegation, and, after discussion, a further resolution was adopted, the text of which appears on page 7 of the Committee's report. This resolution refers to the essential information to be obtained, both from Governments and from voluntary organisations, regarding the effects produced on children by the unemployment of their parents and the special measures which are, or should be, applied in order to remedy this state of affairs. It also mentions the question of collaboration with the International Labour Office, which has been asked to submit a report on its efforts in this connection before the Committee's next session.

According to the information supplied by the International Labour Office, this report, which is now being drawn up, will contain only data concerning unemployed young persons, as the International Labour Office is only competent to deal with this category of young people. It is also known that the International Labour Office has proposed to the Governing Body that the question of the measures to be taken to remedy the consequences of unemployment among young people should be placed on the agenda of a subsequent Labour Conference, as it has not been included in the agenda of the 1934 Conference.

However, at its last session, the Child Welfare Committee made an urgent appeal to voluntary organisations to send to the Secretariat, at the earliest possible date, the results of all the enquiries which they have conducted with regard to the effects produced on children by the unemployment of their parents, and also the special measures which are, or should be, applied in order to remedy this state of affairs. The Child Welfare Committee further requested the International Labour Office to send it, before the Committee's next session, a report on its work in this connection. All this documentary material will serve as a basis for the Committee's discussions, but the Fifth Committee considers that it would be incomplete, since Governments have also taken up this problem, and many of them have adopted measures which it would be helpful to ascertain.

In order to complete so far as possible the data given in the rapporteur's report, the Fifth Committee has asked members of delegations to give it any information they might be able to furnish on:

- (1) The special measures considered to be particularly urgent to protect children and young persons from the consequences of the economic crisis and unemployment;
- (2) The categories of children or young persons to which these measures have been applied;
- (3) The special measures contemplated or adopted to help youths or girls above school age who, owing to the crisis, have not yet been able to obtain employment.

Several delegates have given a brief description of the methods employed in their countries and the results obtained.

On the basis of the information obtained, the Fifth Committee has thought it desirable to request the Child Welfare Committee to examine certain of the measures in force in the various countries, which are enumerated in resolution I.

The Fifth Committee considers that, so far, the Child Welfare Committee and its Secretariat have proved most useful as an information bureau.

While not proposing to enter upon a detailed discussion of the rôle of the Committee as an information bureau—a question which falls rather within the sphere of the re-organisation of the Advisory Commission and its methods of work—the Committee wishes to take this opportunity of emphasising the importance of this form of activity, and has expressed its views in a resolution that will be found at the close of this report (II).

It has become clear, in the course of the discussion, that the funds at present allotted to child welfare work are inadequate for the execution of the Advisory Commission's programme of work, approved by the Fifth Committee.

In view of the financial difficulties, however, the Committee does not at present see its way to propose any extension of that programme or to ask for an increased credit.

The three resolutions are worded as follows:

## I.

"The Fifth Committee, desiring to emphasise the importance of efforts to protect children and young people from the consequences of the economic depression and unemployment, considers that it would be desirable, with a view to future practical action, for the Child Welfare Committee to study, in conjunction with the International Labour Office, and bearing in mind the statements made in the course of the discussion, the experiments made by certain countries."

## II.

"Recognising the need of centralising information relating to the various aspects of child welfare, the Fifth Committee requests the Assembly to facilitate the social work of the League in this field."

## III.

"In view of the exceptional importance of the questions submitted to the Child Welfare Committee, the Fifth Committee trusts that, as soon as circumstances permit, that Committee will be provided with the funds it requires in order to develop its activities."

[Adopted 11th October 1933.]

## 6. Penal and Penitentiary Questions.

## STANDARD MINIMUM RULES FOR THE TREATMENT OF PRISONERS: ACTIVITIES OF THE TECHNICAL ORGANISATIONS.

## I.

In 1929, the International Penal and Penitentiary Commission drew up a set of Standard Minimum Rules for the treatment of prisoners.

These rules embodied the minimum requirements for all countries, for the humanitarian and rational treatment of prisoners and the possible social re-adaptation of the convict.

In 1930, the Standard Rules were brought before the Assembly, which requested the Council to communicate them for examination to the Governments of Member and non-member States, at the same time asking them to make known their observations on this subject in due course. The rules were also submitted for examination by certain League organisations and various international bodies specially conversant with the subject.

As the result of this consultation, forty-one Governments sent replies, and opinions were also received from the various organisations and institutions consulted.

A large number of these observations were summarised in documents A. 25. 1931. IV and A. 25(a). 1931. IV.

In 1931, the Assembly decided to refer all the observations of the Governments and of the various organisations, together with those formulated by the Fifth Committee of the Assembly (document A. 70. 1931. IV), to the International Penal and Penitentiary Commission, with a request that it might re-examine the rules in the light of the above-mentioned replies and observations.

On this occasion, the Fifth Committee of the 1931 Assembly recognised the importance of certain other cognate problems, more especially those relating to the after-care and repatriation of foreign prisoners on discharge. The Fifth Committee was, however, unable to undertake a thorough examination of these questions, which consequently remain open for further consideration.

Realising, however, the complex character of international policy in criminal matters, the Fifth Committee of the 1931 Assembly also considered the problems of the gradual unification of criminal law and the co-operation of States in the campaign against crime.

In 1932, the Assembly was informed that the International Penal and Penitentiary Commission had agreed to proceed to a revision of the Standard Rules, and that it had set up a special committee for the purpose. The Fifth Committee of the last Assembly expressed the hope that the revision of the rules might be completed by this year. At the same time, it took note of a suggestion from the Howard

League for Penal Reform for the conclusion of an international convention for the improvement of penal administration—a suggestion which was supported by the Czechoslovak delegation. The Fifth Committee, however, expressed the opinion that it would be premature to discuss this question before the revision of the Standard Rules was completed, and decided to leave the question open (document A. 58. 1932. IV).

A further question referred to the Fifth Committee for its consideration was whether there was any need to set up a special League body to deal with penal and penitentiary questions.

