The two Governments accepted the invitation addressed to them by the rapporteur, and the negotiations began at Vienna on April 28th, 1924, under the chairmanship of the President of the Arbitral Tribunal of Upper Silesia.

(c) Question of German Schools in Upper Silesia.

Interested persons belonging to the German minority in Polish Upper Silesia have addressed to the Polish authorities requests with a view to securing the opening of primary, secondary and upper minority schools.

In certain cases in which the Polish authorities have not acceded to these requests, the petitioners have applied to the Minorities Office in Upper Silesia, and the Chairman of the Mixed Commission of Upper Silesia has given an advisory opinion in each particular case, in accordance with the terms of the Germano-Polish Convention relating to Upper Silesia of May 15th, 1922.

Some of these cases have subsequently been the subject of appeal to the Council of the League of Nations, which dealt with the questions at issue at its meeting of March 13th, 1924, when reports presented by the representative of Brazil were noted.

V. THE TERRITORY OF THE RUTHENIANS SOUTH OF THE CARPATHIANS.

The Council of the League of Nations, by a resolution adopted on November 29th, 1920, instructed the Secretary-General to collect and submit to it in due time information respecting the autonomous organisation of the Ruthenian territory south of the Carpathians. The Secretary-General has on several occasions forwarded to the Members of the League of Nations information on this subject furnished by the Czechoslovak Government.

The Czechoslovak Government, in a memorandum which was distributed to the Members of the League of Nations on December 18th, 1923 (C. 821. M. 310. 1923. I) stated that a governor of Ruthenian nationality had been appointed for this territory, and communicated the result of the communal elections which took place on September 16th, 1923.

The parliamentary elections to the Houses of Parliament at Prague have since been held in the territory of the Ruthenians. Nine deputies and four senators were elected as representatives of the territory.

VI. WORK OF THE SECRETARIAT.

The third Assembly expressed the view that the League might best promote good relations between the various Governments which had signed Minorities Treaties and the persons belonging to minorities placed under their sovereignty by means of beneficent and informal communications with these Governments.

In execution of this resolution the Director of the Minorities Section of the Secretariat of the League of Nations has visited several of the countries concerned in order to establish closer relations with their Governments. The Minorities Section, the staff of which has been increased, has continued its investigations into the problems of minorities in the various countries.

8.

MANDATES.

I. ACTION TAKEN BY THE COUNCIL IN CONNECTION WITH THE THIRD SESSION OF THE PERMANENT MANDATES COMMISSION.

The reports of the Permanent Mandates Commission on the work of its third session, July 20th to August 10th, 1923, were submitted to the Council, accompanied by a report from the representative of Sweden, immediately before the opening of the fourth Assembly.

On August 31st, 1923, the Council decided:

"(a) To convey to the Permanent Mandates Commission its sincere thanks for the zeal which it has displayed in the performance of its task;"

1 Official Journal, November 1923, pages 1377-1402.
"(b) To postpone to a subsequent meeting the detailed examination of the documents relating to the work of the third session of the Mandates Commission and its decisions on this subject; and

"(c) To request the Secretary-General to forward the reports of the Commission, together with the relevant documents, to the Members of the League and to the delegates at the fourth Assembly for their information."

The Council hoped to make a detailed examination of the documents submitted by the Mandates Commission in the course of its session in September 1923, but in view of the important and intricate nature of several of the questions it was finally decided to postpone the discussion until the December session. It was further agreed that each mandatory Power not represented on the Council should be invited to send a representative to assist in the discussion of those parts of the reports with which it was concerned.

During its session in December, the Council, in accordance with this decision, discussed the work of the Permanent Mandates Commission in the presence of Sir Edgar Walton, representative of South Africa, and the Marquis Theodoli, Chairman of the Mandates Commission. The Government of Australia had requested the representative of Great Britain to act as its representative for any questions in which Australia might be interested as a mandatory Power.

The Council had first to consider a resolution adopted by the fourth Assembly on September 26th, 1923. It was in the following terms:

"The Assembly:

"Having taken cognisance of the reports of the Permanent Mandates Commission and of the observations of the accredited representatives of Australia, Great Britain, Japan, New Zealand and the Union of South Africa:

"(a) Expresses its satisfaction with the extensive work which this Commission has so conscientiously accomplished and with the notable progress made in the mandated territories since the last Assembly;

"(b) Requests the Commission to pursue its task with the same zeal and the same impartiality;

"(c) Expresses the confident hope that the Commission will continue to enjoy the co-operation of the mandatory Powers in the work of effecting a continuous improvement in the moral and material condition of the natives, and, in particular, of the women and children, by means of the organisation of general and professional education, the improvement of public health, the equitable remuneration of native labour, and the final abolition, within as short a time as possible, of slavery in all its forms, including its domestic forms;

"(d) Expresses its regret that the Permanent Mandates Commission has not been able to report that satisfactory conditions have as yet been re-established in the Bondelzwarts district and the hope that the future reports of the Union of South Africa will contain such information as may allay all misgivings in this connection."

The Council agreed that the considerations put forward by the Assembly should be brought to the attention of the interested parties. The Secretary-General was requested to communicate the relevant paragraphs of the Assembly resolution to the Permanent Mandates Commission and to the mandatory Powers and to bring the passage regarding the Bondelzwarts question to the attention of the Union of South Africa.

The documents before the Council at its December session included:

(a) Report of the Permanent Mandates Commission on the work of its third session, comprising:

(1) General observations arising out of the discussion of the reports of the mandatory Powers;
(2) Special observations on each of the individual reports of the Mandatories;
(3) Draft modifications of the rules of procedure of the Commission.

(b) Report of the Commission on the Bondelzwarts rebellion.
(c) Comments of several mandatory Powers on the observations of the Commission.
(d) A second report by the representative of Sweden regarding the work of the Permanent Mandates Commission.

The Council, in the first place, adopted the following resolution:

"The Council of the League of Nations:

"Having taken note of the report on the work of the third session of the Permanent Mandates Commission, of the observations submitted with regard to this matter by the

1 Official Journal, February 1924, pages 385-393.
accredited representatives of the mandatory Powers, and of the report presented by the Swedish representative:

"Observes with satisfaction that the mandated territories are, in general, administered in accordance with the spirit and letter of Article 22 of the Covenant and of the terms of the mandates: and

"Expresses to the Permanent Mandates Commission its keen appreciation of the great zeal which the Commission has shown in the execution of its delicate mission."

A. GENERAL OBSERVATIONS OF THE COMMISSION.

The Council next considered the general observations of the Commission and took the following action:

1. Equalisation of Import Duties on Liquors imported into Mandated Areas.

The Commission recommended in its report that the Governments of France and Great Britain should be invited to agree that the duties on all spirituous liquors imported into the territories placed under their respective mandates in Africa should not be less than the duties in the adjoining territories on similar spirits of equal strength. It further stated that, in order to maintain this uniformity of duties, it was desirable that the two Powers should consult with each other from time to time with a view to assimilating their laws and regulations applying to the duties on the import of spirituous liquors.

The Council decided "to forward the recommendation of the Commission to the British and French Governments, and to suggest that these Governments should consider what action should be taken, regard being had to the possibility of establishing an ad valorem duty".

2. The Frontier between the British and French Cameroons.

The Commission had noted that, according to the report on the British Cameroons, the frontier between the British and French mandated territories had in certain places divided tribal areas. It expressed the opinion that this situation, if the complaints were justified, would be contrary to the interests of the natives, but recommended that the Council should, before considering any measures destined to obviate these disadvantages, request the French Government to collect information and to make known its views on the subject.

The Council decided to forward the recommendation of the Commission with its approval to the French Government.

3. Extension of Special International Conventions to the Mandated Territories.

The Commission had adopted a recommendation to the effect that "the Members of the League of Nations should forthwith consider the possibility of extending to the territories under B mandates the advantages which are conferred upon the contiguous colonies and protectorates of the mandatory State by special treaties and conventions entered into by that State with any other Member of the League of Nations, on the understanding that reciprocity will only be recognised if it does not in any way infringe the principles of economic equality". A somewhat modified recommendation was made regarding territories under C mandates.

The Council decided "to forward the suggestions of the Commission with regard to this matter to the mandatory Powers and to request them to inform the Council of their views as to the advisability and possibility of the proposed measure".

4. Loans, Advances and Investments of Private Capital in the Mandated Areas.

The Mandates Commission drew attention in its report to certain difficulties which had arisen or might be expected to arise with regard to the question of loans, advances and investments of private capital in the mandated areas.

The Council decided:

"(a) To forward the suggestions of the Commission with regard to this question to the mandatory Powers, and to request them to inform the Council of the action which, in their opinion, it would be advisable to take;

(b) To postpone any further decision in this matter to a later session with a view to deciding the question on the basis of the views expressed by the mandatory Powers, and as regards, in particular, recommendation (a) of the Commission, for an exhaustive examination of this important and delicate legal question."

The recommendations of the Commission on these points principally consisted in requests for further information from the mandatory Powers.

The Council adopted the following resolution:

"The Council decides to forward, with its approval, the recommendations of the Commission to the mandatory Powers and to express the hope that the future annual reports will contain information as complete as possible on these matters."

6. The Health of Recruited Workers.

The Commission had noted with much concern references in reports of the mandatory Powers to the prejudicial effects upon the health of workers who were recruited in one area and employed in another area in which climatic conditions appreciably differed.

The Council decided "to forward, with its approval, to the mandatory Powers the hope expressed by the Commission that this question will receive their sympathetic consideration and that of the administrations concerned."


The Commission, in its report, submitted to the Council its views regarding the interpretation of the clauses in the mandates dealing with the liberty of conscience.

The Council decided to associate itself with the opinions expressed on this point by the Commission and to bring them to the notice of the mandatory Powers.

8. Military Recruitment in Mandated Territories.

The representative of Great Britain, during the session of the Commission, laid before it the question whether a mandatory was precluded from accepting recruits from the population of a territory under mandate who volunteered for service in an armed force belonging to a neighbouring colony, a detachment of which might be temporarily quartered in the territory. The Commission in its report gave an interpretation which was partly contested by the British Government.

The Council adopted the following resolution on this point:

"The Council decides to refer the consideration of this question as raised by the British Government to the Mandates Commission and to the British Government in the hope that the Council will receive information next year that an agreement has been arrived at on this matter."


In the course of the discussion on the several points contained in the report of the Mandates Commission, a suggestion was made that the Commission had a tendency to exceed the powers with which it was entrusted. On the other hand, it was emphasised that the competence of the Commission should not be unduly limited. It was agreed that the question deserved further study.

B. Special Observations of the Commission.

The Council next considered the Special Observations of the Commission on particular points which had arisen out of the consideration of the individual reports of the mandatory Powers, and came to the following decisions:

"(1) To forward these observations to the mandatory Powers, and to beg them to take the necessary action;

"(2) To draw the special attention of the mandatory Powers to the utility of presenting the report of their financial administration in such a form that the Commission and the Council may be able to ascertain without difficulty whether the administration of the mandated territories has been conducted in that spirit of disinterestedness which ought to characterise it."

The Council also approved certain modifications of the rules of procedure of the Permanent Mandates Commission adopted by the Commission at its last session. At the same time the Council requested the mandatory Powers to increase from 20 to 100 the number of copies of their annual reports which they forwarded to the Council and to let the Council have these reports, if possible, before May 20th. The Mandates Commission will now normally meet in the second half of June.
C. THE BONDELZWARTS QUESTION.

The representative of Sweden, acting President, submitted the following resolution to the Council:

"The Council of the League of Nations,

"Having made itself acquainted with the documents forwarded by the mandatory Power and the report of the Permanent Mandates Commission on the Bondelzwarts rebellion and of the comments on that report by the accredited representative of the Union of South Africa;

"Noting that in its report the Permanent Mandates Commission, by using the documents which it had at its disposal, has been able to elucidate so far as possible the facts and circumstances relating to this unfortunate rebellion and its repression;

"Expresses the hope that future annual reports will contain information as to the continuous efforts made by the mandatory Power to ameliorate the economic and moral condition of the natives in the Bondelzwarts district."

After considerable discussion, in which the representative of South Africa took part, it was decided to amend this resolution by the insertion of the following clause before the last paragraph:

"Having noted with satisfaction the renewed assurances given by the representative of the mandatory Power of its desire to take all practical steps to restore the prosperity of the Bondelzwarts people and to restart them in the peaceful occupation of their lands," etc.

The resolution as amended was adopted.

II. ENTRY INTO FORCE OF THE MANDATES FOR PALESTINE AND SYRIA.

On July 24th, 1922, the Council approved the terms of the mandates for Palestine and Syria. At the same time it decided that these mandates should not enter into force until the Governments of France and Italy had notified the President of the Council that they had come to an agreement on certain particular points in regard to the mandate for Syria.

On September 29th, 1923, the French and Italian representatives informed the Council that a complete agreement had been reached between their Governments in this matter. The Council noted that in view of this agreement the mandates for Palestine and Syria would now enter into force automatically and at the same time.

III. MODIFICATION OF THE BOUNDARY BETWEEN THE TERRITORIES OF THE FORMER COLONY OF GERMAN EAST AFRICA UNDER BELGIAN AND BRITISH MANDATES.

Under Article I of the British and Belgian mandates for former German East Africa, approved by the Council in July 1922, the frontier between the two mandated areas was laid down in accordance with the Orts-Milner Agreement of 1919. This Agreement placed the native communities of Ruanda and Urundi under Belgian mandate, the remaining portion of the former German colony, including the North-Eastern part of Ruanda — the district of Kisaka — being administered by Great Britain.

At its session in August 1922, the attention of the Permanent Mandates Commission was called to the fact that the boundary as traced was in certain respects very prejudicial to the interests of the natives. The Commission, in its report, drew the attention of the Council to these circumstances, and on September 4th, 1922, the Council requested its President to communicate the observations of the Commission to the Belgian and British Governments.

These Governments then opened negotiations, which ended in the conclusion of an agreement providing for the rectification of the frontier and the reconstitution in its entirety of the Kingdom of Ruanda under Belgian mandate.

On August 31st, 1923, the Council took note of this agreement and approved the necessary amendments to the British and Belgian mandates. In the course of the discussion, the representatives of Great Britain and Belgium joined with the rapporteur, the representative of Sweden, in congratulating the Permanent Mandates Commission which had drawn the attention of the Council to the matter, and by so doing had brought about a result which would undoubtedly be to the advantage of the native inhabitants of the two territories.
IV. MISCELLANEOUS QUESTIONS.

(a) Archaeological Research in the Mandated Territories.

On September 10th, 1923, the Council discussed the reports on the work of the second session of the Committee on Intellectual Co-operation. On the proposal of the French representative, it decided "to forward to the Permanent Mandates Commission the scheme relating to archaeological research in the mandated territories, drawn up by the Union académique internationale and recommended by the Committee on Intellectual Co-operation".

(b) Application to Mandated Territories of the Convention on the Traffic in Women and Children.

The fourth Assembly, on September 15th, 1923, adopted the following resolution (Resolution VI relating to the traffic in women and children):

"The Assembly understands that the provisions of the International Convention on the subject of the traffic in women and children are not at present applied to certain mandated territories administered by Members of the League. It recommends the Council to request the Permanent Mandates Commission to give further consideration to this question."

On December 13th, 1923, the Council adopted the following resolution, at the same time deciding to send a copy to the Mandates Commission:

"The Council, having taken cognisance of Resolution VI relating to traffic in women and children, adopted by the fourth Assembly on September 15th, 1923, requests the Secretary-General to draw the attention of the mandatory Powers to this resolution and to invite them to make special mention in their annual reports of the measures taken to apply this Convention."

(c) Health Conditions in Mandated Territories.

In the third of the resolutions adopted by the fourth Assembly regarding the work of the Health Organisation, the Assembly expressed the opinion:

"that it would be desirable for all health reports presented to the Permanent Mandates Commission to be communicated to the Health Committee of the League of Nations for any recommendations it may desire to make to the Permanent Mandates Commission."

