LEAGUE OF NATIONS

Conference for the Reduction and Limitation of Armaments

ANALOGIES BETWEEN THE PROBLEM OF THE TRAFFIC IN NARCOTIC DRUGS AND THAT OF THE TRADE IN AND MANUFACTURE OF ARMS

Note by the Secretary-General.

In accordance with the Council's decision of November 28th, 1932 (page 2), the Secretary-General has the honour to communicate the present memorandum to the delegations to the Conference for the Reduction and Limitation of Armaments for their information.

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EXPLANATORY NOTE.

At the Council’s meeting on November 28th, 1932, the Spanish representative, M. de Madariaga, proposed that the Secretary-General should be entrusted with the task “of drawing the attention of the Disarmament Conference to the results obtained in connection with the supervision of the manufacture of and traffic in opium, in so far as the information on this subject might be material for the supervision of the manufacture of and trade in arms.”

The Secretary-General assured the Council that the question would be examined by the Secretariat, which would consider what material could usefully be put before the Conference.

The Secretary-General has undertaken this study, of which the present memorandum is the outcome.

This memorandum does not claim to deal exhaustively with the subject, which is a vast and complicated one. It represents simply an attempt to bring out the points which appear essential.

If the Conference, after considering the general aspects of the problem as outlined in the present document, should express the wish to obtain explanations or further particulars on any special point relating to the question, the Secretariat will undertake any new studies which may be asked for.

The Secretary-General wishes to point out that some caution should be exercised in seeking analogies between the question of the traffic in narcotic drugs and that of the manufacture of and trade in arms. The study he has made has shown him that a comparison between the two regimes reveals, in addition to points of similarity, certain differences which will have to be taken into account.

INTRODUCTION.

The question of the regulation of the trade in and manufacture of arms offers some analogy with that of the regulation of the trade in and manufacture of narcotic drugs, which has been dealt with in several Conventions, dated January 23rd, 1912, February 19th, 1925, and July 13th, 1931, respectively.

Before examining the possible adaptation of certain rules concerning narcotics to armaments, it may be well to indicate the position of the two problems.

1. As regards narcotics, the aim pursued by regulation is always the same—namely, to prohibit substances not required for medical or scientific purposes and which would only serve to foster drug addiction, and, above all, to prevent certain substances capable of being used both for medical or scientific purposes and for addiction from being employed for the latter purpose.

As regards the trade in and manufacture of arms, the aim in view may be more or less wide. The more modest aim would be to prevent arms being sent to persons other than Governments or persons authorised by Governments. Another purpose would be to make known the movement of manufactures and exports of arms, in order to achieve a certain degree of publicity desirable from various points of view. A last aim would be to ensure observance of the prohibition of certain arms and of the quantitative limitation of other arms, which presupposes that a Disarmament Convention will have laid down certain quantitative and qualitative prohibitions. The regime applicable to narcotic drugs covers indeed these three kinds of purposes, but it is only if the regulation of the trade in arms is intended to fulfil the last-mentioned purpose that a close analogy can be established with the highly developed system for the regulation of narcotics introduced by the 1931 Convention.

2. Nevertheless, the two questions present certain differences of a material and political nature. As regards narcotics, technical supervision is, from a certain point of view, more difficult, for it relates to substances of great value and small bulk. On the other hand, the economic importance of the narcotics industry is much smaller than that of the armaments industry, the supervision of which would affect numerous and large undertakings. The manufacture of narcotics is generally private, while the manufacture of arms is at the same time private manufacture and State manufacture. This difference modifies the aspects of the different questions.

The narcotics manufacturing industry only affects secondary interests of States and these interests are mainly of an economic character. In the case of armaments, apart from the fact that considerable economic interests are at stake, still more considerable political interests are involved.

Subject to these reservations, it would seem that the methods for the regulation of the trade in and manufacture of narcotics are, from the technical point of view, capable to some extent of being adapted to the regulation of the arms traffic.

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1 Although the narcotics subject to control comprise several categories of substances, it was found that comparison with armaments, to be of any value, should be confined to manufactured narcotics. The question of raw opium, coca leaves and Indian hemp and the question of prepared opium were therefore left on one side.