In this connection, the seven organisations consulted by the League of Nations—viz., the International Penal Law Association, the International Bureau for the Unification of Criminal Law, the International Penal and Penitentiary Commission, the International Criminal Police Commission, the Howard League for Penal Reform, the International Law Association and the International Penal Law Union—were unanimously of opinion that such a step was unnecessary. The Fifth Committee nevertheless decided to reserve the question.

With a view, lastly, to promoting the scientific and wholly objective examination of penal and penitentiary questions by the seven above-mentioned organisations, the 1932 Assembly instructed the Secretary-General to submit annually to the Council and Assembly a report on the activities of those organisations and on the current work of the various League organisations dealing with the same questions.

During the year, the International Penal and Penitentiary Commission completed its revision of the rules regarding the treatment of prisoners, in the light of the observations of Governments and the institutions and organisations consulted. These observations have been transmitted by the League to the Commission during last year and the first months of this year.

## II.

The Fifth Committee of this Assembly is asked to consider the Standard Minimum Rules for the Treatment of Prisoners, together with an explanatory memorandum (documents A. 26. 1933. IV. and A. 26. 1933. IV. Annex), and the Secretary-General's report on the activities of the seven technical organisations concerned with penal and penitentiary questions in the international field (document A. 23. 1933. IV).

The representative of Roumania, who was appointed by the Fifth Committee to report on penal and penitentiary questions, expressed the opinion that, on comparison of the Standard Rules as submitted to the Assembly in 1930 with those recently revised by the International Penal and Penitentiary Commission, it would at once be seen that the Commission had taken largely into account the observations submitted by the Governments and the various organisations consulted. In particular, the provisions relating to the distribution and separation of prisoners, their treatment and discipline, could easily be adapted to the local situation and to the special circumstances of each country.

The representative of Roumania also made some remarks on the activities of the seven international organisations, as surveyed in document A. 23. 1933. IV, emphasising the importance of those activities to the social and humanitarian work of the League. Lastly, he put forward proposals for the procedure to be followed in dealing with the penal and penitentiary problems which the Fifth Committee has to discuss.

The representative of the United Kingdom said that his Government agreed in principle with the standard minimum rules. He expressed

the opinion that corporal punishment in exceptional cases was an effective form of discipline, subject to all requisite legal and administrative guarantees for the avoidance of abuses. He referred also to the humanitarian character of prison administration in the United Kingdom, and cited as examples the great care taken in the selection of prison officials and the stringent regulations made to safeguard the health and diet of prisoners. He deprecated the practice of extorting confessions by pressure of any kind from prisoners between arrest and trial, and made it clear that such practices are not countenanced by the police and judicial authorities in his country. He expressed his agreement with the rapporteur's proposal to refer the Standard Minimum Rules to the Governments and not to establish a special organisation of the League for penal and penitentiary questions.

The Italian representative raised the question of the right to inflict punishment and its connection with the political and social principles which are an attribute of the sovereignty of all States. He referred to the progress made by Italian legislation in the penal and penitentiary sphere, and added that Italy could, in principle, not fail to approve every effort by the League of Nations for the unification of penal law and the establishment of effective collaboration between States in the struggle against crime.

The Portuguese and Polish representatives referred to the universal character of crime and the primary interest of all States in taking action against it. It was essential that the League should deal with penal and penitentiary questions. They emphasised the value of the activities of the technical organisations with special reference to the Secretary-General's report on the latter. The Portuguese representative further announced his agreement with the Rapporteur's proposals in the sense of the absence of any necessity for the establishment of a special organisation of the League for penal and penitentiary questions, given permanent collaboration between the League and the technical organisations.

The representatives of Spain and Roumania protested against corporal punishment as a disciplinary measure. The Spanish delegate also stated that her Government accepted the Standard Rules. She described the conditions of labour in the Spanish prisons, this labour being adapted to the physical and intellectual powers of the prisoner. The latter was also placed under the protection provided by the laws on free labour, particularly as regards accidents, the limitation of hours of work, and wages.

Full support was given to the Standard Rules by the Hungarian delegate, that country having laws and regulations entirely in conformity with the said rules. In certain cases, Hungary's regulations went even beyond the minimum recommended by the International Penal and Penitentiary Commission.

The German delegate signified that his Government acceded, in principle, to the Standard Rules for the treatment of prisoners, and he emphasised the great interest which Germany took in the work of the International Penal and Penitentiary Commission.

The Czechoslovak delegate supported, on behalf of his Government, the proposal to refer the revised text of the Standard Rules to the Governments for their opinion, and not to create a special organ of the League of Nations for penal and penitentiary questions. He recalled certain rules as regards the treatment of prisoners in force in his country, and particularly emphasised the institution of independent civil inspectors who regularly visited prisons and sent their reports direct to the Ministry of Justice.

The Secretary-General of the International Penal and Penitentiary Commission, thanked the Fifth Committee for the kind reception which

it had given to his Commission's Standard Rules. He drew attention to the specifically international character of this work. The International Penal and Penitentiary Commission had been careful to take account of the existing customs in the various countries and of what appeared practicable in relation to the legislative and social conditions therein.

### III.

The Fifth Committee, being called upon to give an opinion as to the procedure to be followed in regard to the Standard Minimum Rules for the treatment of prisoners, considers, in view of the fact that it has to deal with a number of new regulations, that the Assembly should be invited to instruct the Secretary-General to refer the revised rules to the Governments of States Members or non-members of the League, requesting them to state whether, in view of their existing or proposed laws and regulations, they are in a position to consider the approval and the practical application of these rules in whole or in part.

The Secretary-General to be asked at the same time to communicate the Governments replies to the next Assembly, together with the opinion of the International Penal and Penitentiary Commission on those replies, so far as they have reached him in time.

The next Assembly will thus be in a position to decide whether it is possible to recommend the Governments of Member States to adopt the rules in question.

The next Assembly will also have to examine whether it is advisable to consult the Governments as to the necessity for an international convention on the treatment of prisoners, or whether the Rules should be approved by the League and circulated to all Governments in the hope that they will aim at, if they have not already attained, the standard which the rules require.

Moreover, in view of the observations and proposals made by various Governments or certain organisations which have been consulted as to the Standard Minimum Rules, the Fifth Committee leans that the International Penal and Penitentiary Commission has decided to devote further study to a number of very important questions raised by the Governments or organisations in question.