At its meeting on December 13th, 1923, the Council adopted the following resolution:

"The Council concurs in the wish of the Assembly and instructs the Secretariat to take the necessary steps to secure its execution, it being understood that no departure shall be made from the recognised procedure."

The Permanent Health Committee at its first session in February 1924 appointed a Subcommittee to take cognisance of the reports mentioned above and to make such recommendations to the Mandates Commission as might seem appropriate.

9.

SLAVERY.

The fourth Assembly, on September 28th, 1923, adopted the following resolution:

"The Assembly of the League of Nations,
"Having taken cognisance of the information obtained up to the present from Members of the League, and considering that it cannot form the basis of a sufficiently complete report:
“(a) Expresses to the Council its gratitude for the steps taken to carry out the request made by the third Assembly relating to the question of slavery;

“(b) Requests the Council to entrust to a competent body the duty of continuing the investigation with a view to obtaining further information on the subject, particularly from the Governments of States not Members of the League, and, if necessary, from individuals or organisations whose competence and reliability are recognised;

“(c) Expresses the hope that the results of this investigation may be communicated, if possible, to the fifth Assembly, and the desire that, in any case, the fifth Assembly may receive a report showing the progress made in different countries with regard to the suppression of slavery in all its forms.”

The Council, at its December session, considered a report by the representative of Sweden on the measures to be taken to carry out the decisions of the Assembly in this matter. It adopted the following resolutions:

“The Council, having considered the resolution of the fourth Assembly concerning the question of slavery, instructs the Secretary-General to enquire of those States in the present territory and colonial possessions of which slavery has been known to exist in the past to consider the possibility of communicating to the Council information on the following points:

“(a) What means, legislative, administrative or other, have been applied in the territory of ............... or in the colonies and protectorates under its sovereignty, to secure the suppression of slavery?

“(b) What have been the results of the application of these measures? Has slavery thereby been automatically and completely suppressed or is it gradually dying out? What are the economic and social results of the measures taken, for the former masters, for the slaves, for the government, and for the development of the territory involved? Is it intended to supplement the measures already taken by any further governmental action?

“The Council further instructs the Secretary-General to enquire of the above-mentioned States whether they would see any objection to indicating any organisation or individual in their country who might be able to give reliable and valuable additional information on this subject.

“The Council expresses the hope that replies to these questions may be received before June 1st, 1924, in order that further steps may, if necessary, be taken before the next Assembly to comply with the hopes unanimously expressed by the fourth Assembly in its resolution of September 28th, 1923.”

The Secretary-General, in accordance with these instructions, despatched a circular letter to all States Members of the League and to certain States non-Members.

The rapporteur, speaking of the method to be adopted in dealing with the material received, suggested that the Permanent Mandates Commission might be asked to take cognisance of the replies received and to formulate a draft recommendation “as to the methods which had proved most effective in the past, and would therefore be likely to prove most effective in the future, for assuring the suppression of slavery.”

Other members of the Council, however, objected to this procedure, and it was subsequently decided to adjourn to the next session the discussion of the competent body mentioned in the Assembly resolution.

During its session in March 1924, the Council again considered this question. The Secretary-General had, in the meantime, at the request of the Council, prepared an approximate estimate of the cost of a small advisory committee. The Council agreed that a special body should be appointed and decided:

“(a) To request the Secretary-General, after consultation with persons competent to advise him on the subject, to submit to it the names of six experts in colonial questions, who would be instructed to continue temporarily the enquiry on slavery, and to communicate to the Council their conclusions on this subject;

“(b) At the same time to invite the International Labour Organisation, through the Director of the International Labour Office, to communicate to the Secretary-General the name of some person to represent that organisation on the new Committee on Slavery.

“(c) That to cover the expenses incurred by the appointment of this Committee, a sum not exceeding 10,000 francs shall be allotted from the item of ‘Unforeseen Expenses’.”
10.

WORK OF THE TECHNICAL ORGANISATIONS.

I. ECONOMIC AND FINANCIAL ORGANISATION.

(a) WORK OF THE ECONOMIC COMMITTEE.

PROTOCOL ON ARBITRATION CLAUSES.

Under a resolution adopted by the fourth Assembly on September 24th, 1923, a Protocol on Arbitration Clauses was opened for signature by all States which might desire to adhere to it.

Sixteen States have up to the present signed the Protocol: Belgium, Brazil, British Empire, Denmark, Finland, France, Germany, Greece, Italy, Japan, Lithuania, Monaco, Netherlands, Panama, Roumania, Uruguay.

INTERNATIONAL CONFERENCE ON CUSTOMS FORMALITIES.

The fourth Assembly, in a resolution adopted on September 24th, 1923, emphasised the importance of the International Conference on Customs Formalities to be held at Geneva on October 15th, 1923. The convening of the Conference had been previously approved in a resolution adopted by the third Assembly on September 28th, 1922.

The Council, in a resolution adopted on January 30th, 1923, formally approved the measures already taken and instructed the Secretary-General to send the invitations to the various Governments. It was decided to invite not only the Members of the League but also those Powers which were not Members but possessed an independent Customs system.

The Conference met at Geneva from October 15th to November 3rd, 1923. Thirty-one States Members of the League attended, together with representatives from Germany, Egypt, Morocco and Tunis. The American Consul at Geneva, assisted by four technical advisers, followed the work of the Conference as an observer, and the International Chamber of Commerce, invited in an advisory capacity, sent an important delegation which took an active part in the discussions.

The Conference, by thirty-two votes out of thirty-four, and with two abstentions, adopted a Convention for the Simplification of Customs Formalities and a Protocol which was annexed to the Convention. Before the Conference separated, twenty-two States had already signed the Convention. The Conference also made a number of recommendations in its Final Act, which was signed by all the delegates present.

The Convention, which will remain open for signature until October 31st, 1924, had, up to June 15th, been signed by twenty-nine States, viz.: Austria, Belgium, Brazil, Chile, Czechoslovakia, Denmark, Egypt, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Japan, Lithuania, Luxemburg, French Protectorate of Morocco, Netherlands, New Zealand, Poland, Portugal, Kingdom of the Serbs, Croats and Slovenes, Siam, South Africa, Spain, Switzerland, Tunisia, Uruguay.

Two States (Denmark and Italy) have already ratified the Convention.

The Convention places the signatory States under an obligation to apply equitable treatment in questions of Customs formalities and not to resort to unfair discrimination. The Convention provides, in a series of stipulations, for a complete system of publicity for Customs laws and regulations. Persons who have suffered from abuses of Customs regulations are provided with facilities of appeal, either administrative, judicial or arbitral in character.

The Convention establishes certain rules relating to the regime to be applied to commercial travellers and to samples and relating to certificates of origin, consular invoices and the clearing of goods and passengers' luggage through the Customs.

Disputes arising from the application of the Convention will be settled under Article 22, which allows for recourse to the advisory opinion of a technical organisation and establishes the obligatory competence of the Permanent Court of International Justice in certain cases.

The Council, in a resolution adopted on December 10th, 1923, noted with satisfaction the success of the Conference and expressed the view that it constituted in its own particular field an application of the principle of the equitable treatment of commerce. It invited the various Governments to ratify the Convention without delay and decided to forward a copy to the Governments of Ecuador, Turkey and Russia, in order that they might sign it if they so desired.
The Council at the same time invited the Economic Committee to examine the question of the constitution of the technical organisation which will deal with disputes under Article 22 of the Convention.

Technical Organisation for the Settlement of Disputes under the Customs Convention.

Article 22 provides that, if a dispute arising under the Convention should not be settled either directly between the parties or by the employment of any other means of reaching agreement, the parties to the dispute "may, before resorting to any arbitral or judicial procedure, submit the dispute with a view to an amicable settlement to such technical body as the Council of the League of Nations may appoint for this purpose".

The Economic Committee, during its session held in February 1924, examined the question of the constitution of the organ provided for in Article 22. The Committee noted that the organ in question would have to deal with legal, economic and technical questions of very different kinds and that it must accordingly be sufficiently adaptable to cope with a large variety of problems and conditions. On the other hand, it was realised that care must be taken to prevent the general economic principles which had hitherto guided the deliberations of the Economic Committee from being in any way prejudiced by the issue of advisory opinions entirely unconnected with each other and proceeding from organisations whose composition varied continually. The Committee accordingly concluded that the new organ would have to combine variable with permanent elements.

The conclusion was finally reached that it was not necessary to create a special independent organisation, but that, in order to ensure continuity of principle in the economic work of the Council, it would be preferable to entrust the Economic Committee itself with the duties of organisation contemplated in Article 22. On the other hand, it was decided that for each separate case there should be co-opted, according to the nature of the dispute, experts on Customs questions, foreign trade or law, chosen from lists supplied by the contracting States. It was, moreover, agreed that in all cases each of the parties to the dispute, if not already represented on the Committee, should have the right to send an assessor who would have the same rights as the other members of the Committee.

In accordance with these principles, the Committee will create an organ of investigation for each special case; this organ of investigation will make the necessary enquiries and ascertain the facts, and will be composed of a few members of the Economic Committee, together with experts. The parties to the dispute will be represented by agents. This organ of investigation will hear the parties, examine documents and questions of fact, visit places connected with the dispute and prepare statements. Its opinion will be examined on the completion of its investigations by the Economic Committee, which will, in its discretion, either refer the opinion back to the organ of investigation for further enquiries or adopt the opinion and communicate it to the parties concerned.

The Council, in a resolution adopted on March 11th, 1924, approved the proposals submitted by the Economic Committee, and instructed the Committee to draw up draft rules of procedure, for the application of Article 22.

The Economic Committee dealt with this question during its session held in May 1924, when it drew up draft rules for the approval of the Council. (For the text of the rules see Document A. 9, 1924, II) The rules were framed in conformity with the scheme already adopted, and included, in addition, detailed provisions for urgent procedure. There was, for example, a special provision to the effect that two delegates of the Economic Committee, with the assistance of assessors representing the parties, might constitute the body for hearing a case if an application was received more than twenty days before the next session of the Committee.

UNFAIR COMPETITION

The fourth Assembly, in a resolution adopted on September 24th, 1923, noted with satisfaction the steps which had been taken by the Economic Committee towards the establishment of international action and better measures against unfair competition.

In pursuance of a decision taken by the Council in September 1923, arrangements were made for a conference of experts to be held at Geneva on May 5th, 1924. An invitation was sent to twenty-seven States and to the Director of the International Bureau of the Union for the Protection of Industrial Property.

The meeting of the experts took place at Geneva from May 5th to May 11th, 1924. Twenty-two States sent experts.

The experts examined documents prepared by the Economic Committee. These documents included draft articles for insertion in a revised version of the existing international Convention on the Protection of Industrial Property.

These draft articles aimed especially at securing within the territory of the Contracting States an effective appeal against the improper use of trade marks and trade names and effective
To find the best means to adapt them for inclusion in the existing Convention by means of suitable regulations governing trade-marks and patents, are nevertheless a form of fraud owing to the various devices intended to disguise their real nature.

The delegates of Venezuela drew the attention of the third Assembly to "the harmful effect on legitimate trade of the manufacture and sale of products which, though not infringing the regulations governing trade-marks and patents, are nevertheless a form of fraud owing to the various devices intended to disguise their real nature."

The Economic Committee, invited to examine this question and reporting to the Council in January 1923, expressed the view that the protection of the consumers of a country against such products was "primarily a question of domestic policy for that country and that it should, therefore, be left to national legislation."

The fourth Assembly, however, on September 24th, 1923, on the proposal of the delegate of Venezuela, adopted a further resolution expressing the hope that the Economic Committee would discuss the possibility of international action with a view to the protection of consumers; and on September 29th, a letter, signed by eleven delegates of Latin-American States and containing certain observations on this matter, was sent to the Economic Committee.

This Committee, during its February session, instructed its Sub-Committee on the Equitable Treatment of Commerce to consider the question and to submit a report upon it.

The Economic Committee and its Sub-Committee, during the May session, heard certain explanations given by M. Zumeta, the originator of the proposal. A considerable mass of information had, in the meantime, been collected by individual members of the Committee as to the facilities available in their respective countries for the guarantee, verification, marking and inspection of certain classes of goods previous to their export; but it was considered that further information was necessary before concrete proposals could be submitted to the Council.

TREATMENT OF FOREIGN NATIONALS.

The fourth Assembly, in a resolution adopted on September 24th 1923, noted that the Economic Committee had succeeded in drawing up for the guidance of Members of the League a series of principles regarding the treatment of foreign nationals and enterprises duly admitted to establish themselves or to exercise their commerce or industry in the territory of another State.
The Council in July 1923 had forwarded these recommendations to the Members of the League inviting them to put the principles into practice, both by the adaptation of their national legislation and by the conclusion of bilateral agreements.

The fourth Assembly endorsed the action of the Council, and suggested that the Economic Committee should complete its examination of the problem, with special reference to a proposal submitted by the delegate of Japan to the effect that the scope of the investigation should be extended to the general problem of the establishment of foreigners.

The Economic Committee discussed the question during its February session, and in the course of this discussion the Japanese delegate on the Committee defined the scope of the Japanese proposals.

The Committee referred the question to its Sub-Committee on the Equitable Treatment of Commerce, which concluded that, before proceeding further with the study of the proposals, it would be necessary to collect more detailed information through its members and through the Secretariat in regard to the laws in force in the various countries.

The Sub-Committee decided to deal, in the first place, with the right of entry into professions, industries and occupations.

The Economic Committee hopes that it will be possible at no distant date to present a report to the Council on the subject.

UNIFICATION OF ECONOMIC STATISTICS.

The Economic Committee, during its February session, examined a series of resolutions adopted at Brussels in September 1923, at the Conference of the International Institute of Statistics. These resolutions were based on the report of the Preparatory Committee of Experts, which had been selected in December 1923 by representatives of the Economic Committee, the International Labour Office, and the International Institute and had devoted the earlier part of the year to the study of an agreed programme. The resolutions deal with statistics of international trade, agriculture, fisheries, prices and other indices of economic conditions.

The Economic Committee, with the approval of the Council, subsequently consulted the International Institute of Agriculture at Rome, the International Chamber of Commerce and the International Institute of Commerce at Brussels in regard to these resolutions and secured the general approval of all three organisations.

The Committee next considered what steps should be taken with a view to obtaining further observations on the principles proposed and to securing their practical application. As a result of this examination, it recommended that the resolutions concerning the statistics of international trade and fisheries should be circulated to all the Members of the League with a view to ascertaining to what extent their Governments are prepared to endorse and apply the principles which they contain.

It further recommended that the resolutions concerning agriculture should be forwarded to the International Institute of Agriculture, with a request that the Institute should circulate them to its members.

It was suggested in the resolutions of the International Institute of Statistics that certain problems might with advantage be regulated by international conventions, with a view to promoting uniformity in international statistics. The Economic Committee felt it was preferable to postpone a detailed consideration of this question until the comments of the various Governments on the resolutions as a whole have been received.

The Economic Committee, after an exchange of views with the representative of the International Labour Office in February 1924, has put forward a new programme of work for the Preparatory Committee for the current year. The programme covers the questions of the methods adopted in compiling the statistics of industrial production and industrial productive capacity and the classification of industries.

The Preparatory Committee on Statistics met again in May 1924 to consider the procedure to be followed in dealing with this new programme of work. It appointed four Sub-Committees, which will deal with the following special aspects of the problem: stocks, current statistics of production, census of production, classification of industries.

UNEMPLOYMENT: COLLABORATION WITH THE INTERNATIONAL LABOUR OFFICE.

The Economic Committee, during its February session, considered further correspondence which had been received from the Director of the International Labour Office in regard to the assistance to be given by the Committee in the enquiry into unemployment on which the International Labour Office is engaged.

The Committee, after consulting representatives of the International Labour Office, proposed that a Mixed Committee should be established and initiated a system of methodical collaboration in connection both with the enquiries which are being undertaken into economic crises and fluctuations and with other matters of common interest.