2 This latter Convention will come into force on July 9th, 1933.

3 Remark. — This memorandum, which is chiefly devoted to the study of the regime of narcotics and of the possibilities of adapting this regime to armaments, does not mention the preparatory work already done in regard to the trade in and manufacture of arms. See, in this connection, the Convention on the Trade in Arms, 1925, draft Convention on Manufacture of 1929, work in progress of the Committee on the Trade in and Manufacture of Arms.
CHAPTER I. — THE NOTION OF ILLICIT TRAFFIC.

1. At the root of all regulation of narcotics we find the fundamental distinction between licit traffic and illicit traffic. Generally speaking, the term traffic applies to manufacture as well as to trade proper (sale), the latter including distribution, import and export. In the case of armaments, it is not usual to speak of traffic to describe both trade and manufacture. In this document, however, we shall use the word traffic in the widest sense (trade and manufacture).

The licit traffic in narcotics, according to Article 9 of the 1912 Convention, Article 5 of the 1925 Convention and the Preamble and Article 4 of the 1931 Convention, aims at satisfying the world's legitimate requirements of manufactured narcotics—i.e., to provide it with narcotics in quantities and qualities corresponding solely to medical and scientific requirements.

Any other traffic is illicit traffic.

2. In the case of armaments, the situation is somewhat different. A striking analogy would exist with regard to substances capable of being used both for peaceful purposes and for the conduct of chemical warfare, but the Special Committee on Chemical, Incendiary and Bacterial Arms has declared that any regulation of the chemical industry for the purpose of preventing substances capable of a twofold use being produced with a view to war would be impracticable. As regards other arms, the notion of illicit traffic can only have a meaning in the following cases:

(i) If weapons of war are only allowed to be delivered to Governments. Illicit traffic is then that which is intended for private persons.

(ii) If certain arms are absolutely prohibited, or if the quantities of certain arms which may be possessed by Governments are limited. Illicit traffic would be that dealing with prohibited weapons or weapons in excess of the quantities allowed.

(iii) If, without proceeding to qualitative or quantitative disarmament, it was desired to render the traffic in arms public, because this publicity was held to present certain advantages, even if it was not supplemented by any other measure. In such a case, clandestine traffic would be illicit traffic.

CHAPTER II. — PUBLICITY OF TRAFFIC.

In the case of narcotics, publicity has never been regarded as a measure sufficient in itself. The starting-point was the notion of illicit traffic—i.e., of traffic aimed at the satisfaction of the drug habit, which it was desired to prevent—and the Convention of January 23rd, 1912, which is the first on this subject, laid down measures other than mere measures of publicity.

Nevertheless, any regulation of the trade in and manufacture of narcotics must be based on measures of publicity, which as such may be mentioned separately.

Measures of publicity proper consist of declarations:

(i) Declarations made in each country to the State authorities; declaration of establishments in which products are manufactured; declaration of persons who take part in the traffic in products; declaration of the nature and quantities of narcotics manufactured, sold, exported and imported;

(ii) Declarations made by the Governments to an international body.

Section I. — Declarations made to the State Authorities.

These declarations refer to: (1) the establishments in which manufacture is carried on; (2) the persons engaged in the traffic; (3) the nature and quantities of narcotics with which the traffic deals.

1. Registration of Establishments. — The 1912 Convention provides that States will have to "obtain information respecting the establishments and premises in which (these) drugs are manufactured and to keep a register of them" (Article 10a).

1 See report of December 13th, 1932, document Conf.D.152.

2 A remark of a general character must here be made. It would be misleading to deduce from the use of certain general terms which are found in the Conventions—such as "census," "authorisations," "permits," "licences"—that a definite and precise legal system exists. For example, the term "permits" might imply that the freedom of the industry in question had, generally speaking, been abolished; the term "licences" would imply a sort of privilege granted and withdrawn at discretion. Such deductions would not completely answer to the reality. Each provision must be interpreted in itself and in relation with the other provisions contained in the Convention, without setting out from the idea that the choice of a general term explains everything.
2. **Declaration of Persons who in Any Way engage in the Traffic.** — The 1912 Convention provides that States shall require "that all persons engaged in the manufacture, import, sale, distribution or export . . . shall make to the competent authorities an official declaration" (Article 10b).

3. **Declaration of Quantities.** — The 1912 Convention provides that such persons "shall enter in their books the quantities manufactured, imports, sales and all other distribution and exports . . ." (Article 10c).

The 1925 Convention reproduces the previous clause in the same terms, but lays a formal obligation on States "to require that such persons shall enter in their books the quantities manufactured, imports, exports, sales and all other distribution of the said substances" (Article 6c).