As was pointed out by the International Penal and Penitentiary Commission in its memorandum, these questions primarily include researches and enquiries into criminal biology, the organisation of international penal and penitentiary statistics, the general limitation of the period of detention pending trial, certain international aspects of the problem of assistance to convicts, compulsory after-care and its extension to prisoners who have been finally discharged, the general and international regulation of prison labour, the placing of discharged prisoners in free industry by means of legislation, and the systematic collaboration of representatives of Governments, industry and labour, with a view to obviating the drawbacks of the possible competition of prison labour in the open market.

Without expressing an opinion on the substance of this question, the Fifth Committee proposes that the Assembly should invite the International Penal and Penitentiary Commission to continue its work and should instruct the Secretary-General, as soon as the Commission has communicated to him the results of its investigations into one or other of these questions, to submit them to the Assembly. As regards the questions concerning prison labour, the Secretary-General is asked to invite the International Labour Office to continue its studies and to consult the International Penal and Penitentiary Commission if it

thinks that a given question should be made the object of international regulation. In the case of problems on which some of the organisations referred to in the 1931 resolution of the Assembly (document A. 70. 1931. IV) may be in a position to give an opinion within the limits of their competence, the Secretary-General will be entitled to consult these organisations also and to submit their opinion to the Assembly.

Consequently, in view of the fact that the most competent organisations are able to collaborate with the League in regard to penal and penitentiary questions, and that such collaboration may take different forms—for example, the invitation to certain organisations to undertake preparatory enquiries by requesting them to give their opinion on particular penal or penitentiary problems, or, as the case may be, by inviting their representatives to take part in discussions dealing with such problems—the Fifth Committee considers that it is not necessary to set up a special organisation of the League to deal with penal and penitentiary questions. The Fifth Committee has, indeed, thought well to embark at once on such co-operation with the technical organisations, by requesting the Secretary-General of the International Penal and Penitentiary Commission to take part in its work in the matter of the Standard Minimum Rules for the treatment of prisoners.

As regards the report on the activities of the seven technical organisations and on those of the various organisations of the League dealing with penal and penitentiary questions (document A. 23. 1933. IV), the Fifth Committee, having no special observations to make for the moment, express its satisfaction at the valuable work done.

On behalf of the Fifth Committee, I have the honour to submit to the Assembly the following resolution:

"The Assembly adopts the report of the Fifth Committee on penal and penitentiary questions."

[Adopted 7th Oct. 1933.]

## V.—Sixth Committee.

### 1. Mandates.

The Sixth Committee, to which the Assembly had referred the annual reports of the mandatory Powers, the records of the work of the Permanent Mandates Commission and the other documents relating to the execution of Article 22 of the Covenant, discussed the principal points arising in connection with the operation of the mandatory system during the period which has elapsed since the thirteenth ordinary session of the Assembly.

As in previous years, the Committee was glad to note that the co-operation of the competent organs of the League of Nations and the Powers invested with the various mandates continues to produce valuable results in regard both to the application of the principles laid down in Article 22 and to the many-sided task of educating, in the true sense of the word, the populations of the mandated territories.

The conclusions recently arrived at by the Permanent Mandates Commission with regard to the proposal for a closer union between the mandated territory of Tanganyika and the neighbouring British

possessions of Kenya and Uganda were commented on by several delegations, who paid a tribute to the care and impartiality with which the Mandates Commission examined this important problem with the loyal assistance of the Government of the United Kingdom.

Reference was also made in the course of the Committee's discussions to the question of the conditions governing the purchase of material and supplies for public works in A and B mandated territories—one of the main aspects of the principle of economic equality—which the Mandates Commission studied with a view to facilitating in the future its task of supervising the applications of the relevant rules.

The Committee further noted that the question of the demarcation of the frontier between Syria and Iraq, which it had considered last year, had been definitely settled and that the frontier was now fixed.

Finally, several delegations emphasised the importance of the development of the Jewish National Home in Palestine, in view of the special circumstances of the present time. The Sixth Committee considered that the League of Nations should renew its expression of confidence in the mandatory Power for Palestine, which is called upon now, as in the past, to reconcile the obligations undertaken by it in connection with the establishment of the Jewish National Home with the rights of the native population on the one hand and the capacity of absorption of the territory on the other.

The Sixth Committee has the honour to recommend for the Assembly's adoption the following resolution:

"The Assembly,

"Having taken note of the work accomplished by the mandatory Powers, the Permanent Mandates Commission and the Council in regard to the execution of Article 22 of the Covenant:

"(a) Renews the expression of confidence in them voted by the past sessions of the Assembly, expresses its appreciation of the results secured and its hope that the spirit of co-operation which inspires their work will enable them to achieve further progress along the lines indicated by the principles on which the mandates system is founded;

"(b) Expresses the hope that the native populations of the mandated territories may to the utmost possible extent be spared the consequences of the economic depression and notes that this object has been secured in one of these territories through the efforts of the mandatory Power with the co-operation of the population concerned."

[Adopted 7th Oct. 1933]

### 2. Slavery.

Last year, on the advice of the Sixth Committee, the Assembly passed a resolution setting up an Advisory Committee of Experts on Slavery and defining the powers and duties of this new League organisation.

It was not possible to include the necessary appropriations for the immediate constitution of the Advisory Committee in the budget for 1933, but the Council was asked to take, in the interval, all measures not requiring a budgetary credit which would conduce to the carrying-out of the Assembly's decisions.

The Fourth Committee having sanctioned the credit proposed for 1934, the Sixth Committee concluded that the Council could very shortly appoint the Advisory Committee, which could then be convened for a sufficiently early date to enable the rules of procedure which it has to frame to be passed by the Council at its session in January 1934.

The Advisory Committee will then be able to undertake, in 1935, its examination of the material to be sent in by Governments.

The Sixth Committee is gratified to observe that a further stage has thus been reached in an essentially humanitarian task with which the League has always sought to associate to the utmost of its power.