During the session of the Economic Committee, held in May 1924, the Sub-Committee on economic crises discussed a memorandum on economic barometers prepared by the International Labour Office, and the following conclusions were reached:

1 For previous correspondence, see General Report to the fourth Assembly (Records of the Fourth Assembly—Plenary Meetings Official Journal, Special Supplement No. 13, page 309).
(a) That it is desirable to publish in the *Monthly Bulletin of Statistics* of the League of Nations a certain number of carefully selected indices of economic conditions prepared by various expert authorities in different countries with a special view to forecasting the trend of business conditions.

(b) That the Secretariat submit to the next session of the Sub-Committee a definite proposal as to the index numbers to be included in the *Bulletin*.

(c) That the Economic Committee and the International Labour Office shall continue to watch systematically the progress of research and experiment in this matter with a view to possible suggestions for improvement and co-ordination at some future time.

(d) That, in the meantime, attention shall be directed (in collaboration, if necessary, with the Preparatory Joint Committee established with the International Statistical Institute) to the question of the improvement of some of the fundamental data which have a bearing on the forecast of business conditions (e.g., the statistics of stocks, of raw materials, gross output of certain important industries, etc.).

(b) **WORK OF THE FINANCIAL COMMITTEE.**

(i) **FINANCIAL RECONSTRUCTION OF AUSTRIA.**

**SUMMARY OF THE FINANCIAL PLAN.**

It may perhaps be of use briefly to recall at the beginning of this chapter the general lines of the plan put into execution in Austria under the auspices of the League of Nations, of which the details are to be found in the general Report of the Council 1 to the Assembly last year.

Since the end of 1922 the plan for financial reconstruction, the details of which were drawn up in conformity with the Protocols signed at Geneva by the Provisional Delegation of the League and by the Austrian Government, has been put into operation under the control of Dr. Zimmerman, Commissioner-General of the League of Nations.

The Commissioner-General approves the preliminary budgets which are submitted to him each month by the Austrian Government and sets free, in the proportions that are found to be necessary to cover the monthly deficits which he has approved, a part of the international loan granted to Austria. These monthly deficits are to remain within the limits contemplated by the plan of reconstruction, which has fixed the half-yearly average of the deficit until budgetary equilibrium has been permanently secured.

The plan of reconstruction provides for equilibrium by 1925, and the expenditure of Austria up to that date is to be progressively reduced to a figure sufficiently low to ensure the permanency of this equilibrium.

The reduction of expenditure is to be gradually brought about by means of reforms, especially by an administrative re-organisation which is to result in an important reduction in the number of officials.

The Commissioner-General further controls the revenues set aside to cover the international loan (Customs and tobacco monopoly). He assigns each month from the receipts paid automatically to this account the necessary sums to assure the service of the loan. The receipts since the beginning of the scheme have proved amply sufficient for this purpose, being in an ordinary month more than twice, and in certain months more than three times, the total amount required (6 million gold crowns per month).

**EXECUTION OF THE FINANCIAL PROGRAMME.**

**A. Budget Deficit.**

The monthly reports of the Commissioner-General, of which the Council has taken note in its various sessions, draw attention to the fact that the deficit in the Austrian budget has remained within the limits contemplated in the programme of reconstruction.

The audited accounts of the 1923 period, which are to be found in the 16th report of the Commissioner-General, showed for the first six months a deficit of 1,283 milliard paper crowns,2 and for the second six months a deficit of 420 milliards (this did not include the expenditure which remained to be met at the end of the year). The programme drawn up by the Provisional Delegation of the League of Nations in October 1922 allowed for a deficit of 2,034 milliards in the first six months and a deficit of 1,400 milliards in the second six months.

Further, from the reports of Dr. Zimmerman it appears that, as regards the budget deficit, the programme of the League of Nations has been fulfilled. This, however, is not the case in regard to the figure reached by receipts and expenditure. The programme drawn up by the Provisional Delegation of the League of Nations and the Austrian Government contemplated,

2 The gold crown at the present stabilisation rate of the paper crown is equal to 14,400 paper crowns.
both for receipts and for expenditure, a figure very much lower than that reached at the end of the financial period for 1923.

This situation has engaged the attention of the Commissioner-General and of the Council. The Commissioner-General has on several occasions pointed out that "the Austrian budget has been balanced, not by reduction of expenditure but by an extraordinary increase in receipts"; and the Council in its resolution of March 12th, 1924, after having noted that the Commissioner-General is of opinion that not all the present receipts are of a permanent character, "hopes accordingly that the administrative reforms and the reduction in the State's liabilities will continue so as to reduce expenditure in conformity with the general tendency of the programme, which is to ensure equilibrium on the basis of permanent stabilisation."

In the opinion of the Commissioner-General, the unexpected increase in the receipts from taxation is partly explained from the fact that Austria went through an extraordinary period of renewed prosperity in 1923. It was only at the end of that period of prosperity that the dangers threatening the economic life of a country where taxation was very heavy and where the assessment of taxes was not always satisfactory gradually came to be realised. In point of fact, the Government had already to take measures with a view to reducing certain taxes. Thus, the income tax was reduced by the Law of February 29th, 1924. Further, on March 27th, the tax on transactions in securities was reduced to the level obtaining before March 10th, and a bill is in preparation to reduce the corporation tax. This tax at the moment falls on commercial industrial enterprises, possessing a legal personality, and amounts to about 50 per cent of the net profits without taking into account the additional tax on big dividends and the supertax for the Chamber of Commerce, which in certain cases may be as high as 89 per cent.

B. Execution of the Programme of Reform.

The Commissioner-General in his reports gives the following reasons for the high expenditure. The financial needs of the different departments have not been sufficiently reduced. The number of officials dismissed from the beginning of the period of reform until March 20th, 1924, was 65,147, while by the terms of the programme it ought to have been 75,000 on December 31st, 1923, and 100,000 at the end of the first six months of 1924.

Further, the successive increases in the salaries of the officials have increased the permanent expenses of the State, the increase approved on November 1st, 1923, involving an annual additional expenditure of more than 600 milliards. This expenditure has, up to the beginning of June 1924, not been covered by any provision in the budget. According to the Government's plan, provision for this expenditure ought to have been made by means of a new allocation of the receipts from taxes between the Federal State and the independent organisations (provinces and communes).

Since no agreement had been reached before June between the Confederation and the independent organisations with regard to the new allocation of the receipts from taxes, the Parliament has voted the Government five-twelfths provisionally until the end of May 1924, and the Commissioner-General on his side has not set free for those five months from the proceeds of the international loan any sum to cover the contemplated deficits. These deficits have been covered by means of the balance remaining over from the advances to which, in accordance with the preliminary monthly budgets, the Commissioner-General gave his consent during 1923, but which were not used owing to the unexpected surplus derived from the taxation receipts.

Changes in the Programme requested by the Austrian Government.

During its session in March 1924, the Council had before it a letter received by the Commissioner-General from the Austrian Government.

In this letter the Austrian Government noted that the balancing of the budget might be anticipated by 1925 in accordance with the provisions of the Geneva Protocols. The provisional audited accounts for the period 1923 showed a deficit decidedly lower than that reached at the end of the financial period.

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It is true, said the Austrian Government, that the favourable results recorded in 1923 are due rather to a surplus of the receipts than to a reduction of expenditure, but this surplus represents a progressive increase in the receipts due to the increase in taxation decided on in 1922 in consultation with the provisional delegation of the League of Nations. At that time a difference of opinion had existed between the delegation and the Austrian Government, the latter estimating the progressive increase in receipts at 368.3 million gold crowns for 1923, 510.2 million gold crowns for 1924 and 558 million gold crowns for 1925, while the delegation had considered these figures to be too optimistic and had insisted that the expenditure of the State for 1925 should be reduced to the level of 350 million gold crowns. This figure the Austrian Government only accepted after having on several occasions made objections. In its Note of November 8th, 1922, the delegation maintained the limit of 350 million gold crowns, adding that it would be for the Commissioner-General to make known his opinion regarding the proposals of the Government concerning a change in the initial programme when experience showed that it was possible to overshoot this limit without danger.

In its budget estimates for 1924, the Austrian Government has succeeded in maintaining provisional expenditure within the limits contemplated in the plan of the League of Nations; but, in view of the fact that it has sometimes been obliged to cut down expenditure earmarked
for work and enterprises of the first importance, it requests permission to present proposals for a change in certain figures contained in the plan of reform, while naturally keeping entirely within the limits of the Geneva Protocols, if the conclusions of the detailed examination into the financial position of the State, make it possible to put forward such proposals.

The Austrian Government further notes that, out of the sum realised by the loan of the League of Nations, 186 million gold crowns remained at the disposal of the country at the end of 1923 without taking into account the sums which were still to be paid in respect of the Spanish share (26 million gold crowns, which in fact have been paid since January 1st, 1924) and of the Swiss Government loan (20 million gold crowns not yet paid). The Austrian Government is of opinion that experience shows that the sums realised as a result of the loan need not, as was originally contemplated, be used exclusively to cover deficits in the budget. It considers that, in these circumstances, a method should be found whereby that part of the sum realised by the loan which is not needed to cover the deficits might best be used in order effectively to contribute to the betterment of the economic and financial situation. The Austrian Government thinks that it will be useful to employ a considerable part of the balance of the loan in capital expenditure, thus making it possible to reduce the budget estimates for 1925.

Realising that the questions contained in its letter can only be wholly or partly settled by a decision of the Council of the League, the Austrian Government has asked the Commissioner-General to take the necessary steps to obtain such a decision.

The Commissioner-General, in transmitting the letter of the Austrian Government, informed the Council that it was impossible for him, in the short space of time at his disposal before the end of the Council session, to examine the various figures contained in the letter, and he asked the Council to allow him to present a report on the question at some future date.

The Council at its meeting on March 12th, 1924, passed the following resolution, M. Grünberger, Minister for Foreign Affairs, attending as representative of Austria:

"The Council of the League of Nations

1. Takes note:

(a) of the 12th, 13th and 14th reports from the Commissioner-General; and

(b) of the letter of March 10th from the Austrian Government to the Commissioner-General, forwarded by the latter to the Council.

2. Seeing that the above letter was only received by the Commissioner-General himself during the present session of the Council and the questions referred to in it require careful and exhaustive investigation, the Council decides to postpone discussion until the next session.

In the interval, since the matters dealt with in the Austrian memorandum give rise to problems which are closely associated with the questions which will come before the Council for consideration at the time when the latter is called upon to decide whether the equilibrium of the budget has been established on a permanent basis in conformity with the provisions of the relevant article in Protocol No. III, the Council requests the Commissioner-General and the Financial Committee to examine the Austrian letter and to acquaint it with their views on the questions raised. It requests the various Governments represented on the Council to supply the Commissioner-General and the Financial Committee with any particulars which they may be able to furnish with a view to assisting the former in their investigations. The Council would also be glad to receive any opinion the Committee of Control would like to express on the question.

3. The Council notes with satisfaction the fact mentioned in the Commissioner-General's reports that the monthly budgetary deficit of the Austrian State has been considerably reduced and that during the last months, within less than a year after the establishment of control, the figures for receipts would seem to have coincided with those for expenditure. It takes note that in these circumstances it is possible that a considerable portion of the reconstruction loan will remain unused at the end of the year.

"At the same time, it concludes from the Commissioner-General's reports that the above result has been obtained owing to an increase in the yield of taxes rather than a reduction in the total figure for public expenditure. It notes that the Commissioner-General is of the opinion that not all the present receipts are of a permanent character and it points out that programmes for concrete reforms have been established and still remain in force. It hopes accordingly that the administrative reforms and the reduction in the State's liabilities will continue so as to reduce expenditure in conformity with the general tendency of the programme, which is to ensure equilibrium on the basis of permanent stabilisation.

4. In consequence, the Council wishes to point out that:

(a) The original programme adopted by the Austrian Government constitutes a solemn undertaking, the execution of which remains obligatory unless modified with the consent of all the Contracting Parties;

(b) Under the terms of the Protocols, the control can only be withdrawn when permanent equilibrium is re-established in the Austrian budget and the financial stability of Austria is assured;

(c) Under the terms of the Protocols and of the prospectus for the flotation of the various blocks of the loan, i.e., of the undertakings entered into towards the guarantor States and the bondholders, the total yield of the loan can only be employed under the control of, with the authorisation of, and for purposes approved by, the Commissioner-General."
ANNEX

The following table, taken from the 16th Report of the Commissioner-General, gives the most recent statistical data in regard to public finance, the reduction of officials, economic life (trade balance, unemployment, emigration, price indices), private finance and the position of the National Bank of Austria.
### Public Finances

#### (a) Gross receipts:
- Customs: [Value]
- Tobacco: [Value]

#### (b) Monthly preliminary budgets:
- Estimated expenditure: [Value]
- Estimated receipts: [Value]
- Deficit: [Value]

#### (c) Closed accounts for last fiscal period:
- Expenditure: [Value]
- Receipts: [Value]
- Deficit: [Value]

### Trade and Industry

#### Value of imports: [Value]
#### Value of exports: [Value]
#### Trade deficit (exclusive of movements of precious metals): [Value]

### Finance other than Public

#### Deposits in banks and savings banks: [Value]
#### Stock Exchange index (first half 1914 = 1): [Value]

### National Bank of Austria

- State Debt to the National Bank (advances during period of inflation): [Value]
- Holdings of bills: [Value]
- Gold reserve and foreign currency holdings: [Value]
- Value of notes in circulation: [Value]
- Percentage of circulation covered by metal reserve: [Value]

### Reduction in the Number of Officials

#### Central Administration
- (Sudbahn: 113)

### Discharged

#### Total
- (Corrected figures)

#### Trade and Industry

#### Monthly Average

<table>
<thead>
<tr>
<th>Third Stage</th>
<th>2nd Stage</th>
<th>1st Stag</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>March</td>
<td>January 1st</td>
</tr>
<tr>
<td>1924</td>
<td></td>
<td>1923</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1923</td>
</tr>
</tbody>
</table>

### Individual Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Finances</td>
<td></td>
</tr>
<tr>
<td>Gross receipts</td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Monthly preliminary budgets</td>
<td></td>
</tr>
<tr>
<td>Estimated expenditure</td>
<td></td>
</tr>
<tr>
<td>Estimated receipts</td>
<td></td>
</tr>
<tr>
<td>Deficit</td>
<td></td>
</tr>
<tr>
<td>Closed accounts</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
</tr>
<tr>
<td>Deficit</td>
<td></td>
</tr>
</tbody>
</table>

### Reduciton in the Number of Officials

#### Central Administration
- In March 1924 (Sudbahn: 113) [Value]

### Discharged

- Total up to March 29th, 19 [Value] (Sudbahn: 9,281)

### Trade and Industry

#### Monthly Average

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of unemployed receiving relief</td>
<td>[Value]</td>
</tr>
<tr>
<td>Number of emigrants proceeding abroad</td>
<td>[Value]</td>
</tr>
<tr>
<td>Number of travellers who stayed at hotels in Vienna</td>
<td>[Value]</td>
</tr>
<tr>
<td>Official index of the cost of living</td>
<td>[Value]</td>
</tr>
<tr>
<td>A. Cost of living (July 1914 = 1)</td>
<td>[Value]</td>
</tr>
<tr>
<td>B. Wholesale prices (1st half 1914 = 1)</td>
<td>[Value]</td>
</tr>
<tr>
<td>Exchange index according to the gold rate (Customs parity)*</td>
<td>[Value]</td>
</tr>
<tr>
<td>Average rate of dollar in paper crowns (pre-war parity = 4.935 paper crowns)</td>
<td>[Value]</td>
</tr>
</tbody>
</table>

### Finance other than Public

#### Deposits in banks and savings banks: [Value]
#### Stock Exchange index (first half 1914 = 1): [Value]

### National Bank of Austria

- State Debt to the National Bank (advances during period of inflation): [Value]
- Holdings of bills: [Value]
- Gold reserve and foreign currency holdings: [Value]
- Value of notes in circulation: [Value]
- Percentage of circulation covered by metal reserve: [Value]
The figures shown for the preliminary monthly budgets and closed accounts are the official figures of the Austrian Government, exclusive in the expenditure and receipt columns of the amount of the taxes refunded to the Provinces (Ertragsanteile). Certain other changes in the accountability system (the effect of which is to make the totals for expenditure and receipts appear smaller) have not been taken into account. Consequently no exact comparison is possible with the figures contained in the Programme, except in the case of deficit.