The 1931 Convention maintains the same obligation and extends it. Article 17 states that "each High Contracting Party shall require each manufacturer within his territories to submit quarterly reports". These reports must state: (a) for each drug the quantities received and the quantities manufactured in the factory; (b) the quantities utilised; (c) the quantities remaining in stock.

### Section II. — Declarations made by States to International Bodies.

The international bodies to which States must send their declarations are: (1) the Secretariat of the League of Nations; (2) the Permanent Central Board (Chapter VI of the 1925 Convention); (3) the Supervisory Body provided for in Article 5, paragraph 6, of the 1931 Convention.

The declarations of the States are intended to make known: (1) authorisations to manufacture narcotics; (2) requirements in narcotics; (3) the quantities of narcotics manufactured, imported, exported, consumed, confiscated and in stock.

1. **Declaration of Authorisations to manufacture.** — See page 9.

2. **Declaration of Requirements.** — According to Article 2, paragraph 1, of the 1931 Convention, the contracting parties are obliged to furnish estimates of their requirements in narcotics annually to the Permanent Central Board. The Permanent Central Board has to transmit these estimates to the Supervisory Body, which examines them and can ask the Governments which have supplied them for further information; the Supervisory Body further has the right, with the consent of the Government concerned, to amend any estimate in accordance with the information so obtained (Article 5, paragraph 6).

The estimates must be based solely on the medical and scientific requirements of the State which furnishes them article 4, paragraph 1, and refer to the quantities intended for domestic consumption, conversion and the constitution and maintenance of stocks (reserve stocks and Government stocks) (Article 5, paragraph 2). In this way, the maximum volume of licit imports and exports of all States is determined.

If a Contracting Party, or a country or territory to which the 1931 Convention does not apply, fails to furnish an estimate of its requirements, the Supervisory Body can itself make this estimate (Article 2, paragraphs 2 and 3).

3. **Declaration of the Quantities manufactured, converted, imported, exported, consumed, confiscated and in stock.** — In Article 22, paragraph 1, the 1925 Convention lays down that, every year, in the first three or five months of the year, Governments must send the Permanent Central Board "as complete and accurate statistics as possible relative to the previous year" concerning manufacture, stocks, consumption, etc.

### Possibility of adapting this System to the Traffic in Arms.

Leaving on one side all political considerations, and viewing the problem from the purely technical standpoint, it would appear that all the measures of publicity mentioned above could, in general, be applied to the traffic in arms.

1. In the first place, within the different States, it is possible to require, as regards the traffic in arms, a declaration of the establishments in which they are manufactured, and of the persons participating in any capacity in the traffic, and a declaration of the products (quality and quantity) manufactured, sold, exported and imported.

   Actually, the number of undertakings and the weight and volume of products would be much greater than in the case of narcotics. Moreover, the raw material factor, which plays a considerable part in the case of certain narcotics, might here be ignored. The raw materials in this case are basic metallurgical and chemical products regarding which it seems neither possible nor desirable to require detailed information.

2. In the second place, the declarations of States which might be sent to the Permanent Disarmament Commission would correspond to the declarations sent to the Secretariat of the League of Nations, to the Permanent Central Board and to the Supervisory Body.

These declarations would make known for all requisite purposes the general movement of the production of and trade in arms. If the Governments adopted as regards armaments
a convention of the same kind as that of 1931 concerning narcotics, it would be much easier to obtain complete and reliable results in the sphere of armaments than in that of narcotics, which by their nature lend themselves much more readily to clandestine traffic.

CHAPTER III. — RESTRICTIONS ON THE FREEDOM OF TRAFFIC.

Section I. — Outline of the Regulations as a Whole.

Dealings in narcotic drugs are subjected to a system of strict regulation affecting the whole industry. The main provisions of these regulations may be summarised under the following three heads:

1. Anyone engaging in the industry requires a licence. Under Article 6 of the 1925 Convention it is stipulated that: (1) only "establisments and premises" in possession of an authorisation are permitted to manufacture narcotic drugs (paragraph a); (2) only such persons as have obtained a licence or permit shall be allowed "to engage in manufacture, import, sale, distribution or export" (paragraph b). Similarly, an authorisation is required for purchases within the country. See Article II of the 1912 Convention and Article 7 of the 1925 Convention. See also Article 13 of the 1931 Convention. In all these cases, the authorisations granted are general and do not apply to any particular transaction. This system of authorisations issued to individuals, which is the basis of the system of control and which is intended to ensure the observance of the regulations as a whole, raises delicate questions which will be examined separately.