The Committee has unanimously decided to propose that the Assembly adopt itself the following draft resolution:

"The Assembly:

"Notes the information communicated by a number of Governments regarding the progressive abolition of slavery, in accordance with the Assembly resolution of September 25th, 1926, and embodied in the Council's annual report;

"And whereas, under the terms of the Assembly resolution of October 12th, 1932, the Advisory Committee of Experts on Slavery cannot enter upon its special duties until it has drawn up its rules of procedure and they have received the sanction of the Council;

"And whereas the appropriation made in the budget for the financial year 1934 will enable the Committee to hold, in the course of that financial year, the single meeting devoted to framing the said rules of procedure;

"And whereas the Assembly is anxious both to expedite the execution of the programme laid down by the 1932 Assembly and to hasten as much as possible the examination of the material to be forwarded by Governments:

"The Assembly hopes that the Council will proceed as soon as possible, in pursuance of its resolution of January 24th, 1933, to set up the Advisory Committee, and will convene the same at a date early enough for the rules of procedure to be approved at the Council session in January 1934;

"Decides that the Committee of Experts shall hold its first biennial session in 1935, and shall devote it to the study of the material to be forwarded by Governments;

"And accordingly requests the Secretary-General to make the necessary appropriation for that session in the draft budget for the year 1935."

[Adopted 11th Oct. 1933.]

### 3. Protection of Minorities.

#### 1.

On the proposal of the German delegation, the Assembly referred to the Sixth Committee the part of the Secretary-General's report dealing with the work of the League during the past year on the question of minorities.

The Sixth Committee has devoted a considerable part of its labours to this question. It has not confined itself to the discussion of the procedure for dealing with petitions, but has dealt with much more

general issues. Without attempting to summarise the discussions, I desire to point out that they have dealt with the obligations of States which are not bound by minorities treaties, whether under the resolution passed by the Assembly in 1922 or in relation to a generalisation of the undertakings at present in force for certain countries.

I should not be giving a fair picture of the important discussions that have taken place if I did not add that a large number of delegates alluded to the problem of the right—inherent in modern civilisation—of all the citizens of a State to equality in law and in fact. On the other hand, one delegation drew the Committee's attention to the sovereign right of a State to settle a problem *sui generis* as a question of domestic policy.

The debate was marked by a spirit of fair controversy; thanks to the understanding shown by all the speakers and to their moderation (which, far from weakening the effect, tended rather to emphasise the firmness of their convictions), it was found possible to develop freely the most opposite and contradictory views in an atmosphere of mutual courtesy. The Assembly, I am sure, can only rejoice that this should have been so; which is my reason for drawing its attention to the fact.

## II.

In the course of the discussion, the Committee had before it four different proposals—one from the United Kingdom, Danish, Dutch and Norwegian delegations—relating to procedure, and the three others, from the French, Polish, and Haitian delegations, respectively, relating to general issues which had formed the subject of discussion as indicated above.

1. The first proposal was that the Assembly should invite the Council to consider the advisability of modifying the existing procedure in the sense that (a) petitioners should be informed of the reasons why their petitions are declared non-receivable, (b) Minorities Committees should explain to the Council the reasons why they decide to place particular questions on its agenda, and (c) when a Minorities Committee decides to close the examination of a question without submitting it to the Council, it should be entitled to publish its decision, attaching, if it thinks fit, such explanations as it may consider desirable.

2. The French proposal contained two suggestions—the first to the effect that the Assembly should re-affirm the recommendation adopted on September 21st, 1922, and proclaim that States which are not bound by any legal obligations to the League with respect to minorities must nevertheless observe, in the treatment of their own racial, religious or linguistic minorities, at least as high a standard of justice and toleration as is required by any of the treaties and by the regular action of the Council; and the second to the effect that the Assembly considers that there is no justification for any interpretation of the minorities treaties or of the foregoing recommendation which would exclude certain categories of citizens from the benefit of the provisions which in those treaties refer to all nationals "without distinction of race, language or religion".

3. The Polish proposal was that the Assembly should request the Council to appoint a committee of enquiry to study the problem of the general application of the system of minorities protection, and submit to the next session of the Assembly a draft general Convention on the Protection of Minorities involving the same obligations for all States Members of the League.

4. The proposal submitted by the Haitian delegation was to the effect that the Assembly should express the hope that a World Convention ensuring the protection and respect of the rights of man and of citizens would be drawn up under the auspices of the League of Nations.

After the general discussion, the Sixth Committee decided to refer these four proposals to a Sub-Committee, with the Chairman of the Committee in the chair, consisting of the representatives of the United Kingdom, Czechoslovakia, France, Germany, Greece, Haiti, Hungary, the Irish Free State, Italy, Norway, Poland, Sweden and the rapporteur.

### III.

The Sub-Committee began with the consideration of the proposal of the four delegations. Certain delegations raised the previous question of the Assembly's competence to pass resolutions on the subject of minority procedure. Other delegations expressed the view that the Assembly's competence in the matter was beyond dispute. Without pronouncing upon this question, which remains entirely open, and after an exchange of views, during the course of which differing opinions were expressed, the United Kingdom delegation finally took the initiative of substituting for its proposal another, to the effect that the Assembly requests the Secretary-General to inform the Council of the discussion that has taken place in the Sixth Committee on the question of the procedure followed in regard to the protection of minorities.

At the close of its proceedings, the Sub-Committee decided finally to adopt this proposal, amended, at the suggestion of M. Politis, so as to make it apply to the whole discussion on the question of minorities. Accordingly, the text finally adopted by the Sub-Committee reads as follows:

"The Assembly requests the Secretary-General to inform the Council of the discussion that has taken place in the Sixth Committee on the problem of minorities as a whole."