The programme provides for a monthly average (exclusive of the Ertragsanteile):

<table>
<thead>
<tr>
<th>Stage</th>
<th>1st stage</th>
<th>2nd stage</th>
<th>3rd stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure (in millions of gold crowns)</td>
<td>35.8</td>
<td>44.6</td>
<td>47.5</td>
</tr>
<tr>
<td>Receipts (in millions of gold crowns)</td>
<td>36.3</td>
<td>53.2</td>
<td>58.0</td>
</tr>
<tr>
<td>Deficit (in millions of gold crowns)</td>
<td>3.5</td>
<td>23.5</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Consequently, an appreciable increase each month will now be noted in the estimates for expenditure, accompanied by a drop in the estimates for receipts in the last month.

The preliminary budgets authorized by the Commissioner-General provided for a monthly average (exclusive of the Ertragsanteile):

<table>
<thead>
<tr>
<th>Half-year</th>
<th>1st half-year</th>
<th>2nd half-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure (in millions of gold crowns)</td>
<td>43.7</td>
<td>46.8</td>
</tr>
<tr>
<td>Receipts (in millions of gold crowns)</td>
<td>23.7</td>
<td>24.0</td>
</tr>
<tr>
<td>Deficit (in millions of gold crowns)</td>
<td>13.1</td>
<td>13.2</td>
</tr>
</tbody>
</table>

The Programme provides for the discharge of a total of 100,000 officials, of whom 75,000 should have been dismissed before December 31st, 1923. The Südbahn staff was not under the authority of the State administration when the work of reconstruction began.

The number of unemployed receiving relief was 107,471 in February 1923.

Index for the first half of April 1924

<table>
<thead>
<tr>
<th>Period</th>
<th>Index Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 7th, 1923</td>
<td>1724</td>
</tr>
</tbody>
</table>

All the indexes in this table are calculated according to the present prices in paper money as compared with pre-war prices (co-efficient of high cost of living). What cost 1 in 1914 now costs x paper crowns.

The National Bank of Austria began operations on Jan. 2nd, 1923. In accordance with the statutes, the sums in gold crowns are calculated on the basis of the average rate of exchange for the second half of the preceding year, viz.: for 1923 = 12,834 paper crowns (average rate July to December 1922); for 1924 = 14,400 paper crowns to each gold crown (average rate July to December 1923).
The Framing of the Scheme.

It became apparent early in 1923 that, unless an external loan could be raised, Hungary would be unable to stabilise her currency and, on April 22nd, the Hungarian Government formally requested the Reparation Commission to lift the charges on her assets imposed under Article 180 of the Treaty of Trianon, in order that they might serve as security. The Reparation Commission did not oppose the request in principle. It decided, however, by a majority, that the assets should only be released for the purpose of definite loan schemes which it must previously approve, and that a fixed part of any loans raised must be allocated to reparations.

The Hungarian Government found that the raising of a loan under these conditions was impracticable. As a result, however, of the negotiations between the countries concerned, the Council of the League in September 1923, enlarged for the purpose by the addition of the representatives of Czechoslovakia, Hungary, Roumania and the Kingdom of the Serbs, Croats and Slovenes, was able to accept conditional responsibility for preparing a scheme of financial reconstruction, and it decided to authorise the Secretariat and the Financial Committee of the League to undertake any preparatory work which might be necessary for the preparation of definite proposals to be submitted to the Council in December.

The Council adopted the following resolution:

"In the event of the Reparation Commission communicating in the near future with the League of Nations and inviting it to co-operate in a scheme for a loan for the financial reconstruction of Hungary, the Council decides to authorise the Secretariat and the Financial Committee to further any preparatory work which the Reparation Commission may think should be undertaken, with a view to permitting the Council to consider, at its next session, the conditions under which the loan may be carried into effect.

"At meetings of the Council which are concerned with this question, Czechoslovakia, Hungary, Roumania, and the Kingdom of the Serbs, Croats and Slovenes will be invited to sit as Members of the Council; decisions will be taken by a unanimous vote of the Council thus constituted."

The Reparation Commission on October 17th declared its readiness in principle to raise the charges on Hungarian assets and revenues, but reserved its final decision until a scheme should be presented.

Preparatory work was immediately undertaken by the Secretariat of the League. The main outlines of the financial and economic position of Hungary were examined by members of the Secretariat at Budapest, and the necessary statistical information was obtained. The results of this preliminary work were examined by the Financial Committee at its session held in London from November 20th to November 28th, the Committee being assisted on this occasion by an influential delegation from the Hungarian Government. A scheme of reconstruction was drawn up and agreed in detail by all the members of the Financial Committee.

The scheme was presented to the Council during its December session. The Council appointed a sub-committee known as the Hungarian Committee, consisting of the British, Czechoslovak, French, Italian, Roumanian, Serb-Croat-Slovene and Hungarian representatives, and, before separating, it accepted the report of the Financial Committee and ordered its immediate publication.

The scheme was officially forwarded to the Reparation Commission after certain subsidiary but difficult questions had been settled at a further meeting of the Hungarian Committee in London on January 16th, 1924.

The Reparation Commission on February 21st raised the liens on Hungarian assets under the conditions required by the scheme, and the Protocols were signed by the countries concerned during the session of the Council which was held at Geneva from March 10th to March 15th.

The Council accepted responsibility for proceeding with the scheme, and appointed Mr. J. Smith, of Boston, U.S.A., as Commissioner-General.

Meanwhile, a delegation of the League visited Budapest and worked out a detailed programme of budget reform. It agreed with the Government as to the terms of the legislation required to put this programme into effect and arranged for the establishment of a bank of issue.

General Character of the Scheme.

The basis of the scheme is a political Protocol, signed by Great Britain, France, Italy, Czechoslovakia, Roumania, the Kingdom of the Serbs, Croats and Slovenes, and Hungary. It includes a solemn undertaking on the part of all these countries to "respect the political independence, the territorial integrity, and the sovereignty of Hungary"; to avoid any attempt "to obtain any special or exclusive economic or financial advantage calculated directly or indirectly to compromise that independence"; and, with a view to ensuring respect for these principles by all nations, to appeal, should occasion arise, "in accordance with the regulations contained in the Covenant
of the League of Nations, either individually or collectively, to the Council of the League of Nations, in order that the latter may consider what measures should be taken and to conform to these decisions. Hungary undertakes "strictly and loyally to fulfil the obligations contained in the Treaty of Trianon and, in particular, the military clauses, as also the other international engagements."

The technical problem and the main lines of its solution are thus described by the Financial Committee:

"The Hungarian problem (like the Austrian) is partly financial and partly economic. The budget has been unbalanced. Expenses have exceeded receipts. The deficit has been met by inflationary methods. The crown has fallen in value. This fall has, apart from its other consequences, increased the deficit itself by reducing the real value of taxation receipts, and, at the same time, has deprived Hungary of a basis on which her economic life could develop; and the situation has thus proceeded in the vicious circle so familiar in the financial history of Europe during the last few years.

"At the same time, the trade balance of Hungary has been seriously adverse, largely perhaps, but not wholly, as a result of the falling exchange.

"Hungary cannot, of course, be in a sound situation until both her budget and financial position and also her trade balance are satisfactory. She must not only meet her public expenditure by taxation but she must produce (and dispose of) as much as she consumes.

"Before this double problem, financial and budgetary on the one hand and economic on the other, the League must clearly limit and define its role.

"The Financial Committee has no hesitation in recommending that, as in the case of Austria, any financial operations for which the League undertakes any responsibility should be definitely and expressly limited to remedying the budgetary, and therefore the financial, position. The scheme recommended below is essentially one to enable the fall of the crown to be at once arrested and its value maintained; it contemplates a balanced budget after a limited period of reform; and it proposes a loan for the purpose and the sole purpose of covering the deficit during this period.

"This is not to suggest that the Committee considers the economic restoration as of secondary importance, nor even that the League itself can do nothing to assist it.

"On the contrary, no purely financial scheme can save the situation unless, as may be hoped, it forms the basis on which the country's economic life will develop; and one cardinal feature of this is the free interchange of goods between Hungary and her neighbours, in the arrangement of which the League can perhaps give valuable assistance. This is, however, outside the direct sphere of competence of the Financial Committee and not an actual part of the financial scheme here proposed...

"Starting with this general conception, the Committee unanimously recommends the following scheme as best adapted both to the needs of Hungary and to the practical possibilities of external assistance.

"Its principles in main outline may be summarised as follows:

"1. The stoppage of inflation with a view to the stabilisation of the Hungarian crown, this being assisted by:
   "2. An independent Bank of Issue enjoying the monopoly of note issue;
   "3. The balance of the budget by June 30th, 1926, so that thereafter current expenses will be met by taxation without recourse to either inflation or loans;
   "4. A reconstruction loan, secured by specific Hungarian revenues, to cover the deficit till June 1926, so that inflation may be stopped without waiting till the budget is balanced (which could probably never be achieved while inflation was still in progress);
   "5. A control through a Commissioner-General appointed by, and solely responsible to, the Council of the League, for the purpose of ensuring the due execution of the whole programme.

"The success of the scheme so outlined requires:

"6. Satisfactory political relations between Hungary and her neighbours;
 "7. Suitable arrangements with regard to her external obligations, particularly relief credits and Treaty charges.

"And, to be ultimately successful, the scheme requires to be supplemented by:

"8. Economic restoration and development and all the measures required to assist it, in particular, commercial agreements with neighbouring countries."
The Loan and its Securities.

The scheme involves a loan sufficient to meet the deficits during the two and a-half years ending June 30th, 1926. The amount of this loan is estimated at 250 million gold crowns.

The Financial Committee did not think that governmental guarantees as provided for the Austrian loan were necessary in the case of Hungary.

The Committee accordingly proposed that the loan should be secured on certain assigned revenues of the Hungarian State, with the provision that additional revenues should be assigned if necessary, and the whole reinforced by a scheme of comprehensive reform and control. Two classes of revenue were available as security for the loan: (a) revenues to be immediately assigned, including Customs receipts, the tobacco monopoly, the salt monopoly and the sugar tax, and (b) additional revenues to be assigned if necessary. The revenues to be immediately assigned were estimated to yield not less than 50 million gold crowns per annum.

Arrangements would be made so that the reconstruction loan should enjoy a first rank charge on all receipts of these two categories which had to be freed in favour of the loan from the privileges resulting from relief bonds and the charges of the Treaty of Trianon. They will pass directly into the hands of a Commissioner-General appointed by the League, and when his tenure has terminated, of a controlling authority, adequately representing the interests of the bondholders. This authority will retain all the sums necessary for the service of the loan and the remainder only will be handed to the Hungarian Government.

The period of amortisation will not exceed twenty years, but provision is made by which a special amortisation fund may reduce this period to fifteen years. The revenues will be controlled until the debt is completely discharged.

Provisions as to Treaty Charges.

Provisions as to Treaty charges may be summarised as follows:

1. The total demands in respect of Treaty payments, with the exception of pre-war debts, are limited for twenty years to an average of ten million gold crowns per annum.

2. There will be no reparation payments during the period of reconstruction, with the exception of certain deliveries of coal, for which arrangements have already been made.

3. Reparation payments in the years immediately after the reconstruction period will be substantially less than the above average.

4. No reparation payments can be made except with the assent of a Commissioner-General, who will be in office at any time during the currency of the loan whenever the equilibrium of the budget or the security of the loan is in danger.

5. Reparation payments will be made in Hungarian crowns and only converted into foreign exchange if the operation is compatible with the maintenance of the exchange value of the crown.

Supervisory Arrangements.

It will be the duty of the Commissioner-General to carry out the Protocols and the programme of reform. He will administer the proceeds of the loan, and transfers from these proceeds will be conditional upon the due progress of reform. His control will be general so long as the reforms are carried out, but if the reforms are not effected as fast as the programme requires, his control will extend to the details of expenditure and taxation. He will also administer the proceeds of the assigned revenues which will pass into an account from which nothing can be drawn without his authority. He will take from these revenues the payments due for the service of the loan and hand over the balance to the Hungarian Government.

There will be no “committee of control of the guaranteeing Powers”, as in the case of Austria, but the countries directly interested in the loan will be able to watch the progress of the work by means of a Committee of Control appointed by the Reparation Commission. This Committee will be able to acquire information and to give advice. Trustees will also be appointed to represent the bondholders, and an adviser to the bank of issue will be appointed on the nomination of the Commissioner-General.

The Council of the League may re-establish full control, including the adviser to the bank, if the equilibrium of the budget or the security of the loan is in danger at any time during its currency.

Programme of Reforms.

A delegation of experts appointed by the Council under the second Protocol to collaborate with the Hungarian Government in framing a detailed programme of reforms worked in Budapest
from March 1st to March 22nd, 1924. The delegation, which had the opportunity during its stay in Hungary to enter into relations with the representatives of the economic life and the political parties, framed, in collaboration with the Hungarian Government, the texts of the legislation necessary to carry out the scheme of reconstruction.

This legislation includes the ratification of the Protocols, the conferring of full powers on any Government, during the period of reconstruction, to proceed with the reforms, and detailed provisions in regard to taxation and expenditure, including a series of budgets ending in equilibrium in the second half of 1926.

The statutes of the bank of issue are modelled on those of the Austrian bank. The bank will be opened early in June, when all inflation must definitely cease.

The delegation agreed with the Hungarian Government as to the interim measures to be taken in the immediate future, and set up a system under which the revenues assigned will be collected and centralised.

The programme elaborated by the delegation has been faithfully executed. The Reconstruction Law and the law establishing the bank were voted by the Hungarian Parliament on April 17th, 1924, and special accounts of the loan proceeds and the revenues assigned to its service were immediately opened. The Government has obtained an advance of 20 million Swiss francs from Hungarian banks and industrial groups to meet its needs in foreign exchange during the intermediate period before the proceeds of the external loan are available.

Conclusion.

It may be convenient, in conclusion, to summarise briefly the series of safeguards provided for the loan and the reconstruction scheme:

(i) The scheme has been modelled, with appropriate modifications, on the successful experience in Austria. It is based on a political Protocol designed to assure political stability and good relations, signed by the seven countries chiefly interested; and on a financial Protocol signed by Hungary, based on the unanimous recommendations of the Financial Committee and approved and agreed by all the seven countries. The scheme has also been accepted by the Reparation Commission, whose decisions limit the demands on Hungary for 20 years to the sums contemplated in the scheme.

(ii) The revenues assigned immediately to the loan are, on a conservative estimate, such as to give an ample margin over the sums required for the service of the loan.

(iii) Additional revenues will be assigned if necessary; for this purpose all the revenues of Hungary, except the railway receipts, are available.

(iv) All the revenues, both those immediately assigned and those to be assigned later if necessary, will be clear of all prior or equal charges.

(v) The revenues will be effectively controlled till the loan has been completely repaid (see (x)).

(vi) The new bank of issue, independent of the Government, with its statutes approved in detail by the League delegation, will assure, with the assistance of its adviser, the stabilisation of the currency.

(vii) The detailed reform programme has been worked out in complete agreement with the League delegation, and, in the unanimous opinion of the delegation, is such as to secure the balancing of the budget on a stable basis.

(viii) The Commissioner-General appointed by the League has both the loan and the assigned revenues in his hands and has thus effective control over the Hungarian budget. It is his duty to secure equilibrium and maintain it, and the funds in his hands give him the necessary power.

(ix) Trustees, named by the Council, will watch the special interests of the bondholders.

(x) The assigned revenues will at all times be effectively controlled, and the full control of the budget may be re-imposed at any time during the currency of the loan.