2. In the case of international dealings an authorisation is required for each transaction. This is stipulated in Article 12 of the 1925 Convention in respect of imports. A similar stipulation is made in Article 13 of the same Convention in regard to exports. A similar stipulation is made in Article 15 of the same Convention in respect of transit. The 1931 Convention maintains this system in its entirety (Article 13).

3. Limitation of Manufacture. — The 1931 Convention is the first Convention which directly limits manufacture. It appeared that this radical measure was the only means of achieving completely satisfactory results.

1 1912 Convention, Article II. — "The Contracting Powers shall take measures to prohibit, as regards their internal trade, the delivery of morphine, cocaine, and their respective salts to any unauthorised persons, unless regulations on the subject are already in existence."

2 1925 Convention, Article 7. — "The Contracting Parties shall take measures to prohibit, as regards their internal trade, the delivery to or possession by any unauthorised persons of the substances to which this Chapter applies."

(See also Article 13 of the 1931 Convention.)

3 Article 12 is as follows:

"Each Contracting Party shall require a separate import authorisation to be obtained for each importation of any of the substances to which the present Convention applies. Such authorisation shall state the quantity to be imported, the name and address of the importer and the name and address of the exporter. The import authorisation shall specify the period within which the importation must be effected and may allow the importation in more than one consignment."

4 Article 13 is as follows:

"1. Each Contracting Party shall require a separate export authorisation to be obtained for each exportation of any of the substances to which the present Convention applies. Such authorisation shall state the quantity to be exported, the name and address of the exporter and the name and address of the importer."

2. The Contracting Party, before issuing such export authorisation, shall require an import certificate, issued by the Government of the importing country and certifying that the importation is approved, to be produced by the person or establishment applying for the export authorisation. Each Contracting Party agrees to adopt, so far as possible, the form of import certificate annexed to the present Convention.

3. The export authorisation shall specify the period within which the exportation must be effected, and shall state the number and date of the import certificate and the authority by whom it has been issued."

5 Article 15 is as follows:

"1. No consignment of any of the substances covered by the present Convention which is exported from one country to another country shall be permitted to pass through a third country... unless the copy of the export authorisation... which accompanies the consignment is produced to the competent authorities of that country."

6 Article 2 is as follows:

"Due regard being had to the differences in their commercial conditions, the Contracting Powers shall limit the number of towns, ports, or other localities through which the export or import of raw opium shall be permitted."
The limits in respect of each country and each separate year are fixed mainly in the light of:

1. the internal consumption of the manufacturing country with a view to meeting its medical or scientific requirements;
2. its export trade with a view to meeting the legitimate requirements of other countries;
3. the stocks to be maintained.

How is the quantity to be manufactured determined?

(a) It is fixed by a special body, known as the Supervisory Body, consisting of 4 members (Article 5, paragraph 6).

(b) Not later than November 1st in each year this body addresses a statement containing the estimates for each country or territory (Article 5, paragraph 7) of the quantities required for its home consumption for medical and scientific purposes and also for other purposes specified in the same article.

The sum total of these estimates indicates the total legitimate consumption of the world and lays down the limits for legitimate manufacture.

(c) On what basis does the Supervisory Body determine this amount? This is done in the light of estimates supplied by the Governments, and when such estimates are not supplied by the Governments they are prepared by the Supervisory Body itself.

As regards quantities manufactured for export, these are not fixed in advance in respect of each manufacturing country. They are, nevertheless, limited by the orders placed by other countries for the purposes of their legitimate consumption. At the end of each year, there is a general stocktaking. If it is discovered that there is a balance in excess of the quantity the manufacture of which is authorised under Article 6, paragraph 1, the surplus is deducted from the quantity to be manufactured the following year (Article 6, paragraph 2).

As regards the means used to ensure the allocation of manufactures within each country, the Convention lays down no rules; it merely requires compliance with limitation. For this latter purpose the Convention, as will be described further on (Chapter IV. - Control) prescribes the setting up of a special administrative authority and the introduction of a strict system of regulations.

In point of fact, two circumstances facilitate the successful practical limitation of the manufacture of narcotic drugs within each country. These are the "cartellisation" of the industry and the specialisation of the individual undertakings.

Section II. — Status of Manufacturers.