### IV.

The Polish and Haitian proposals, together with a further compromise proposal laid before the Sub-Committee by the Swedish delegation, gave rise to a very full exchange of views between the various delegations represented on the Sub-Committee. The Swedish proposal was that the Assembly should request the Council to make such arrangements as it might think fit for a preparatory study of the question of consolidating the principles of the protection of minorities by legal obligations, in order that it might be placed on the agenda of the next ordinary session of the Assembly. In the course of the discussion, it was also suggested that, for the moment, the Governments of the States Members of the League should merely be asked their opinion on the expediency of studying this question. This suggestion was rejected. Certain delegations having explained the reasons why they were unable to accept it, the Swedish delegation and the Polish and Haitian delegations agreed not to press for a vote on their respective proposals. Certain delegations expressed keen regret that it had not been possible to arrange at that stage for a study of the question of generalising the system for the protection of racial, linguistic and religious minorities at all events on the continent of Europe, as well as of the rights

of men and citizens, and pointed out that, in their view, the generalisation of the system was essential, on account of the principle of the legal equality of all States, and could not be indefinitely deferred without gravely endangering the value of the treaties already in operation on the subject. It was understood that the Polish, Haitian and Swedish proposals, as also that of the four delegations relating to procedure, should appear as annexes to the Minutes of the Sixth Committee.

### V.

Finally, the Sub-Committee proceeded to consider the French proposal. Its first paragraph was unanimously agreed to, with the amendment suggested by the Italian delegation, which brought it strictly into line with the resolution adopted by the Assembly in 1922, and subject to a statement which the German delegation announced that it proposed to make in the Sixth Committee. The final wording of this first paragraph is as follows:

"The Assembly,

"Reiterating the recommendation passed by the Assembly on September 21st, 1922:

"Expresses the hope that the States which are not bound by any legal obligations to the League with respect to minorities will nevertheless observe, in the treatment of their own racial, religious or linguistic minorities, at least as high a standard of justice and toleration as is required by any of the treaties and by the regular action of the Council."

Certain delegations agreed to a mere reference to the resolution of 1922 reluctantly, and only for the sake of securing unanimity. They desired to state that, although it had not been possible, for the present, to proclaim it as an international obligation on all States to grant their racial, linguistic or religious minorities treatment equal to that provided for in the special treaties, they were still convinced that such an obligation already existed in international law, and that consequently the resolution proposed to the Assembly could not call its existence in question.

The second paragraph gave rise to a prolonged discussion in the Sub-Committee. The German delegation intimated that it regarded the idea underlying this part of the proposal as directly referring to the Jewish question in Germany, and that it was therefore impossible for that delegation to agree to the proposal, no matter in what form it might be expressed. The German delegation considered that, in view of the impossibility of reaching agreement on a resolution for the improvement of the procedure and the generalisation of the system of the protection of minorities, it would likewise be inappropriate, in the present case, to accept the second paragraph of the proposal. M. Politis endeavoured to make the idea acceptable to all members of the Sub-Committee by suggesting the following text:

"The Assembly considers that the foregoing principles must be applied without exception to all classes of nationals of a State that differ from the majority of the population in race, language or religion."

The German delegation stated, however, that, as this proposal in no way met its fundamental objections, it was still unable to accept

this text, in which several delegations, including the French delegation itself, had concurred. At the request of the latter delegation, the second paragraph of the draft resolution was finally adopted by the Sub-Committee, on a vote by roll-call, by 11 votes to 1, 12 members voting; the Chairman and rapporteur abstained on account of their official positions. The Italian and Hungarian delegations explicitly stated that the fact they voted in favour of this text did not imply any expression of opinion on their part with regard to any question affecting the domestic policy of any other country.

## VI.

The Sixth Committee proposes that the Assembly adopt this report, together with the following resolutions:

"The Assembly,

I. Reiterating the recommendation which it passed on September 21st, 1922:

"Expresses the hope that the States which are not bound by legal obligations to the League with respect to minorities will nevertheless observe in the treatment of their own racial, religious or linguistic minorities at least as high a standard of justice and toleration as is required by any of the treaties and by the regular action of the Council."

II. "The Assembly considers that the principles expounded in resolution I, which re-affirms the recommendation of 1922, must be applied without exception to all classes of nationals of a State that differ from the majority of the population in race, language or religion."

III. "The Assembly requests the Secretary-General to inform the Council of the discussion that has taken place in the Sixth Committee on the question of minorities as a whole."

[Adopted 11th October 1933.]

[The Assembly did not adopt Resolution II.]

*Russian, Armenian, Assyrian, Assyro-Chaldean and Turkish Refugees.*

The Sixth Committee had under consideration the annual report of the Governing Body of the Nansen International Office for Refugees on the work of the Office during the year ending June 30th, 1933.

The report illustrated in detail the multiplicity and diversity of the work undertaken by the Office on behalf of over a million refugees who, in consequence of war or internal revolution, no longer enjoy the effective protection of their countries of origin, and most of whom have not acquired any other nationality. The report stated that there are in Europe, the Near East and China, not to mention other parts of the world, no fewer than 934,000 refugees, of whom at least 149,000 are either completely unemployed or engaged in casual labour which does not enable them to provide for their most elementary needs, and 1,900 (including war invalids and children) are physically incapable of earning their own living.

In view of the acute economic crisis, and the increasing restrictions in various countries on the employment of foreign workers, which naturally bear more heavily on the refugees than on other workers by reason of the absence of any reciprocity measures in their favour, it is surprising that it has been possible to maintain the numbers of unemployed refugees at their present level. Nevertheless, indications reach the Office daily from its representatives that the efforts of the Office must not only be maintained, but considerably reinforced to prevent an alarming increase in the numbers of unemployed refugees during the coming months. Those efforts are required both to secure work for those refugees who are unemployed and to insure that those who are still in employment do not lose it owing to the application of restrictive measures against foreign workers.

It cannot be too strongly emphasised that the activities of the Office constitute, in addition to an important economic effort, a no less important contribution to political and social stability, as in the present unsettled state of Europe, the existence of many thousands of unprotected and unassisted refugees might well prove fertile soil for subversive propaganda and unrest.

The situation of the refugees has become aggravated by the withdrawal of, or considerable diminution in, grants made formerly by Governments for refugee relief, and by the almost total cessation of grants from philanthropic organisations and individuals to the refugee organisations. The extract from a report submitted by the representative of the Office in Yugoslavia, in Appendix III to the report, may be regarded as a typical description of the situation of the refugees in many countries, and indicates the increasing reliance of the refugees on the assistance of the Office.