(iii) ALBANIA.

The Council, in agreement with the Assembly, decided in 1921 to entertain any application that might be received from States which felt the need of technical advisers. Albania, in 1922, requested the appointment of a financial adviser, and the Council, on the recommendation of the Financial Committee, appointed Mr. J. D. Hunger, of Dutch nationality, to the post. Mr. Hunger took up his duties in June 1923, and, in conformity with his contract with the Albanian Government, has sent to the Council various reports, which have been published in the Official Journal.
The Financial Committee has continued to follow Albanian affairs as a result of information received or of requests which have been made for its advice.

In September 1923, Mr. Hunger requested the Financial Committee's assistance in the preparation of statutes for a bank of issue. Convinced of the great importance that such an institution would have in promoting the prosperity of the country, the Financial Committee undertook during its session in September 1923 to draft an organic statute for the bank. This statute was drawn up in the greatest detail, and the text was forwarded to the fourth Assembly as an annex to the report of the Economic and Financial Organisation (Document A. 58, 1923 (2)).

The Financial Committee expressed the opinion that the capital for the bank should be subscribed in various financial markets in order to ensure an international basis for the future bank. This would facilitate the bank's operations and would be more likely to ensure public confidence.

During its session of December 1923, the Financial Committee carried out a special examination of the second report of Mr. Hunger, and it submitted an opinion to the Council of the League of Nations based on the information contained in that report. It noted with satisfaction the efforts made by Mr. Hunger to bring about by his advice an improvement in the economic and financial situation of Albania and declared itself greatly impressed by the importance of the part which could, and indeed should, be taken by the Financial Adviser in a State the financial situation of which appeared to be difficult.

The Committee noted the facts to which Mr. Hunger drew attention in his report. These were, in the opinion of the Committee, of a serious nature: the receipts provided for in the estimates had been over-estimated by 15 per cent; the salaries of officials had not been paid at the proper time; Treasury bonds had not been redeemed, etc. Arrears of expenditure amounted to 20 per cent of the budget and the deficit for 1924 was estimated at some 30 per cent of the budget. The Committee stated that, having followed the process of economic and financial disorganisation in various regions, it could not but consider this situation as grave; it felt that, in bringing to the attention of the Council the menace to the future shown in Mr. Hunger's report, it was fulfilling the spirit of the general mission which it had endeavoured from the outset to carry out, on the principles of sound finance laid down at the Brussels Conference.

The Council, at its meeting on December 18th, 1923, noted the report of the Financial Committee and decided to forward a copy to the Albanian Government.

On March 14th, 1924, Mr. Hunger addressed a special report to the Council, in which he stated that on March 1st he had received a letter signed by the acting Prime Minister to the effect that the Albanian Government, in accordance with the terms of Article 22 of the contract passed between itself and Mr. Hunger, begged by that letter to denounce the contract.

Mr. Hunger informed the Council that it had recently been his duty to notify the Government that several clauses of his contract concerning his official duties had not been complied with in the past.

The Council, at the request of the British representative, considered this report at its meeting on March 15th, 1924. It requested the representative of Albania, who was present, in collaboration with the Secretary-General, to secure and present to the Council such further information as might become available.

(iv) THE FREE CITY OF DANZIG.

Currency Reform.

The currency history of the Free City of Danzig during the year 1923 is of some importance. The position of the Free City was exceptional in two ways. In the first place, until October 20th, 1923, she possessed no money of her own apart from a restricted amount of emergency currency, the German mark being normal legal tender. She suffered therefore all the loss due to the effects of the German inflation without obtaining any of the temporary benefits or compensation.

In the second place, by the Treaty of Paris of November 9th, 1920, Poland and the Free City had undertaken to enter into negotiations, whenever circumstances should permit, with a view to unifying their monetary systems.

By a Law of November 2nd, 1922, the municipality was authorised to issue as legal tender an emergency mark currency to an amount not exceeding 360 million marks, guaranteed by the property of the municipality. The limit of this issue was raised from time to time as the German mark depreciated. The notes were withdrawn on November 20th, 1923.

This law, however, did not and was not intended to meet the main difficulties due to the very rapid and continued depreciation of the German mark. From the spring of 1923, the mark was gradually abandoned as a unit for account and credits were granted, mortgages made and prices fixed in some form of gold or other relatively stable value. By July 1923, the mark had been completely discarded in Danzig as a standard of value, without, however, alleviating more than a part of the economic distress, since wages had necessarily to be paid in the paper legal tender, the value of which might have materially changed during the week or days over which it had to be expended.

In September 1922, the Financial Committee, after examining the problem, recommended that the Free City should at once take in hand the question of introducing a new currency. In the months of May and June 1923, a scheme for monetary reform, drafted by the authorities of the Free City, was submitted to the Financial Committee and was considered in June 1923.
In September, the Financial Committee submitted detailed information on a still more comprehensive proposal and the final scheme—the result of collaboration between the Financial Committee and the Danzig authorities—was embodied in laws passed in October and November 1923.

On account of the smallness of the population (about 360,000), the introduction of an independent currency presented special difficulties. It was proposed, therefore, to adopt a system similar to the gold exchange standard and to make the new currency dependent upon the pound sterling, supported by the reserves held in London and in Danzig.

On the other hand, it was necessary to take into account the special conditions of Danzig in relation to Poland under the terms of Article 36 of the Treaty of Paris of 1920. An agreement was signed on September 22nd, 1923, at Geneva, under the auspices of the Financial Committee. By this agreement it was guaranteed that the monetary reform should not in any way affect Article 36 of the Treaty of Paris, the two parties formally binding themselves to open negotiations as soon as circumstances permitted with a view to the unification of their monetary systems. Polish banks with headquarters in Danzig were entitled to form part of the consortium to be entrusted with founding the Bank of Danzig, to which it was intended that the privilege of note issue should be granted.

By a Law of October 20th, 1923, the gulden and pfennig were introduced as a unit of account into the Free City, the gulden being equivalent to one twenty-fifth of the pound sterling and the pfennig to one-hundredth of a gulden. The German mark was to continue as legal tender and could be accepted also as a standard of value. The issue of all other forms of currency was prohibited, and all the instruments of payment then in circulation had to be withdrawn by February 1st, 1924. The Senate was authorised to raise the necessary fund up to a limit of 6,000,000 gulden by means of a loan.

The law contained provisions, amongst others, compelling all legal transactions to be concluded in gulden and pfennig; public, commercial and State exchequers were bound to accept gulden and pfennig; persons engaged in retail trade were prohibited from marking prices except in German marks (paper marks) or gulden and pfennig, although they were entitled to accept payment in other currencies.

At the same time as the law was passed, a Danziger Zentralkasse was founded by the Danzig banks as a joint-stock company, which issued "Zwischengulden", a note fully backed by English pounds. These provisional gulden notes were accepted by the State in payment of taxes, dues, etc.

The existing municipal emergency currency was withdrawn, and, in order to obtain the necessary currency for paying its employees and meeting its daily expenditure, the State raised a loan with the local banks, industrialists, etc., of £200,000, which was covered mainly by the profits subsequently made on the minting of the new token currency.

This provisional measure proved successful in providing temporarily a stable currency and the transition to that currency was effected without difficulty. It was found, however, that the foundation of a new bank and the introduction of a final currency scheme were matters of urgent importance.

The final reform was carried out in a series of laws dated November 20th, 1923, which had been prompted by the recommendations of the Financial Committee. By the first of these laws, gulden and pfennig were established as the only medium of exchange in the territory of the Free City. By the terms of this Act, gulden and pfennig became the sole legal tender on January 1st, 1924. The new currency was based on the currency law and the law establishing the bank of issue. All debts expressed in marks could be paid in marks or gulden as the debtor might choose, but the creditor had to be informed of his choice not later than January 3rd, 1924.

The mint law of the same date gave the State the right to mint gold coins of 25 gulden, silver of 5, 2, 1 and ½ gulden pieces, nickel of 10 and 5 pfennig pieces and copper of 2 and 1 pfennig pieces.

By the terms of the Bank Law of November 20th, 1923, the Free City transferred its right of note issue to a bank to be founded at Danzig under the title of the "Bank of Danzig", with a capital of 7,500,000 gulden, divided into 75,000 shares of 100 gulden each. Of the total capital subscriptions, 5,400,000 gulden were made in Danzig and 2,100,000 by the Polish group. The bank was to act as the Government's bankers, the Government obtaining a certain control by a Bankkommissar with the right to take part in all the meetings of the board of management and directors. The bank obtained the right to issue notes to a limit of 100 gulden per head of the population; notes covered for at least one-third of their face value by gold or gold coins, by notes of the Bank of England or by sight claims thereon, the pound sterling being considered equal to 25 gulden. The remainder of the banknotes in circulation was to be covered by discounted commercial bills or by Danzig minted currency. If the net circulation should exceed 700 gulden per head of the population, the bank would be subjected to a tax of 5 per cent on its surplus issue. The Danzig Senate could only cancel the right of the bank to issue notes after giving one year's notice and offering compensation to the shareholders.

The bank was founded on February 5th, 1924, and opened its doors on March 7th. The Reichsmarks were not converted into the new gold currency, but, after the issue of the new definite
currency, were treated as foreign valuta. By March 15th, 1924, the circulation of stable currency was as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zwischengulden</td>
<td>11,874,381.67</td>
</tr>
<tr>
<td>Silver</td>
<td>8,765,701</td>
</tr>
<tr>
<td>Nickel and copper</td>
<td>321,698</td>
</tr>
</tbody>
</table>

A total of 20,961,780.67 gulden or £ 838,471 4s. 6d.

(v) DOUBLE TAXATION AND FISCAL EVASION.

The Financial Committee, with a view to carrying out the principles of sane finance as established in 1920 by the Financial Conference at Brussels, examined in 1922 the problem of double taxation.

The free circulation of capital is, from the economic point of view, impeded owing to the lack of an international delimitation of fiscal tariffs, and, from the point of view of equity, the high rate at which these tariffs are levied upon the same sources of revenue in different countries considerably prejudices the taxpayer.

The Financial Committee thought it advisable to have the question examined by two groups of experts: a group of economic experts (M. Bruins, M. Einaudi, M. Seligman and Sir Josiah Stamp) and a group of Government experts consisting of those administering taxation in Belgium, Czechoslovakia, Great Britain, France, Italy, Netherlands and Switzerland. The latter group was asked to study the question from the practical and administrative point of view.

The Committee of economists, after an exchange of views in 1922, met in Geneva in 1923. Its report was communicated to the States Members of the League of Nations, and afterwards examined by the Committee of Government experts in June 1923.

The Government experts were also invited by the Financial Committee to study the problem of fiscal evasion at the same time as the problem of double taxation. The Conference at Genoa had emphasised the advantages of examining these two questions simultaneously.

The Assembly, during its session held in September 1923, was informed of the position in regard to these investigations, and expressed the wish that they would shortly enable an agreement to be reached in regard to certain common principles.

The Committee of Government experts met for the second time at Geneva from October 8th to October 13th, 1923. During this session they studied the question of fiscal domicile, continued the preparation of recommendations relating to schedular taxes, and dealt in a preliminary way with the question of fiscal evasion.

As regards fiscal domicile, legislation frequently provides for certain taxes to be levied at the domicile of the taxpayer. If a convention on double taxation stipulates that the right of levying the tax belongs to the State of domicile, it is necessary to establish the exact meaning of the word “domicile”, “residence” or “habitation”, whichever term happens to figure in the texts. These words have very different legal significance in different countries. The experts were, therefore, obliged to try to find some practical definition of the term “fiscal domicile”.

A single universal solution appeared to be impossible, and the experts suggested several definitions, some of which apply to income tax and others to succession duties. The experts recognised that fiscal domicile could not be the same for a periodic tax, which tended to vary each year with the variations in the income of the taxpayer, and for a single levy on the total wealth of the taxpayer at the moment when his property changed hands.

The experts continued their investigation, begun at the first session, on the various sources of wealth considered from the point of view of schedular taxes or taxes on real estate. They decided that the interest on revenue (other than revenue derived from mortgages and movable property) and income derived from life annuities, should be taxed by the State where the taxpayer had his domicile.

Regarding interest on deposits and current accounts, and, above all, interests derived from public funds, stocks and bonds, the problem was to decide whether the State where the owner of the property is domiciled or the State where the person subject to the liability, that is, the State where the society, corporation or company issuing the shares, is domiciled, should have the right to tax movable property.

The Committee of economists decided for the first alternative. The authors of the Convention of Rome concluded between the Succession States of Austria preferred, however, the second alternative. The Government experts showed a preference for a system similar to that adopted in the Rome Convention, but they allowed for numerous exceptions, to be defined in bilateral agreements. They contemplated, for the execution of these conventions, a certain extension of the affidavit system.

As regards fiscal evasion, the experts unanimously recognised the necessity for adopting measures based upon international agreements framed with the object of ascertaining taxable wealth from the point of view of double taxation, and of combating frauds to impede the effective recovery of the taxes. They expressed the wish that the administrations of the various countries should undertake to furnish one another mutually with the information necessary to assess taxes.
on immovable property, on mortgages, on industrial and commercial enterprises, as well as on earned income (wages and salaries).

The Committee of Government experts during its third session (March 31st to April 7th, 1924) heard a delegation from the International Chamber of Commerce, which explained the importance for commercial circles of the problem of double taxation. The International Chamber of Commerce was prepared to continue the collaboration which it had afforded to the League of Nations on several occasions, particularly in the elaboration of the Convention for the Simplification of Customs Formalities, of the Protocol on Commercial Arbitration, and of the conventions relating to communication and transit. The Committee, during its third session, also finished its examination of the various classes of taxes, and agreed on certain principles calculated to assure the solution of the problem of double taxation. It also continued its study of the problem of fiscal evasion.

The Committee of Government experts will draft its final conclusions during its forthcoming session.

II. THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT.

SECOND GENERAL CONFERENCE ON COMMUNICATIONS AND TRANSIT.

The Second General Conference on Communications and Transit met at Geneva from November 15th to December 9th, 1923.

The Conference adopted four draft conventions, which were signed at its close by the representatives of a considerable number of the participating States.

(a) Convention on the International Regime of Railways.

This Convention contains “a concise and systematic codification of recognised international obligations in respect of international railway traffic”. The Convention is not intended to take the place of existing special conventions, but rather to promote the conclusion of further special agreements by introducing common principles and uniform rules. It is divided into two parts, the first of which defines the object in view and contains the formal provisions, while the second consists of a Statute on the International Regime of Railways.

The Statute deals with:

1. Interchange of international traffic by rail;
2. Reciprocity in the use of rolling-stock and technical railway uniformity;
3. Relations between the railway and its users;
4. Tariffs;
5. Financial arrangements between railway administrations;

Of these chapters perhaps the most important are those dealing with the relations between the railway and its users and with tariffs. The Convention lays down that the contracting States shall, as far as they are able, facilitate the transport of passengers and goods on the basis of a single contract to cover an entire journey, and that, failing a single contract, reasonable facilities shall be afforded for the carriage on successive contracts of traffic passing over the railways of two or more contracting States.

The Convention lays down, as regards tariffs, that they shall be duly published before coming into force. It recognises the necessity of leaving tariffs sufficiently flexible to permit of their being adapted to the complex commercial requirements of the contracting States, and lays down that the contracting States shall retain full freedom to frame their tariffs, provided this freedom is exercised without detriment to international traffic. The tariffs must be reasonable both as regards their amounts and the conditions of their application and must refrain from all discrimination of an unfair nature directed against the other contracting States.

For the application of this Convention, a definite system of arbitration or judicial settlement of disputes, based on principles similar to those set down in the Barcelona Conventions, is provided.

(b) Convention on the International Regime of Maritime Ports.