The provisions governing the status of manufacturers is one of the essential parts of the system for the regulation of narcotic drugs. Only authorised persons are permitted to engage in manufacture and licences are only issued to persons of good repute. Should it transpire that persons to whom licences were previously issued do not afford reasonable guarantees of integrity, the licence may be withdrawn. This presupposes special legal provisions in respect of manufacture.

It was thought that a system of licences in respect of manufacture was the best method. The Advisory Committee on Traffic in Opium and Other Dangerous Drugs adopted a model Administrative Code at its eleventh session in April 1928.

When drafting this Code, the Commission selected from the regulations applied by certain States where a full system of control is in operation those provisions which, in its opinion, were of real value and whose worth had already been proved by experience. This Code provides for a licence system. Let us now examine how it works in practice.

1. Issue of Licence. — The Code states that the issue of the "licence is an essential part of the supervisory organisation".

The Code requires that the licence should only be issued after a thoroughgoing enquiry with a view to ascertaining that the applicant is of good repute.

2. Specification of the Products in respect of which a Licence is granted. — The manufacturer may be authorised under his licence to manufacture "all products coming under the Convention or . . . certain of these drugs only".

3. Period of Validity of the Licence. — As regards the period of validity of the licence, the Code provides that "the licence shall be valid for one calendar year and shall be renewable from year to year at the request of the licensee, so long as the conditions under which it was issued remain unchanged".

4. Withdrawal of the Licence. — "The licence may be withdrawn if, in the opinion of the authorities, the licensee no longer fulfils the conditions under which the licence was granted, if he can reasonably be proved to be engaging in illicit trade or if he has been sentenced for infringing the law. The duration of this withdrawal shall be determined by the authorities."

5. Lapsing of Licences. — "The licences shall lapse on the death of the licensee or in the case of the transfer or liquidation of the business. In the event of the licensee transferring or liquidating his business, he must immediately inform the authorities of the fact."
In order to enable Governments to take action at any time to prevent manufacturers from producing in the course of a given year a total amount in excess of the maximum authorised under the Convention, a new Model Code concerning the application of the 1931 Convention "suggests that licences issued by the Governments to the manufacturers should contain a condition requiring them to reduce or to cease manufacture on notification by the Government ".

**Possibility of adapting this System to the Traffic in Arms.**

1. The adaptation of the entire system to the traffic in arms depends upon the end in view.

   If the intention is merely to publish details of the trade in arms without placing any other restrictions upon its liberty, the mere issue of permits to manufacturing establishments and the issue of licences to persons engaged in such trade may perhaps suffice as a means of ensuring publicity. On the other hand, regulations requiring a licence for every import or export transaction would be scarcely comprehensible, unless the trade itself ceases to enjoy full liberty under international law.

2. But even on the assumption that trade in arms was not to remain entirely free, the system of licences in respect of the manufacture of narcotic drugs introduced by the Model Code of 1928 should perhaps not be reproduced as it stands. The traffic in arms, indeed, does not possess certain features peculiar to the drugs industry.

   (a) As manufacturers of drugs are in a position to engage in illicit traffic which, in certain circumstances, might elude all forms of supervision, consideration of the personal character of the holders of licences is of capital importance. They should be refused to all persons unable to afford absolutely unimpeachable guarantees of good character, even if no clear evidence were forthcoming that such persons have committed any serious offence constituting a stain upon their character.

   As regards the manufacture of armaments, the character of the industry is such that the danger of manufacturers' engaging in illicit traffic is much less serious. Such traffic would presumably only be possible with the connivance of the State on the territory of which manufacture was taking place. The personal character of the manufacturer is therefore less important.

   Nevertheless, in the case of narcotic drugs, the existence of licences which must be communicated to an international supervisory body appears to be a valuable means of control in several ways. When devising a system for the regulation of the manufacture of and trade in armaments, due weight should be given to the experience thus acquired.

   (b) It may be asked whether from another standpoint direct limitation of the production of armaments would not require a more thoroughgoing system of regulation on the part of the States responsible for its application. The specialisation and "cartellisation" peculiar to the drugs industry and which greatly facilitates the limitation of manufacture does not exist in the armaments industry to the same extent. Can limitation of the manufacture of armaments be achieved in practice without the introduction of a quota system limiting the production of each undertaking? The matter is doubtful. If, however, it were desired to introduce such a system, mention of the quotas would have to be made on the licences.