Some idea of the diversity of the assistance rendered during the past year by the Office to the refugees may be gained from the various tables and statistics in the report. A further 4,000 Armenian refugees have been taken out of the refugee camps and settled in urban quarters in Aleppo, Alexandretta and Beirut, bringing the total number of Armenian refugees evacuated from the refugee camps and settled in agricultural colonies or urban quarters to more than 23,000, the advances granted for that purpose totalling eleven million French francs. Over 1,400 refugees who were more or less destitute in Bulgaria, France and Greece have been transferred to Erivan, where the Armenian Government had promised to provide them with accommodation and employment; this brings the total number of refugees so far transferred by the Office to Erivan to 8,000. Information is being collected by the Office with a view to the transfer of 3,500 indigent Armenian refugees from the regions of Baghdad and Basra, and their settlement in an agricultural colony in Mosul. Nearly 12,000 refugees in all, either in small groups, in families or as individuals, have been assisted by advances to find employment, or to set up in business, and material assistance has been rendered to a further 7,857 refugees.

A total of 71,799 refugees have received various forms of assistance, including the obtaining of passports and visas on their behalf, legal assistance and interventions with a view to preventing their being expelled and to securing that restrictions on foreign labour should be waived.

In view of the increasing restrictions on foreign labour in recent years, the Office has been obliged to concentrate on providing employment for refugees by means which would not infringe such restrictions. In pursuit of that policy, the Office has put into practice a scheme which has met with much success and has found great favour among the refugees. It consists of making advances to Artels, families and individual refugees, to enable them to start various enterprises, and

thus become self-supporting. During the past year, 247 such enterprises were financed by the Office, which thus provided employment for 1,228 refugees.

When it is recalled that advances made for this purpose seldom exceed 200 Swiss francs per head, it will be realised what an important piece of reconstructive work on these lines could be effected with a comparatively modest fund.

In view of recent political events, there is a pronounced desire on the part of certain categories of refugees to begin life anew in countries affording facilities for colonisation. The Office has made careful enquiries as to the extent to which those desires could be satisfied, and has received offers for the colonisation of families in Brazil on the very favourable terms of £70 (gold) per family of five persons, consisting of three adults and two children. That sum includes the cost of the transport of the family from Europe, the payment of the first instalment for the purchase of the land, consisting of one-third of the total cost; the cost of the construction of a house; the purchase of the necessary agricultural implements and seeds, and the provision of food until the first harvest.

It would seem that such an opportunity of economic reconstruction should commend itself to the serious consideration of suitable refugees who cannot find means of gaining a livelihood in Europe.

In accordance with the Assembly's request, the Office, in co-operation with the Inter-Governmental Advisory Commission for Refugees, has prepared a draft Convention to ensure the protection of the refugees. This draft Convention will be submitted to a Conference of representatives of a limited number of countries, which will take place on October 6th, 1933. The principal points in this draft Convention are as follows: the enjoyment of civil rights; security and stability for settlement and employment; facilities for travelling and for the exercise of professional, industrial and commercial occupations; admission to schools and universities; free access to law courts; the adoption of the expression "Refugee" contained in the Inter-Governmental Arrangements of May 12th, 1926, and June 30th, 1928; and the validity of the Nansen certificate with the return clause. As regards the important question of expulsion, Governments are requested to undertake not to expel a refugee until he has obtained permission to enter another country. The extension to the refugees of national measures for social insurance and assistance; for the acquisition, possession, transmission and exploitation of small properties; for the creation of mutual benefit and philanthropic societies, and concerning taxation are also contemplated by the Convention. Finally, provision is made for the creation, with the assistance of the Governments, of central committees for the refugees, consisting of representatives of international, national and refugee relief organisations.

With regard to the question of expulsion of refugees, the Governing Body regrets very much being obliged to report that, in spite of the earnest resolution adopted by the last Assembly urging Governments not to expel refugees from their territories before they had obtained permission to enter another country, this unfortunate practice has increased in certain European countries during the past year. Needless to say, this practice has caused great hardship to the refugees concerned, who have, in consequence, often been forced to serve protracted terms of imprisonment for reasons for which they were in no way directly responsible. Moreover, the Office and its representatives have been compelled to spend an altogether disproportionate amount of time and money in endeavouring to extricate such refugees from the unfortunate positions in which they find themselves, often through no fault of their own.

The Governing Body therefore once more expressed the hope that it would be possible for the League to obtain assurances from the interested Governments which would remedy the present abnormal situation.

With regard to the other recommendations made by the last Assembly, the Governing Body of the Office has consulted the mandatory Power on the question of future arrangements concerning the Armenian population in Syria. One of the first duties Professor Werner undertook as President of the Governing Body was to proceed to Syria and carry out an inspection of the Office settlement work in favour of the Armenian refugees in that country. As a result of that mission, Professor Werner expressed the opinion, which the Governing Body endorsed, that the settlement work could only be terminated by the end of the year 1934. It was hoped, however, to terminate the purchases of the necessary land by the end of 1933, the following year to be consecrated to the completion of the construction of the urban quarters for the refugees in Aleppo and Beirut. This problem was complicated by a very serious fire which broke out in the remaining part of the Beirut refugee camp at the end of January, and, in two or three hours, completely obliterated the meagre huts occupied by 3,000 refugees. The Office co-operated in the emergency relief work for those refugees and sent urgent funds to its representative to enable him to construct houses for their permanent accommodation.

As regards the steps to be taken after 1934 for the recovery of the funds advanced to the refugees, and for their final disposal, as well as for the transfer to the refugees of the title-deeds of properties, the High Commissioner for Syria has expressed the opinion that the Office is the organ most indicated to assume and execute those duties. The Office is, therefore, considering the preparation of a programme in this connection which will take into account the wishes of the various donors, and hopes to be in a position to make a definite statement on the arrangements made in its next report to the Assembly.

Acting on another recommendation by the Assembly, the Office enquired into the possibility of transferring further groups of Armenian refugees to Erivan. The Office has asked for details on a certain number of points, with a view to obtaining essential information which would enable it to decide whether, and, if so, to what extent, it would be in a position to co-operate in the transfer of those Armenian refugees to Erivan.