This Convention deals with the regime of maritime ports normally frequented by sea-going vessels and used for foreign trade. Subject to reciprocity, every contracting State undertakes to grant the vessels of every other contracting State equality of treatment with its own vessels, particularly as regards the freedom of access to the port, the use of the port and the full enjoyment of the benefits as regards navigation and commercial operations which it offers to national vessels, their cargoes and passengers.
In assessing and applying Customs and other analogous duties, local octroi or consumption duties levied on the importation or exportation of goods, no distinction may be made between the flag of any contracting State whatsover and the flag of the State under whose sovereignty the port is situated.

Unless there are special reasons justifying an exception, Customs duties levied in any maritime port may not exceed the duties levied on the other Customs frontiers of the State concerned.

The principle of reciprocity involved the adoption of a clause that gives any State the right, after giving notice through diplomatic channels, to suspend the benefits of equality of treatment to every vessel of a State which does not effectively apply in any maritime port situated under its sovereignty or authority the provisions of the Convention.

States will be bound to introduce into conventions at present in force, and which contravene the provisions of the new Statute, the modifications required to bring them into harmony with the Statute.

The Convention was adopted unanimously by the Conference and has been signed by the delegates of sixteen States.

(c) Convention on the Transmission in Transit of Electric Power.

This Convention is the first attempt at an international settlement of the question with which it deals. It contains only moral engagements intended to assist in the conclusion of agreements between States for the transmission in transit of electric power, and lays down that such transmission shall not be subject to special dues or charges. It specifies a number of provisions which might with advantage be introduced into such agreements.


This Convention, like the last, deals with a question which is new in the history of general international agreements. Its object is to increase the number of agreements between States for the development of hydraulic power and to introduce into them a certain degree of uniformity. It confirms the right of each State, within the limits of international law, to carry out operations for the development of hydraulic power on its own territory, and in cases where "reasonable development of hydraulic power involves international investigations", it contains provisions which are designed to further the conclusion of agreements satisfactory to all the Governments concerned.

The Work of the Advisory and Technical Committee.

The General Conference, which met in November 1923, reconstituted the Advisory and Technical Committee for Communications and Transit. The new Committee held its first session from March 12th-14th, 1924. As a result of the elections made by the second Conference on Communications and Transit, the Committee is at present composed of members appointed by the Governments of the following States: Austria, Belgium, Chile, China, Colombia, Cuba, France, Great Britain, Greece, Italy, Japan, Lithuania, Norway, Poland, Roumania, Salvador, Spain, Venezuela.

The Advisory Committee, during its session in March 1924, considered its programme of work and appointed a number of sub-committees to deal with the various items on its agenda.

There are certain questions which must necessarily be considered by the Committee in the ordinary course. These questions include all matters connected with the execution and ratification of the Conventions of Barcelona and Geneva, the settlement of disputes under these Conventions and the execution of the resolutions of the Genoa Conference.

The Committee decided to put on its agenda a certain number of other questions which had already been examined by the old Committee:

1. Questions relating to railway traffic, for example, communications by sleeping-car between Berlin and Vienna.
2. Co-operation between railways and waterways.
3. Unification of tonnage measurement in inland navigation.
4. Unification of private law in inland navigation.
5. Unification of statistics in inland navigation.
6. Health control of traffic on waterways.
7. Unification of private law in air navigation.
8. Motor transport (revision of 1909 Convention on Road Traffic.)
10. Unification of tonnage measurement and safety at sea.
11. Reform of the calendar.

It was decided to retain all these questions on the agenda, but in some cases it was considered advisable to postpone their discussion until more precise information had been obtained from competent bodies or the interested Governments.
The Committee itself anticipates that it may be desirable to convene before long a conference of sub-committees. The various questions submitted to the Advisory Committee will be forwarded in favour of it and unless an Ecumenical Council passed a recommendation to that effect. 

The Convention for the Health Control of Traffic on Waterways, and decided that it will be necessary to examine them at a future session.

The Committee has noted the amendments made by the Health Committee in the model Convention for the Health Control of Traffic on Waterways, and decided that it will be necessary to examine them at a future session.

The Committee discussed the progress made by the former Advisory Committee in connection with the question of the reform of the calendar. This former Committee had adopted a resolution to the effect that it was not impossible, from the point of view of dogma, to reform the calendar on the principles laid down by the Astronomical Union of 1922, and the resolution had been communicated to all the Governments and the religious authorities concerned. The Ecumenical Patriarch took a favourable view of the proposals. The Holy See, on the other hand, stated that it could not accept the idea of a reform unless public opinion was clearly in favour of it and unless an Ecumenical Council passed a recommendation to that effect.

The Committee, in order to deal with the various questions on its agenda, appointed ten sub-committees. The various questions submitted to the Advisory Committee will be forwarded to the competent sub-committees and the plenary Committee will undertake a periodical review of the work accomplished and issue any instructions that may be necessary.

**Travelling Facilities for Groups of Students, Boy Scouts and Girl Guides.**

On September 28th, 1923, the fourth Assembly passed a resolution to the effect that, as it considered it of great importance to encourage contact between younger generations of different nationalities, the Governments of Members of the League should be asked to grant all possible facilities for travel to groups of students of higher or secondary educational institutions and to groups of Boy Scouts and Girl Guides belonging to a registered national association of any Member of the League when such groups were travelling from the territory of one Member of the League to the territory of another.

In accordance with this resolution, a circular letter was sent to all Members of the League on November 9th, 1923.

To this letter thirteen Governments have so far replied. Of these, the Governments of Belgium, Bulgaria, China, Czechoslovakia, Greece, Hungary and Italy have stated that they will be prepared to grant a reduction in railway fares, amounting, in the case of Bulgaria, Czechoslovakia and Hungary, to 50 per cent. These facilities are in most cases contingent on reciprocal treatment.

**III. THE HEALTH ORGANISATION.**

The Health Organisation, reconstituted in accordance with the scheme approved by the fourth Assembly, has during the past year assisted in the preparation of, or studied the possibility of concluding, international conventions on a number of urgent problems; it has collaborated on certain questions with the other technical organisations of the League. It has undertaken certain specific tasks at the invitation of Governments; and, in the interests of international co-operation, it has organised interchanges of public health officers between the departments of various countries and further developed its services of epidemiological information.

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1 The Permanent Health Organisation is now definitely constituted in accordance with the scheme approved by the fourth Assembly, and the Standing Health Committee met for the first time on February 11th, 1924.

The Committee consisted of the President of the Committee of the Office international d'hygiène publique, nine members appointed individually by the Committee of the Office international, and six members appointed by the Council during its session held in December 1923. The scheme for the constitution of the Committee required the nomination by the Health Committee of four additional members, three of whom were chosen by the Committee at its first session in February and the fourth at its second session in May. In accordance with the recommendation passed by the Assembly on September 23rd, 1921, the Committee nominated as one of the four additional members a medical woman experienced in public health matters. The nominations made by the Health Committee have been duly approved by the Council.

The Committee, during its opening session, decided to authorise representatives of the Secretariats of the League of Red Cross Societies and the International Red Cross Committee to attend its meetings when questions affecting international Red Cross organisation were under consideration.
A. Work in Connection with International Conventions.


A mission of enquiry to the Far East was sent, with the approval of the Council, in 1923, to investigate the incidence of epidemic diseases and the organisation and working of port health services in the Far East. Dr. Norman White, Chief Commissioner of the Epidemic Commission, presented his report on this enquiry at the first session of the Health Committee in February 1924, together with a draft sanitary convention which he had prepared in the light of the information and experience acquired in the course of his mission.

The Health Committee, by a resolution adopted on February 20th, recommended that the report of Dr. Norman White should be forwarded, through the Secretary-General, to the Governments of all the countries of the Far East, with the request that they should present their observations on the draft sanitary convention annexed to it. It further instructed a sub-committee to examine the observations received from the Governments and to prepare a general report on them for submission to the Committee at a later session. It was understood that the Committee would ultimately forward this report to the Advisory Health Council.


The fourth Assembly, in a resolution adopted on September 15th, 1923, approved a decision of the Council authorising the Health Committee to examine a proposal submitted by the Netherlands Government regarding libre pratique for ships. This proposal was made with a view to facilitating international maritime traffic by allowing a ship, accorded a clean bill of health at a port whose sanitary equipment was internationally recognised as sufficient, to touch at subsequent ports without a further examination, provided there was no sickness during the voyage.

The question was discussed by the Health Committee during its session held in May 1924. It was suggested by the Netherlands representative on the Committee that, with a view to establishing a universal standard for sanitary measures to be taken in ports, the League might: (1) lay down the general rules of sanitary control; (2) be entrusted with the right of supervision and control; and (3) appoint arbitration committees to deal with any disputes arising from the application of such measures.

There was some difference of opinion in the Committee as to the possibility of drafting an international convention or of establishing an international control. The Committee finally proposed that Governments should be recommended to conclude separate agreements such as were contemplated in Article 41 of the International Convention of 1912, and it entrusted to a special sub-committee the task of studying the practical measures necessary to facilitate the conclusion of such agreements. The object of the agreements would be to limit as far as possible the formalities which hamper commercial relations.

The Committee expressed its readiness, in the event of difficulty in the application of such agreements, to place its services at the disposal of Governments which might desire to use the League for purposes of mediation.


During its examination of the question of a convention relating to the libre pratique imports, the Committee had occasion to lay stress on the great importance of drawing up the final text of the modified International Sanitary Convention, on which all partial health agreements are based.

A new text has been drawn up by the Permanent Committee of the Office international d'hygiène publique, and should now be examined by an international health conference to be summoned specially for the purpose.

The Health Committee recommended that it should be suggested to the Governments that on the occasion of that conference the members of the Permanent Committee of the Office international d'hygiène publique should be entrusted with the rôle of plenipotentiary delegates. This suggestion was, in fact, made by the last Assembly. It is probable that the saving in time and expense which would result from the adoption of the Committee's suggestion will appeal to the Governments represented at the conference. The Governments, moreover, would probably appoint for the international conference the delegates who are already members of the Permanent Committee of the Office. The delegates of the Governments which are not members of the Office might be appointed in the same manner as those sent to represent these Governments at any international health conference.


The Health Committee has collaborated with the Advisory Committee for Communications and Transit in the preparation of a model convention regarding health regulations on waterways, which will in due course be submitted to the Governments (see below).
B COLLABORATION WITH OTHER TECHNICAL ORGANISATIONS OF THE LEAGUE.

1. Advisory and Technical Committee for Communications and Transit: Health Regulations on Waterways.

A mixed committee, composed of members of the Health Committee and of the Transit Committee, discussed and adopted during the month succeeding the fourth Assembly a draft model convention regarding health regulations on waterways.

The Health Committee, during its session in February 1924, made certain amendments to this draft and referred it back to the mixed committee for final examination. It was proposed that a model convention reconciling the interests of public health and transit should in due course be submitted to the Governments.

2. The Advisory Committee on Traffic in Opium: Problem of Legitimate Requirements.

The Health Committee, during its February session, discussed the report submitted by the Mixed Sub-Committee of the Health Committee and of the Advisory Committee on Opium which, at the request of the Council and of the Assembly, had investigated the legitimate requirements of the various countries in opium and its derivatives.

The Health Committee adopted a resolution, which was forwarded to the Committee which is preparing for the International Conference on the Production and Manufacture of Opium to be held in the autumn of 1924.

The Health Committee laid special emphasis on the view that legitimate requirements should be taken to mean medical and scientific requirements only. It noted that it was impossible with the data then available to determine accurately any figure representing such requirements, but it considered that the estimate of 600 milligrammes of raw opium per head per annum, which had been adopted by the Mixed Sub-Committee, was considerably in excess of the quantities necessary and that it ought to be reduced to 450 milligrammes as a maximum figure.

The Preparatory Committee, which was preparing for the Opium Conference, considered this suggestion in April and asked the Health Committee whether it could provide further evidence in support of the figure of 450 milligrammes as the legitimate per capita consumption.

The Health Committee decided that it was possible to obtain further evidence by consulting hospitals and insurance companies and that the information obtained by these means should include figures for the use of cocaine. The Committee also decided to prepare a report on the use of heroin for medicinal and scientific purposes. In this connection, it should be noted that the Mixed Sub-Committee of the Health Committee and of the Opium Committee has definitely concluded that heroin is unnecessary as a medical remedy.


The Council of the League, during its December session, examined a recommendation of the fourth Assembly to the effect that it was desirable for all health reports presented to the Permanent Mandates Commission to be communicated to the Health Committee of the League of Nations for any recommendations it might desire to make to the Permanent Mandates Commission.

The Council, being of opinion that the Mandates Commission would be glad to receive any recommendations which the Health Committee might wish to forward to it, instructed the Secretariat to facilitate co-operation between these two bodies.

The Health Committee, during its February session, accordingly decided to form a sub-committee to draft such recommendations if the occasion should arise. The sub-committee will be composed of the experts previously appointed with the approval of the Council to study sleeping-sickness and tuberculosis in Central Africa, together with three members of the Health Committee.


The Health Committee, during its February session, took steps with a view to co-operating with the International Labour Office in investigating the efficacy of methods of disinfection against anthrax.

A mixed sub-committee has been appointed, consisting of three members of the Health Committee and three members of the Commission on Industrial Hygiene of the International Labour Office, which will initiate, direct and co-ordinate all research work and investigations which may be undertaken.

It is anticipated that these investigations will require the establishment of national committees in the various countries, including representatives of the health services of each country, industrial inspectors, representatives of employers and workers in the hide and leather trades and of the laboratories.
C. Assistance Rendered to States Members of the League.

1. The Campaign against Malaria.

The Health Committee, during its first session, appointed a Sub-Committee on Malaria, consisting of four of its own members, two specialists on malaria, and corresponding members in the various countries particularly interested in the subject. Corresponding members have been appointed for Greece, Italy, the Netherlands, Poland, Rumania, Russia, the Kingdom of the Serbs, Croats and Slovenes and the Ukraine.

The terms of reference of the Sub-Committee were as follows: (1) an enquiry into the incidence of malaria; (2) an enquiry into the epidemiology of malaria; (3) an enquiry into the world’s requirements of quinine and into the problems connected with its production, manufacture and distribution.

The Sub-Committee decided to send a questionnaire to all European countries in which malaria is endemic and to request the Governments of those countries to furnish information regarding malaria in their colonies. It also decided that a tour of enquiry should be made by the Sub-Committee in Bulgaria, Greece, Italy, Rumania, Russia, Serb Macedonia and the Ukraine. It was calculated that this tour would last for three months, and it was proposed upon its conclusion to convene a conference in Rome to draw up a comprehensive, collective report.

The Health Committee, during its session in May, approved these proposals, confirming the decision of the Sub-Committee that its work should be limited at the outset to European countries. Reports have already been submitted by experts in Great Britain, Denmark and the Netherlands, countries where malaria has been extirpated or almost extirpated within recent times, as well as by experts from countries in South-Eastern Europe, where malaria has always existed and has spread greatly since the war.

The Health Committee, during its May session, decided that Dr. Haigh, a former member of the Epidemic Commission, should be sent to Albania for six months to make a careful survey of the situation as regards malaria and to prepare a detailed plan which, after approval by the Committee, would be submitted to the Albanian Government.

Five experts have been appointed from France, Germany, Great Britain, Italy and the Netherlands to investigate the problem of the quinine supply. These experts will examine the world requirements of quinine, the actual production and the means of increasing it, the extension of cultivation of the cinchona to new countries, the cost of production and sale price, and the question of distribution by the State or sale by private firms. An examination will also be made into the medical efficacy of the alkaloids of quinine.

The Sub-Committee was asked to consider whether it was desirable to prepare for a conference of representatives of public health departments in order to discuss the requirements of the various countries in quinine and the manufacture and output of the drug. It was decided that a conference should be held at a date which would depend on the reports of the experts making the preparatory studies.


The Health Committee, during its session in February 1924, considered a request from the Greek Government that a medical expert should be sent to enquire into the malaria situation in Greece.

The Committee recommended that action should be taken on this request, and in the middle of May Dr. Norman White left for Greece, where he is carrying out an investigation.