**CHAPTER IV. — CONTROL.**

There are two quite distinct categories of control measures. On the one hand, there is the internal control which each country exercises in its own territory and is obliged to institute under the Conventions (national control).

On the other hand, there is the control which is designed to ensure that the countries meet their obligations (international control). International control is exercised by the organs of the League (Assembly, Council, Advisory Committee, and Secretariat) under Article 23(c) of the Covenant, and also by the special organisations set up by the 1925 and 1931 Conventions (Permanent Central Board and Supervisory Body) (see page 4).

**Section I. — General Outline of the Machinery of National and International Control provided in the 1931 Convention.**

The 1931 Convention for the first time laid down the principle of integral control applying to the whole of the traffic in narcotic drugs. It is, indeed, the whole movement of manufacture, transformation, national and international trade, consumption, stocks, and seizures, that calls for control.

How, when, and by whom is this control exercised?

1. The whole traffic of any given year will in future be controlled by different organisations in three stages extending over three years.

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1 The result of specialisation is that certain products are only manufactured by certain undertakings and in some cases only by a single firm. Cartellisation makes it possible to allot a total manufacturing quota to the cartel as a whole, which is subsequently responsible for reallocation to its various members.
First Stage: Provision for Requirements of the Coming Year.

The Supervisory Body provides the basis of all control (national and international) by drawing up a statement, before November 1st in each year, containing estimates of the requirements of each country and territory, stating the licit quantum of world consumption and manufacture for the coming year (see above, pages 4 and 6).

Second Stage: Control of the Programme in Course of Execution.

(a) National Control of Manufacture. — The Governments of the Contracting Parties, which, if they have not already done so, are to establish a special administration for the purpose (Article 15), will exercise, under Article 16, "a strict supervision" over every manufacturer of narcotic drugs in their territories. This supervision will relate to: (a) the amounts of raw materials or drugs in the possession of the manufacturer for the purpose of manufacture or otherwise; (b) the quantities of drugs produced; and (c) their disposal on delivery from the factory.  

By the exercise of this strict supervision, the Governments of the manufacturing countries are required to ensure that the quantities of drugs manufactured in their territories do not exceed the maximum fixed by Article 6 and other clauses of the Convention.

(b) National Control of Imports and Exports. — The Governments of the Contracting Parties (acting through the "Special Administration" referred to above) will control their international trade in drugs, in accordance with the provisions of Article 13 of the 1931 Convention (which refers to Articles 12, 13, and 15 of the 1925 Convention), by means of import and export certificates. Under the terms of the articles quoted from the 1925 and 1931 Conventions, the Contracting Parties are required: (1) to insist that a separate import authorisation by the authorities of the importing countries be obtained by the importer for each import, with indications of the quality and quantity of the drugs imported and the names and addresses of the importer and exporter; (2) to require that a separate export authorisation by the authorities of the exporting country, with similar indications, be obtained by the exporter for each export on presentation of the import authorisation.

The Government of any given country cannot issue import certificates for quantities exceeding those fixed for such country in the statement drawn up by the Supervisory Body (Article 12, paragraph 2, of the 1931 Convention).

The operation of the system of import and export certificates is supervised by the Advisory Committee on the Traffic in Opium and Other Dangerous Drugs.

(c) International Control of Imports and Exports. — The Permanent Central Board (see page 4), to which the Contracting Parties are obliged, under Article 13 of the 1931 Convention, to forward "within four weeks after the end of each period of three months... statistics of their imports from and exports to each country... during the preceding three months" (Article 22, paragraph 2, of the 1925 Convention), "continuously" watches "the course of the international trade".

"If the information at its disposal leads the Board to conclude that excessive quantities of any substance"—i.e., quantities exceeding those fixed for it in the statement drawn up by the Supervisory Body—"are accumulating in any country", it will ask, through the Secretary-General of the League, for explanations from the country in question. If no satisfactory explanation is given, the Central Board will call the attention of the other Contracting Parties and of the Council of the League of Nations to the matter, and the procedure for which paragraphs 2 to 7 of Article 24 of the 1925 Convention provide will be applicable (Article 14, paragraph 3, of the 1931 Convention).

(d) National Control of National Trade. — The Governments of the Contracting Parties (through the "Special Administration") will control, in accordance with the provisions of Article 13 of the 1931 Convention, "all persons... selling" or "distributing" drugs (Article 6 of the 1925 Convention).

Third Stage: Retrospective Control for the Past Year.

This is a case of international control relating to the whole of the trade of the previous year.