In response to the Assembly resolution requesting the Office to alleviate the situation of the Russian refugees rendered destitute by the floods in the region of Harbin, the Office requested its representative in Shanghai to submit a report on this question. According to that report, 7,000 Russian refugees were seriously affected by the floods, 1,500 of them being quite destitute. The Office representative estimated that these 1,500 refugees could be made self-supporting by an advance of 70,000 Swiss francs.

The attention of the Office has been devoted to another urgent refugee problem in Harbin—that of some 300 Catholic, Lutheran, Mennonite and Pfingstbrüder refugees, the remainder of a group of about 1,000 of those refugees who were anxious to be evacuated from Harbin and transferred to South America. It will be remembered that the Office reported to the last Assembly that about 300 Lutheran refugees, and a similar number of Mennonite refugees, had already been transferred from Harbin to South America.

The prevailing economic situation has resulted in such an important increase in the demands from the refugees on the funds of the Office as to render it impossible for the Office, at the present juncture, to make any important financial contribution to the solution of these two problems. It has, nevertheless, invoked the assistance of interested

In the course of an interesting exchange of views, to which the observations of M. Motta, M. Politis, M. Holsti and M. Komarnicki gave rise in the Sixth Committee, it was recognised that the proposals for moral disarmament put forward by the International Committee on Intellectual Co-operation bear witness at the same time to a high ideal and a desire for practical achievement. Consequently, one of the resolutions submitted to the Assembly draws the attention of the Conference for the Limitation and Reduction of Armaments to the importance of these proposals.

The Assembly will further allow me to mention among the Organisation's activities the development of co-operation with the Chinese Government in connection with the re-organisation of public education. A Mission of Chinese educational experts visited the principal European countries, where it was welcomed by the Ministries of Education and the National Committees on intellectual co-operation. The results of this study tour were found so satisfactory that the Committee recommends the same system of visits and collective interchanges for European officials.

In October 1932, the Intellectual Co-operation Organisation was asked by the Assembly of the League of Nations, on the proposal of M. de Tesson, to study the question of the intellectual rôle of the Press.

The Assembly emphasised the influence exercised by the Press on the education of the masses and the powerful aid which can be expected from it for raising their intellectual standard. It also recognised the need for examining the methods whereby the Press could promote better mutual understanding between nations by circulating more complete information on the different peoples, their culture and the part which each plays in the general movement of world progress. To meet the Assembly's wishes, the International Institute of Intellectual Co-operation thought it desirable to seek the views of qualified journalists and to publish their suggestions. It therefore approached M. B. Sanin Cano, of the *Nacion*, Buenos Aires; M. Henry de Jouvenel, former Chief Editor of the *Matin*; Mr. Kingsley Martin, of the *New Statesman and Nation*; Mr. Paul Scott Mowrer, of the *Chicago Daily News*; M. F. Sieburg, of the *Frankfurter Zeitung*.

Several replies have already been received, and the Institute will transmit them to the Press Conference which is to be held next autumn at Madrid.

The Assembly has once more stressed the importance of this work of intellectual co-operation in approving the resolution submitted to it this year by M. de Tesson.

Among recent proposals, the one advocating the working-out of Professor James T. Shotwell's proposals deserves to be specially mentioned. It marks the Committee's desire, by prudently but regularly extending its field of action to enter upon the study of social and political sciences in their bearing on international relations. This very interesting proposal of Professor Shotwell's will enable the enquiry conducted by the Educational Information Centre of Geneva on the scientific study of international relations to be pursued and extended.

Lastly, I would draw the special attention of the Assembly to a resolution relating to the draft Convention prepared by the International Museums Office on the return of works of art illicitly removed from the respective national artistic heritages.

The number and diversity of the resolutions submitted to the Assembly are a proof of the efficacy of the methods employed to conduct with limited resources the work entrusted to the Intellectual Co-operation Committee and its executive organs, the International Institute

of Intellectual Co-operation, the Educational Cinematographic Institute and the Secretariat of the Organisation. Increasingly close contact is being established between the chief national administrations particularly as regards all stages of education, from the primary school to the university and from infants to adults. This also applies to the Fine Arts Administrations and the main organisation in each country dealing with intellectual questions. Lastly, the study, in conjunction with specialist institutions, of the various aspects of authors' rights is proceeding. I would urge you to impress once more upon the Governments the necessity of ratifying the Act of Rome. M. Piola-Caselli, underlining the importance of this action, also showed the value of the new proposals contemplated by the International Committee on Intellectual Co-operation concerning the protection of inventors. The Committee has asked that a new clause to this effect should be included in the Paris Convention for the protection of industrial property.

The increasingly important part played by the National Committees on intellectual co-operation clearly shows that their work as a whole is based on the active participation of the circles concerned in every country. This year, the representatives of five National Committees were invited to attend the Committee's session. This practice will be continued in future and will strengthen still further the ties existing between the League and the national organisations of intellectual co-operation.

But the work of intellectual co-operation is not characterised solely by progress in technical collaboration. As we have seen, the Committee has resolutely attacked, in accordance with the wishes of its sponsors, the whole problem of the exchange of ideas and the defence of spiritual values. This task, the results of which will only ripen in times to come, must be considered of the same importance as problems of technical organisation. In fact, the surest method would remain without value if it was not put into practice on a field stripped of those deep misunderstandings which are the sad legacies of historical rivalries.

Brief mention must also be made of the work done by the Educational Cinematographic Institute, whose report to the International Committee on Intellectual Co-operation was unanimously approved.

The Institute has continued its work of collecting and disseminating information by means of its publications, such as its monthly review, the *International Review of Educational Cinematography*, and its bi-monthly *Information Bulletin*, and by preparing an important cinematographic encyclopædia, which will shortly appear.

Attention should likewise be drawn to the preparatory work for the first International Congress on Education through the Cinematograph which is to be held at Rome in April next. A large number of international organisations with which the Institute is in constant touch will also take part in the work of this Congress. The great utility of the previous enquiries into the value of the cinematograph in education, vocational guidance, public health, agriculture, etc., carried out by the Institute will then be revealed.

After studying the proposals made by the Sub-Committee of Experts on the Instruction of Youth, the Committee on Intellectual Co-operation decided to pay special attention to the question of the services

which the cinematograph can render in spreading knowledge of the League. In this connection, the assistance of the International Educational Cinematographic Institute will be of the greatest value.