The enquiry conducted by Dr. Norman White is a separate and special mission undertaken at the request of the Greek Government and is not part of the general campaign organised by the Malaria Sub-Committee.


The Persian Government, at the beginning of 1924, sent to the Secretariat of the League a memorandum calling attention to the deplorable conditions existing in Persia from the sanitary point of view and asking for the assistance of the League.

The Health Committee, having been informed of this request, decided, during its session held in February 1924, to send an expert to Persia to carry out a preliminary enquiry into the health situation there. In accordance with this decision, Dr. John Gilmour left for Persia on June 12th, 1924, where he is at present investigating the general health organisation of the country and the epidemiological situation.


The Turkish Government, in pursuance of the declaration annexed to the Treaty of Lausanne, has duly applied to the President of the Health Committee requesting him to ask the Committee.
in conjunction with the President of the Office international d'hygiène publique, to nominate six European health experts from whom the Turkish Government may select three technical advisers. The Health Committee considered this request during its February session and decided that it was impossible to proceed with the nominations without previously being informed as to the functions, competence and obligations of the advisers, as well as their relations with the Turkish Government and their emoluments. The Committee authorised its President, in consultation with the President of the Permanent Committee of the Office international, to enter into communication with the Prime Minister of Turkey in order to obtain the information required.

No reply had been received from the Turkish Government when the Committee met again in May. It was decided to wait until the Treaty of Lausanne was ratified and then to approach the Turkish Government officially, sending, if necessary, a Commissioner to Turkey to ascertain the facts.

5. Appointment of a Member of the Board of the London School of Hygiene.

At the request of the British Government, the Health Committee, during its session in May 1924, agreed to appoint a member of the Board of the London School of Hygiene. Sir George Buchanan, British member of the Committee, was nominated.

6. Epidemic Commission: Co-operation with the Governments of Poland and Greece.

The Health Committee, in a resolution adopted on February 20th, 1924, noted that the closing of the Warsaw office of the Commission marked the completion of the work for which it had been primarily constituted. This work, which, during the previous twelve months, had consisted in helping the administrative authorities in Poland and Greece in their special campaigns against epidemics, was now concluded. The Committee expressed its full approval of the way in which the work had been carried out and of the results achieved, and recommended that a comprehensive report dealing with the activities of the Commission should be prepared.

The Health Committee instructed the Epidemic Commission to carry out an enquiry into outbreaks of plague which had been reported from the Kirghiz Republic and the Kalmuk region of Russia, and also epidemiological enquiries concerning typhus fever and cholera in Russia. The Committee further expressed its appreciation of the work which had been done by the Epidemic Commission in Greece. It noted, in particular, an interesting and suggestive report by Col. A. Gauthier on work which had been carried out in that country regarding the administration of vaccines by the mouth, and hoped that the work being done in Russia on similar lines with the help of the Epidemic Commission might throw additional light on the matter.

The Committee noted with satisfaction the resolution of the fourth Assembly recommending that the Council should, in case of need, study what resources might be placed at the disposal of the Health Organisation to enable it to intervene immediately through the intermediary of its Epidemic Commissioners in the event of sudden epidemic outbreaks of exceptional importance which might involve political consequences. It was felt that this resolution would enable the Epidemic Commission to resume its emergency work if circumstances should require it to do so.

7. Enquiry regarding the Teaching of Hygiene and Social Medicine in Various Countries.

The Health Committee, during its February session, decided to appoint a special sub-committee to study the question of education in hygiene and social medicine in the different countries. This sub-committee will examine the documents already collected by the Health Section regarding education in health and social medicine in the different countries, and especially in America and Japan, and will make recommendations in favour of courses of study which, in its opinion, are most likely to yield the best results both from the scientific and practical points of view.

D. SYSTEM OF INTERCHANGES AND EPIDEMIOLOGICAL INTELLIGENCE.

(Services assisted by the Rockefeller Foundation).

Important progress has been made during the year in systematising interchanges of public health staff between the public health departments of the various countries and the organisation of a service of epidemiological intelligence. Both services are assisted with funds provided by the Rockefeller Foundation.

For the system of interchanges, the Rockefeller Foundation contributes 60,080 dollars per annum. For the service of epidemiological intelligence, it contributes the sum of 32,840 dollars, which is devoted to the development of this service, to the publication of special reports and to the institution of enquiries incidental to the service. It further contributes 21,000 dollars.
for the study of vital and public health statistics, which is devoted to collective statistical studies and statistics connected with epidemiological intelligence work.

1. Interchanges of Public Health Staff.

The Health Committee, during its first session in February 1924, laid down the general principles to be followed in organising the interchanges of public health staff. It adopted a supplementary programme for 1924 and a scheme of interchanges for 1925.

The object and the general working of these interchanges were described in the general reports of the Council to the third and fourth Assemblies. As a result of the experience gained during the last twelve months, a number of guiding rules have now been established.

The interchanges directed by the Health Organisation of the League will be for the most part confined to public health officers occupying responsible posts in the central or local public health departments of the various countries, including, however, engineers, architects and senior sanitary officers in the services of the public health departments.

It has been decided, as a result of the experience acquired during the last twelve months, that the League scheme of interchanges should consist of a preliminary period of instruction for the visitors, during which information will be given on the public health institutions of the countries visited, to be followed by a period during which the visiting officers will be attached to public health departments in order that they may acquire a practical knowledge of their work. These periods will be followed by an exchange of views between the visitors and the officers organising the interchange in the country visited, and a final visit to Geneva.

The above system of interchanges will be supplemented by individual missions for research and study. The candidates for these missions will be officers of experience capable of making reports of definite value, and the subjects to be studied must be of interest not only to the official himself and the administration to which he belongs but in relation to international health questions. In addition to the individual missions, collective studies will be made in one or several countries on subjects of wide interest.

In addition to collective general interchanges of medical health officers organised in Great Britain, the Netherlands, Denmark and Switzerland, and collective interchanges for specialists in tuberculosis and school hygiene, the programme for 1924 includes a mission of specialists in malaria (see above under the Campaign against Malaria). It is also proposed that small interchanges for a short period should be organised for the coming autumn in the Far East.

The programme for 1925 includes the organisation of general interchanges in Great Britain, Belgium, the Kingdom of the Serbs, Croats and Slovenes and Japan. It is also proposed that special interchanges for the study of maternity and child-welfare problems should be organised in Sweden, Russia and France.

The Health Committee, reviewing the interchanges during its session held in May 1924, expressed the view that the system had proved itself to be of permanent value to a very large number of public health services and that it was admirably adapted to facilitate an intimate collaboration between these services through the Health Organisation of the League.

The Health Committee noted at the same time that the Rockefeller grant, which had very largely covered the expenses of the interchanges, would cease on October 1st, 1925. It therefore recommended that the allocation of 50,000 Swiss francs included in the budget of the Health Organisation as the contribution of the League to the expenses of the interchanges should be increased to 250,000 francs for the financial year 1925.

2. Epidemiological Intelligence.

The Health Committee has decided that the Secretariat should continue the publication of the Monthly Epidemiological Report. It has further decided that quarterly summaries may be issued as annexes to the monthly report, containing information concerning syphilis and other diseases not at present dealt with in the monthly report.

The Health Committee has further authorised the Health Section to publish a year-book for 1923 on morbidity and mortality from infectious diseases, and the Committee has also approved proposals to publish special reports on special subjects, as, for example, on the morbidity and mortality from meningitis and tuberculosis.

Enquiries and reports on vital statistics relating to health will be continued, in conformity with proposals made by the Medical Director, and a proposed interchange of statisticians has been approved by the Committee on the understanding that it will be limited to medical statisticians. Relations for this purpose will be established with the International Statistical Institute, and the Medical Director has been authorised to appoint a limited number of experts to study the comparative value of vital statistics and other similar questions.
The Health Committee, on February 20th, 1924, decided to recommend that the work of the Epidemiological Intelligence Service of the League should be extended to Far Eastern countries. It accordingly adopted a resolution recommending the creation, in a Far Eastern port, to be chosen by agreement between the Governments concerned, of a bureau which would constitute in that portion of the globe an extension of the Epidemiological Intelligence Service of the Health Section of the League of Nations. This recommendation was approved by the Council on March 11th, 1924.

The establishment of an epidemiological intelligence bureau in the Far East was again considered by the Health Committee during its session held in May 1924. Replies had at that date been received from the Governments of China, Japan, Portugal, the Netherlands and France. Statements were made to the Committee on the subject by the Japanese, British and American representatives. Replies were received later from the Governments of Siam, Australia and New Zealand.

The Committee decided to recommend that Singapore should be chosen as the site of the bureau.

The Rockefeller Foundation has decided to place at the disposal of the Health Organisation, for the establishment and maintenance of the bureau, the sum of $50,000 for the first year and the sum of $125,000 for a period of five years (including the $50,000 granted for the first year).

E. Technical Scientific Work.

1. Serological and Biological Work.

The Health Committee, during its February and May sessions, authorised Professor Madsen to continue his efforts to co-ordinate the research work undertaken by the various medical research institutes in Europe, America and Japan, and to convene during 1924 one or two small technical conferences, held in laboratories, and to compare the results of their researches into the standardisation of anti-dysenteric and anti-pneumococcal sera and into the serodiagnosis of syphilis.

The Committee noted that a system of checking the various national units of anti-diphtheritic serum by the international unit kept at the Copenhagen Institute was working well. This institute had already tested the American, British and German units and found them identical.

The Committee was particularly interested in the research work which had been carried on in 1923 into the serodiagnosis of syphilis. These researches had culminated in a conference held at Copenhagen in November 1923.

The Committee, having heard the report of Professor Madsen on the results of this conference, recommended that the Medical Director, in forwarding the report to the various national authorities, should draw attention to some of its more important conclusions. In particular, attention should be drawn to the opinion expressed at the conference to the effect that the several methods for the serological diagnosis of syphilis should only be carried out in laboratories specially adapted to the purpose and by experienced workers, and that pathologists concerned in such investigations should work in collaboration with the clinician.

The Committee at the same time noted that the work of standardising biological products was being pursued in the various medical institutes in accordance with the decisions of the International Conference held at Edinburgh in 1923. It recommended that investigations should be pursued with a view to the standardisation of arseno-benzol products, which are of great importance in the campaign against syphilis and sleeping-sickness, and of insulin, which is an important remedy in the treatment of diabetes.

2. Cancer Investigation.

The Health Committee, during its February session, reconstituted the Sub-Committee on Cancer, appointed in the previous May to draw up a programme of research on the mortality from certain forms of cancer in Great Britain, the Netherlands and Italy. The Committee, at the same time, laid down a programme of investigation.

The Sub-Committee will consider and advise on questions in which co-ordinated action in different countries for the investigation of the problem of cancer appears to be feasible through the Health Organisation of the League.

The immediate problem before the Sub-Committee is a comparative enquiry into the causes of the disproportionate mortality from certain forms of cancer observed in Great Britain, the Netherlands and Italy, the preparations for which had been fully and carefully made by the Sub-Committee previously appointed in June 1923.

IV. International Conference on Emigration and Immigration.

A Conference on Emigration and Immigration met at Rome from May 15th to June 2nd, 1924. The Conference was convened by the Italian Government, which invited the President of the Council of the League of Nations and the Secretary-General of the League to be present
at the opening meeting. The Italian Government also asked the Secretary-General to place at the disposal of the Conference officials of the Secretariat, who were instructed to give all possible information in regard to the work falling within their various spheres, so far as it related to questions of emigration and immigration.

M. Guani, the Acting-President of the Council, accepted the invitation of the Italian Government. The Secretary-General was also represented, and various members of the Secretariat participated in the work of the Conference.

The Conference adopted a series of recommendations to be submitted to the Governments in regard to the transportation of emigrants; health and medical services; co-operation between the emigration and immigration authorities of different countries; the provision of assistance by private organisations to emigrants at ports of embarkation, to immigrants at ports of destination, and to persons who have already emigrated; the provision of special assistance for women and children; the means which might be employed to regulate the flow of emigration in accordance with the demands for labour in countries of immigration (information departments dealing with labour markets, labour exchanges, and land settlement undertakings); the development of co-operation, of thrift and of mutual assurance among emigrants; and, lastly, the principles to be followed in emigration treaties.

These resolutions will be officially communicated to the League.

The Conference itself decided at its last meeting to invite the Italian Government to forward the resolutions to international institutions, in order that they may take the necessary action within their respective spheres. Various technical organisations of the League are engaged upon work in close relation with some of the questions dealt with in these resolutions: namely, the Health Organisation, the Organisation for Communications and Transit, the Economic and Financial Organisation, and the Advisory Committee on the Traffic in Women and Children.

II.

HUMANITARIAN QUESTIONS.

I. TRAFFIC IN WOMEN AND CHILDREN.

**Signature and Ratification of the Convention of 1921.**

The fourth Assembly, in a resolution adopted on September 15th, 1923, expressed its regret that so few States had as yet ratified the International Convention of 1921 for the Suppression of the Traffic in Women and Children, and it recommended the Council to invite those States which had not yet adhered to or ratified the Convention to inform the League as to the circumstances which had prevented them from doing so. The Council, during its session held in December 1923, noted this resolution and acted in accordance with the recommendation of the Assembly.

The position in April 1924 with regard to the International Convention was as follows:

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The Advisory Committee on Traffic in Women and Children, during its third session held in April 1924, expressed the opinion that, though some progress had been made during the last twelve months, the position was still unsatisfactory. Many States were still outside the Convention, and others which had signed the Convention had not yet ratified it.

The delegates of Italy, Japan, Spain and Uruguay informed the Committee that the action necessary for adhering to or ratifying the Convention had been taken, or was about to be taken, by their Governments, and it was understood that the Swiss Confederation was taking similar action.

The French delegate represented that effect had been given in France to all the measures contained in the Convention, but it was pointed out that, if the French Government would adhere to the Convention, its example would not fail to carry great weight in other countries.

**Expert Enquiry into the Traffic.**

The Advisory Committee, as the result of a proposal submitted by the delegate of the United States, recommended, in March 1923, that the Council should appoint a body of experts to enquire, in collaboration with the Governments concerned, into the conditions under which the traffic in women was conducted.

The Council, on April 19th, 1923, approved this suggestion and on July 7th, 1923, appointed experts for the enquiry.

The fourth Assembly, in a resolution adopted on September 15th, emphasised the importance of the enquiry, and expressed the hope that the Governments concerned would give the fullest facilities to the experts in any investigations which they might think it necessary to undertake on the spot.

On October 5th, 1923, the Secretary-General was informed that the Bureau of Social Hygiene of the United States would bear the expenses of this investigation up to 75,000 dollars. The Secretary-General, on the authorisation of the acting President of the Council, gratefully accepted this offer in the name of the League.

The Council, in December 1923, endorsed the resolution of the fourth Assembly and authorised the Secretary-General to invite the Governments of those States in which the experts might consider it necessary to conduct investigations to afford them all possible assistance in the performance of their task.

The experts met at Geneva to draw up a preliminary programme immediately before the third session of the Advisory Committee in April 1924, and Colonel Snow, representative of the United States and Chairman of the body of experts, presented the Advisory Committee with a brief summary of the decisions reached.

**State Regulation of Prostitution.**

The fourth Assembly, on September 15th, 1923, adopted the following resolution:

"The attention of the Assembly having been called to the circumstances in which women are alleged to enter licensed houses, it recommends to the Council that the Advisory Committee on the Traffic in Women and Children be asked to consider whether it would not be desirable to draw the attention of all States, in which a system of State regulation is still in force, to this question and to invite these States to make an enquiry and to
take special precautions to ensure the protection and to secure the full liberty of women inmates of licensed houses."

The Council noted this resolution on December 13th, 1923, and instructed the Secretary-General to communicate it to the Governments.

Previous to the resolution of the fourth Assembly, the Council had, in April 1923, already recognised the connection which might exist between the system of licensed houses and the traffic in women and children, and had decided that the Members of the League which had recently abandoned the system should be asked the reasons which had led them to do so, and that the States in which a system of licensed houses still existed should be asked whether, in the light of their experience, such a system appeared in its practical operation either to facilitate or to hinder the traffic.