The Permanent Central Opium Board, which will receive each year the statistics relating to the whole of the trade of the previous year, 2 will prepare a statement indicating for the preceding year, in the case of each country or territory, the quantity of each drug consumed,
manufactured, transformed, imported, or exported, and in a parallel column the estimates previously drawn up. Article 14 of the 1931 Convention says: "If such statement indicates that any High Contracting Party has or may have failed to carry out his obligations under this Convention, the Board shall have the right to ask for explanations through the Secretary-General of the League of Nations from that High Contracting Party," and the procedure for which paragraphs 2 to 7 of Article 24 of the 1925 Convention provide will be applicable.

Section II. — Different Measures of Control.

The control measures indicated above are supplemented by the following provisions:

1. Each High Contracting Party is required, under Article 20 of the 1931 Convention, to notify the Secretary-General of every authorisation to manufacture drugs which it may issue in its territory (see page 4).

2. Article 21 of the 1931 Convention imposes an obligation on the Contracting Parties to communicate to one another, through the Secretary-General of the League, the laws and regulations promulgated in order to give effect to the Convention.

3. The same article imposes on them the obligation to forward to the Secretary-General an annual report on the working of the Convention.

4. Article 23 of the 1931 Convention imposes on them an obligation to communicate to each other, through the Secretary-General of the League of Nations, detailed particulars of each case of illicit traffic.

5. Article 28 of the 1925 Convention provides that breaches of the laws or regulations by which the provisions of the Convention are enforced are to be punishable by adequate penalties.

Possibility of adapting this System to the Traffic in Arms.

1. Internal Control by States. — Control of this kind must be contemplated in the case of the traffic in arms; but it is of less importance than in the case of the traffic in drugs, since the possibilities of secret manufacturing and trading are less.

Subject to this reservation, it would seem that recourse might be had to the measures indicated in connection with the traffic in drugs.

2. International Control over States. — International control for the purpose of preventing breaches of the regulations committed with the active or passive complicity of the Governments is—unlike internal control—even more important in the case of the traffic in arms than in the case of the traffic in drugs.

An International Supervisory Body is indispensable. But the solution appears to be ready to hand. The proposed Permanent Disarmament Commission would presumably be the Supervisory Body in the case of the manufacture of and trade in arms, should provisions for the establishment of such a body be included in the Disarmament Convention. It will be remembered that, when the organisation of the Disarmament Commission was being evolved, the precedent of the Permanent Central Opium Board was not ignored.

If the Convention for the Reduction and Limitation of Armaments includes a quantitative limitation of all or part of such arms as are not to be prohibited, and if it is desired to have recourse to regulation of the manufacture of and trade in arms as a direct means of ensuring the observance of such limitation, it would seem that the general system of control set up by the 1931 Convention in the case of drugs might well serve as a guide.

The system, the main lines of which have thus been adumbrated, involves three essential stages in the matter of international control—namely:

(1) Estimate of licit requirements, so as to determine the world quantum of licit manufacture for the coming year;

(2) Supervision of the programme of licit manufacture and trade in course of execution;

(3) Retrospective control of manufacture and trade during the past year and measures to be taken in the event of any breaches of the regulations found to have occurred.

GENERAL CONCLUSIONS.

1. All measures of publicity (see Chapter II), the object of which is to make known the whole movement of the manufacture of and trade in arms, might well (it would seem) be reproduced from the Conventions relating to drugs.

Such measures would relate to:

(1) Factories;

(2) Persons engaging in the trade;

(3) Nature and quantity of products manufactured, imported, exported, etc.
2. The adaptation to the traffic in arms of measures (other than measures of publicity) for the regulation of the traffic in drugs would appear to depend on the object with which an international regime for the traffic in arms is to be established.

But, in any case, it would seem, regard being had to the different conditions of the two trades, that the regulations in the case of manufacturers of drugs—i.e., the licence system—could not be reproduced unaltered.

3. The question of the supervisory body to control the traffic in arms would appear to have a solution ready to hand in the proposed Permanent Disarmament Commission.

Further, in the matter of control, since international control is relatively more important as compared with internal control, in the case of the traffic in arms than in the case of the traffic in drugs, there would seem no reason why—technically speaking and apart from political considerations—the extremely complete and rigorous control that has been set up in the matter of drugs should not be reproduced in connection with the manufacture of and trade in arms, subject to such adjustments of detail as may be necessary.