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The Sixth Committee has the honour to recommend for the Assembly's adoption the following draft resolutions:

"The Assembly,

"After taking note of the report (document A.14.1933.XII) of the International Committee on Intellectual Co-operation on its fifteenth session:

"(1) Fully shares the views expressed by the Council in its resolution of September 22nd, 1933 (document A.VI/1.1933), as to the value of the work performed by the Intellectual Co-operation Organisation during the past year, and expresses its gratification at the excellent results of the work of the Plenary Committee, of the various Committees under it and of the International Institute of Intellectual Co-operation;

"Wishes to emphasise the importance of the method of exchanges of correspondence and the value of the 'conversations', such as that held at Frankfurt on Goethe and at Madrid in May 1933 regarding the future of civilisation;

"Trusts that this experiment will be continued;

"(2) Fully recognises the value to the League itself of disinterested studies based on a spirit of scientific impartiality, such as those carried out with regard to State intervention in economic life; approves the continuation of this work and the execution of the plan adopted by the International Committee on Intellectual Co-operation on Professor Shotwell's proposal for the co-ordination of studies in the field of social and political sciences;

"(3) Approves the programme of work for 1933-34 based on the resolutions of the Committee on Intellectual Co-operation and the Sub-Committee of Experts on the Instruction of Youth;

"(4) Requests the Governments to assist the Committee in carrying out its lofty task by supporting those organisations and persons who in the various countries are helping to carry out the programme;

"(5) Endorses the resolution of the Committee on Intellectual Co-operation drawing the attention of Governments to the regrettable effects that further budgetary restrictions weighing particularly heavily on national educational and scientific research organisations might have on the level of contemporary culture;

"(6) Adopts the Committee's resolution concerning the preliminary draft Convention on mutual assistance between Governments with a view to the return of works of art illicitly removed from the respective national artistic heritages;

"Requests the Secretary-General to transmit this preliminary draft to the Governments for their observations;

"(7) Recommends to the various Governments the proposal of the International Museums Office that an International Historical Monuments Commission be set up;

"(8) Requests the Secretary-General to draw the attention of States signatories to the Rome Act of June 2nd, 1928, which have not yet ratified it to the importance of the prompt application of that Convention;

"(9) Congratulates the Intellectual Co-operation Organisation on the action taken by it in pursuance of the resolution of the twelfth Assembly regarding the study of the international aspects of broadcasting, considers that the work in progress is of real value, thanks the broadcasting undertakings and the International Broadcasting Union for their assistance, and trusts that the Institute of Intellectual Co-operation will shortly be in a position to submit to the Governments, as a basis of discussion, the draft text contemplated by the Committee on Intellectual Co-operation;

"(10) Approves the addition by the Intellectual Co-operation Committee of atlases and dictionaries to the list of books to which the procedure laid down in the 'Casares Resolution' on the revision of school text-books (1932 text) will be applicable.

"(11) Notes the proposals relating to moral disarmament framed by the International Committee on Intellectual Co-operation and, considering their great importance and practical scope, asks the Conference for the Limitation and Reduction of Armaments to use them, as far as possible, as a basis in establishing the final texts to be adopted."

[Adopted 9th October 1933.]

## 6. Co-operation of the Press in the Organisation of Peace.

The problem of the co-operation of the Press in the organisation of peace has received the Assembly's attention on various occasions in the past.

Last year the Assembly examined the results of an enquiry conducted among Press organisations into methods of preventing the spread of false information which may threaten the peace of the world and the good understanding between nations. It expressed the hope that at a Press Conference similar to that summoned by the Danish Government at Copenhagen in 1932, definite proposals might be made to give effect to some of the principal suggestions offered in the course of that enquiry.

The Government of the Spanish Republic has since decided to convene at Madrid a Conference answering to this recommendation. It has got into touch with our Secretary-General and with an organising committee.

The Conference projected by the Spanish Government is to meet at Madrid on November 7th next. Its agenda comprises the examination of the proposals, suggestions and observations that were put forward in the course of the enquiry into false information. The Directors of Government Press Bureaux, representatives of the principal news-agencies and delegates of international journalists' organisations are invited. The Spanish Government has also made a happy

innovation by inviting associations of newspaper editors, publishers and proprietors. I understand that a number of persons of distinction in the journalistic world have already promised to attend.

The Assembly can only welcome the excellent step taken by the Government of the Spanish Republic and offer its sincerest wishes for the success of the Madrid Conference. It also trusts that at its next session it will be able to acquaint itself with any satisfactory results that may have been secured.

Last year's resolution also advocated the fullest possible publicity for League meetings. At this time, when the Secretariat services are in process of re-organisation, it may not be out of place to emphasise once more how important we consider it that nothing should be neglected to enable the Press to follow all the work of our League as thoroughly and effectively as possible.

The following draft resolution is accordingly submitted to the Assembly:

"The Fourteenth Assembly,

"Having learnt with great satisfaction that the Government of the Spanish Republic has convened a Press Conference to be held at Madrid on November 7th next to formulate concrete proposals to give effect to some of the principal suggestions offered by the Press organisations during the enquiry into the problem of the spread of false information which may threaten the peace of the world and the good understanding between nations,

"Wishes this Conference every success and expresses the hope that the next Assembly will be able to note its satisfactory results;

"And renews its recommendation that the Government should continue to devote its attention to the development of all the means at its disposal, of the swift supply to the Press of the fullest possible information concerning the work of the League of Nations."

[Adopted 9th October 1933.]

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VI.—General Committee.

Commission of Enquiry for European Union.

DRAFT RESOLUTION SUBMITTED BY THE GENERAL COMMITTEE.

"The Assembly,

After consulting its General Committee as to the procedure to be followed in connection with Item 12 of the agenda of this session (Commission of Enquiry for European Union).

Notes that circumstances have made it impossible for this Commission to meet since the last session;

Decides, under these conditions, to renew for twelve months the term of office of the Commission of Enquiry for European Union and to include forthwith the report of this Commission in the agenda of its next session."

[Adopted 27th September 1933]