When the Advisory Committee met for its third session in April 1924, fourteen replies to this enquiry had been received. The Advisory Committee, in noting these replies, expressed regret that more States had not responded to the invitation which had been addressed to them. It attached particular importance, from the point of view of the possible connection between State regulation and the traffic, to the replies received from Panama, Latvia, Belgium, the Netherlands, Poland and Czechoslovakia.

Panama regarded State regulation as essential to public health.

Latvia had abandoned the system on the ground that prostitution could only be supervised in an imperfect manner and that efforts to establish general regulations and the system of licensed houses had not justified expectations.

Belgium had abandoned the system on the ground that it had in no wise fulfilled expectations either as a measure for the protection of public health or as a guarantee of decency. The system, moreover, was a permanent factor in the traffic in women.

The Netherlands Government had found that the system of supervision did more harm than good. "Experience had shown that the traffic depended on the existence of licensed houses, and that their abolition had almost killed it."

Poland had abolished the system in 1922 on the ground that licensed houses were centres for the international traffic in women and tended to increase the spread of venereal diseases.

The Government of Czechoslovakia was of opinion that the system offered opportunities for the traffic and that the traffic would be reduced to a minimum if no licensed houses were in existence.

THE EMPLOYMENT OF WOMEN POLICE.

The Advisory Committee in 1923 recommended the employment of women police among those engaged in dealing with prostitution.

This recommendation was endorsed by the fourth Assembly in a resolution adopted on September 15th, 1923, and the resolution was communicated to all the Governments.

The British delegate announced, during the session of the Advisory Committee held in April 1924, that his Government had decided to appoint a committee to examine the subject, and the representative of the United States said that the movement in favour of the employment of women police was steadily growing in that country. The Committee was also informed that the question would be considered at an international congress to be convened by the International Bureau for the Suppression of the Traffic at Graz in September 1924.

The Committee noted these statements, and decided to postpone any further consideration of the question until its next session.

ANNUAL REPORTS.

In accordance with recommendations and decisions taken by the Advisory Committee, by the Council and by the Assembly in 1922, the Governments have been asked to furnish an annual report on the measures taken to deal with the traffic in women and children in accordance with a form drawn up by the Advisory Committee. The Secretariat was authorised in 1923 to prepare a summary of these annual replies to be circulated to the Members of the League and to the Advisory Committee.

The first reports from the Governments were due to be received by the League of Nations on April 1st, 1923, in the case of Western States, and by July 1st, 1923, in the case of the Far Eastern States.

The Advisory Committee, on meeting for its third session in April 1924, noted that only 22 States had so far furnished reports, and that many of these had been received long after the specified date.
The Advisory Committee emphasised the fact that these reports were of great importance to the work of the Committee, and passed the following resolution:

"The Advisory Committee wishes to draw attention to the failure of certain States to furnish annual reports for 1922 and would request the Council to draw the attention of these States to the matter and to ask them to be good enough to furnish reports in future. "The Committee also recommends that those States which sent in their reports for 1922 too late to be included in the summary made by the Secretariat should be asked to send them in earlier in future."

It was further decided in 1922 that a digest of the laws and regulations relating to the traffic in women and children should be prepared by the Secretariat and distributed to all the Governments and to the Advisory Committee, and that information regarding new laws and regulations should be distributed annually.

The Advisory Committee, however, noted during its third session that the collection of these laws and regulations in the possession of the Secretariat was still far from complete. The need of a complete collection was all the greater as the Secretary of the Advisory Committee had recently received an offer from the American Social Hygiene Association to prepare a digest of the laws and regulations on the traffic for the use of the Committee.

The Committee accepted the offer of the American Social Hygiene Association, and adopted a resolution requesting the Council again to invite those Governments which had not already provided it with the necessary documents to do so as soon as possible.

**Appointment of Central Authorities.**

According to the International Agreement of 1904 on the Traffic in Women and Children, each of the contracting Governments undertakes to establish or name some authority charged with the co-ordination of all information relative to the procuring of women and girls for immoral purposes abroad, and this authority is empowered to correspond direct with similar departments established in each of the other contracting States.

It was noted by the third Assembly that the carrying out of the administrative measures prescribed by the Conventions on the Traffic in Women and Children must depend to a large extent on the appointment of central authorities.

The Advisory Committee passed a resolution recommending the Council to invite those States which had not yet appointed a central authority to do so as soon as possible.

The Advisory Committee noted that the establishment of a central authority in each country provided, in particular, an appropriate machinery for the immediate investigation of any statements or complaints which might be made in regard to alleged cases of the traffic. It emphasised the importance of investigating such statements as quickly as possible.

The Committee pointed out in this connection that since the Agreement of the League had been entrusted with definite duties in regard to the traffic, and that the Secretariat had consequently become the repository of much valuable information. It suggested that the international associations interested in the question, on receiving any statements or complaints, should report the facts immediately to the central authority of their own country and, if necessary, to the Secretariat. The Secretariat might, conversely, on receiving any information or complaint, communicate with the central authorities or the international associations. In any event, the appointment of a central authority was clearly essential to ensure prompt and effective action.

**Emigration and Immigration.**

The Advisory Committee recommended in 1923 that information with regard to the protection of immigrants should be collected by the Secretariat in collaboration with the International Labour Office.

The Committee, during its session in April 1924, discussed this question in some detail with the assistance of a representative of the International Labour Office.

After considerable discussion, it was felt that it would be advisable for the Advisory Committee to confine its attention to a few important aspects of the question, particularly as an official international conference on the subject of emigration was shortly to meet at Rome. The Advisory Committee suggested that the following points should, if occasion arose, be brought before the Emigration Conference:

1. That, in order to protect women and children migrants against the dangers of becoming stranded after having commenced their journey and thereby falling an easy prey to traffickers, it is recommended that Governments should be asked to make, at the original point of departure, the necessary research as to the probable admission of the migrant to the country of destination.

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1 See page 73.
2. It is considered desirable that regulations relating to the journey and the admission of migrants should not result in the separation of members of the same family.

3. That recognised societies for the protection of migrants, and those for women and children, which take up migration work, should be given facilities for boarding ships on their departure and on their arrival, and for entering migrant hostels and detention stations.

4. It is considered desirable that competent women should be specially charged to take care of the interests of women and children on all emigrant ships.

5. That the steamship companies should authorise the posting and distributing on board ship of the warning and advisory notices of the recognised societies mentioned previously, containing information useful to women and children migrants.

6. It is suggested that the measures issued by Governments for the protection of women migrants against the traffic should not be such as to interfere with the personal freedom of women of full legal age.

In accordance with the recommendation of the Advisory Committee, these resolutions were submitted to the Conference at Rome.

APPLICATION OF THE INTERNATIONAL CONVENTION TO MANDATED TERRITORIES.

The fourth Assembly on September 15th, 1923, adopted the following resolution:

"The Assembly understands that the provisions of the International Convention on the subject of the traffic in women and children are not at present applied to certain mandated territories administered by Members of the League. It recommends the Council to request the Permanent Mandates Commission to give further consideration to this question."

The Council, on December 13th, 1923, authorised the Secretary-General to invite the mandatory Powers to make special mention in their annual reports of the measures taken to apply the Convention (see under Mandates).

PROPAGANDA.

The Polish delegate on the Advisory Committee submitted a motion during its April session emphasising the necessity for propaganda on the subject of the traffic in women and children. The Advisory Committee decided to consider this question at its next session.

Meanwhile, it invited the Secretariat to communicate with the international associations for the protection of women and children, in order to ascertain to what extent they were dealing with the matter. It further instructed the Secretariat, on receiving the observations of the international associations, to prepare from this material, or from other sources, a report for consideration by the Committee.

II. TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS.

PREPARATION FOR THE INTERNATIONAL CONFERENCES TO BE HELD IN NOVEMBER 1924.

The fourth Assembly, in resolutions adopted on September 27th, 1923, approved a proposal of the Advisory Committee that two international conferences should be called during 1924. It was suggested that the first of these conferences, attended by representatives of Far Eastern Powers, should have as its object the conclusion of an agreement as to the measures for giving effective application to Chapter II of the Opium Convention and as to a reduction of the amount of raw opium to be imported for smoking purposes, and that the second, attended by representatives of Powers interested in the manufacture of dangerous drugs, should discuss the limitation of the amount of the drugs to be manufactured and of the raw materials to be imported or exported for this purpose.

The resolutions of the fourth Assembly relating to these conferences were as follows:

(a) Conference of Far Eastern Powers.

"The Assembly approves the proposal of the Advisory Committee that the Governments concerned should be invited immediately to enter into negotiations with a view to the conclusion of an agreement as to the measures for giving effective application in the Far Eastern territories to Part II of the Convention and as to a reduction of the amount of raw opium to be imported for the purpose of smoking in those territories where it is temporarily continued, and as to the measures which should be taken by the
Government of the Republic of China to bring about the suppression of the illegal production and use of opium in China, and requests the Council to invite those Governments to send representatives with plenipotentiary powers to a conference for the purpose and to report to the Council at the earliest possible date.

(b) Conference of Manufacturing States.

"The Assembly, having noted with satisfaction that, in accordance with the hope expressed in the fourth resolution adopted by the Assembly in 1922, the Advisory Committee has reported that the information now available makes it possible for the Governments concerned to examine, with a view to the conclusion of an agreement, the question of the limitation of the amounts of morphine, heroin or cocaine and their respective salts to be manufactured; of the limitation of the amounts of raw opium and the coca leaf to be imported for that purpose and for other medicinal and scientific purposes; and of the limitation of the production of raw opium and the coca leaf for export to the amount required for such medicinal and scientific purposes, requests the Council, as a means of giving effect to the principles submitted by the representatives of the United States of America, and to the policy which the League, on the recommendation of the Advisory Committee, has adopted, to invite the Governments concerned to send representatives with plenipotentiary powers to a conference for this purpose, to be held, if possible, immediately after the conference mentioned in Resolution V."

"The Assembly also suggests, for the consideration of the Council, the advisability of enlarging this conference so as to include all countries which are Members of the League or parties to the Convention of 1912, with a view to securing their adhesion to the principles that may be embodied in any agreement reached."

The Council decided that the first conference should be convened at Geneva on the first Monday in November 1924 and the second conference at Geneva on the third Monday in November 1924. It instructed the Secretary-General to invite to the second conference all States which were Members of the League or parties to the Convention of 1912, and requested him at the same time to communicate at once with the Chairman of the Advisory Committee with a view to the nomination of a Preparatory Committee to be entrusted with the preparation of a draft programme for the second conference. It decided that this Committee should consist of six members, including a representative of the United States and the two European assessors on the Advisory Committee.

The Council suggested that a draft arrangement on the traffic in opium should be considered, and if necessary approved, by the Advisory Committee, and forwarded either to the interested Governments or to the conference. It further instructed the Secretary-General to invite the Governments to submit proposals for the consideration of the Preparatory Committee.

The Preparatory Committee was constituted during February 1924. It met for the first time at Geneva from March 6th to March 11th, 1924, and again at Paris on March 28th and March 29th. During these meetings it reviewed statistics collected by the Secretariat of the present production, import and export of raw opium and coca leaves and their manufactured products. It examined estimates submitted by Governments of their requirements in raw materials and manufactured drugs and discussed various suggestions for draft agreements to be submitted to the conference on the best means of limiting to medical and scientific needs the manufacture of narcotics and the production for export of the raw materials.

The Preparatory Committee came to the conclusion, during its first session, that it might be necessary to consult the representatives of the chief manufacturing and producing countries in the preparation of the necessary draft arrangements. It accordingly requested the Council to invite the Governments of these countries to appoint delegates who might be called upon to collaborate. It suggested that representatives might, if necessary, be called upon to give advice from the following countries: from Germany, Japan and Switzerland as countries interested in the manufacture of morphine, heroin and cocaine; from Greece, India, Persia, Russia, the Kingdom of the Serbs, Croats and Slovenes and Turkey as countries producing raw opium; and from Bolivia and Peru as countries producing the coca leaf. It further suggested that, as many of the points to be considered by the first conference were closely related to those which would be considered at the second conference, and as, more especially, the situation in China would require special examination in connection with both conferences, it should be empowered by the Council to undertake the necessary preparatory work for the first, as well as for the second, conference. The Committee pointed out that it might be desirable to secure for this purpose the collaboration of representatives of the Governments of China, India, Japan, Portugal and Siam, who might be called upon, if necessary, to advise the Committee.

The Council, during its March session, approved the recommendations of the Committee. It adopted resolutions giving the Committee the necessary powers, and instructing the Secretary-General to take the necessary action.

Position with regard to the Opium Convention of 1912.

The fourth Assembly noted that Turkey, under the Treaty of Lausanne, had agreed to adopt and to enforce the International Opium Convention of 1912. In view of the importance of Turkey
as an opium-producing country, it expressed the wish that the Turkish Government, on its ratification of the Convention and signature of the Final Protocol of 1914, should be invited to nominate a representative to serve on the Advisory Committee.

The Assembly further asked the Council to request the Governments of Albania, the Argentine, Colombia, Costa Rica, Lithuania, Paraguay, Persia and Switzerland to take all possible measures with a view to a prompt ratification and application of the Convention.

The Council, on December 13th, 1923, expressed the hope that it would soon be in a position to invite the Turkish Government to nominate a representative to serve on the Advisory Committee.

The Council, on the same date, duly instructed the Secretary-General to repeat its request to the Governments which had not yet ratified the Opium Convention to take all possible steps for its ratification and application as soon as possible.

**Annual Reports from the Governments.**

The Advisory Committee in 1923 recommended the Council to urge upon the Governments the importance of regularly sending their annual reports to the Secretariat, representing that these reports should contain the fullest possible information both with regard to the production of opium and other narcotics and the traffic in these commodities.

The Council, acting on this recommendation, has instructed the Secretary-General to send periodical reminders to all Governments whose annual reports have not been transmitted.

The Council, at the same time, endorsed a proposal made by the Advisory Committee in 1923 to the effect that a statement prepared by the Secretariat on Customs statistics, together with a memorandum prepared by Sir Malcolm Delevingne on the position of bonded warehouses in connection with the traffic in narcotics, should be communicated to the Governments with a request for their observations.

**The Import Certificate System.**

The fourth Assembly noted with regret that a number of countries had not adopted the import certificate system as recommended by the Assembly in 1921 and 1922.

It endorsed the opinion expressed by the Assembly in 1922 that this system was the most practical method yet suggested for controlling imports and exports in accordance with the provisions of the International Opium Convention, and that its success depended upon its universal adoption by all countries engaged in importing or exporting the drugs.

The Assembly in 1922 recommended that the Governments which were parties to the International Opium Convention should be asked to agree not to issue licences for the import of opium or the other drugs to which the Convention applied from any country which had not yet ratified and put into force the Convention and adopted the system for the control of exports and imports approved by the Council and the Assembly in 1921. It asked the Advisory Committee to study the complicated technical issues involved in this proposal and requested the Council of the League to act upon any recommendations which the Advisory Committee might make, without further reference to the Assembly. The Advisory Committee, during its succeeding sessions, carefully studied the question, but decided to postpone taking a decision until a later date.

The Council, on December 13th, 1923, while authorising the Secretariat of the League to send periodical reminders to those States which had not adopted and enforced the system, endorsed the opinions expressed by the Assembly in 1922 and 1923, and instructed the Secretary-General to request the Advisory Committee to proceed with the consideration of the suggestion made by the Assembly in 1922, and to present a special report to the next Assembly on the whole situation.

**Suggested Suppression of Heroin for Medical Purposes.**

The Advisory Committee in 1923 asked the Council to request the Governments to communicate their views as to the possibility of a total suppression of the manufacture of heroin or of its limitation to the minimum amount required. It recognised that heroin was to a large extent responsible for the present drug problem, and noted that, in the opinion of many members of the medical profession, it was a drug which the medical world could dispense with altogether.